Real Estate Investing Mastery Podcast

Turnkey Deals, Hedge Fund Operations and Tons More Awesome REI Goodies

Hosted by: Joe McCall

Featuring Special Guest: Matt Theriault

Joe: Welcome! This is the Real Estate Investing Mastery Podcast. Hey, welcome everybody! This is the Real Estate Investing Mastery Podcast. I got a special guest on the show today; you've heard of him, he is the one and only, the famous Matt Theriualt, from the epic real estate investing podcast. Glad you are here Matt.

Matt: Yeah, me too Joe am I famous? I'd like to know.

Joe: You are world famous man, but first guys I want to let you to know at realestateinvestingmastery.com you can get our first cash survival kit on there. We teach you how Alex and I do deals basically, and in fact we were talking about this recently, that those videos are probably a couple of two or three years old and nothing has really changed, we are still doing the same thing, we still have the same VAs.

So some people ask us sometimes, hey, that video is old, is it outdated? No, it's not; I mean the principles stay the same, right? A deal is a deal is a deal. A motivated seller is a motivated seller is a motivated seller, you get the point right. So this fast cash survival kit is a real simple guide to how we do our marketing, how we use virtual assistants, how we wholesale deals that have equity, how we wholesale deals that don't have equity, it's a great place to get started, and also I'd encourage you to look at our old shows.

One of those popular episodes that we've done that I keep finding myself recommending and referring to people is the podcast that we did recently with

Tom Crawl, I think it was episode 82. Tom Crawl is a friend of mine in Florida who is doing some pretty amazing things with his personal assistants, not his virtual assistants, his personal assistants and I don't know why I thought of that, but it was just this morning or yesterday while I was referring one of my clients to listen to some podcasts and that was one of the important episodes I gave him to listen to. That was Tom Crawl interview part two, but anyway go to the website, realestateinvestingmastery.com and look to see what we have there because it's a whole encyclopedia of real estate investing gold that you can just get a ton of really good information out of.

So also one more thing I want to ask you to consider leaving us a review. I know we used to have more reviews than Matt Theriualt did, does-- we used to have almost double his reviews and then I remember talking to you Matt one time about that, and I remember you saying something along the lines of oh, I need to fix that and sure enough, sure enough you did.

Your podcast has been really exploding and you've been asking people to leave reviews and sure enough they have. Actually I bet you anything Matt, how many of those reviews did you buy on Fiverr? Come on now.

Matt: No, I didn't bribe my audience really well.

Joe: No, no, how many did you buy on fiverr? I'm just kidding. So now, yeah, now Matt has about double the reviews that we have in iTunes, but listen I want to ask you guys if you would consider leaving us a review on iTunes so that you know we can start getting-- catching up with Matt. But...

Matt: Yeah, help Joe up, help Joe up.

Joe: Yeah, help us up. Now Matt is a good friend, we are in the same mastermind together; Matt is doing a lot of really cool things. He's got-- I want to ask him

some questions about what he's doing with cash flow survey. He's got an amazing system where he sells turnkey rental properties, I know there is a lot of people out the looking to invest in real estate but don't want to do all of the dirty work, right? They are just looking for somebody that can give them good deals with good tenants, good property management.

Now there is still work, you still have to do work and maybe that's something we can talk about Matt because I was listening to you recently talk about that, it was really good. There is still work you know, there is really no true thing as a complete set it and forget it turnkey real estate investing, you know what I'm saying?

Matt: Exactly.

Joe: Maybe we can talk about that.

Matt: Sure.

Joe: Glad to have you on the show Matt, how are you doing?

Matt: Glad to be here, it's been a while.

Joe: Yeah.

Matt And we saw each other back in the-- we saw each other in December, right?

Joe: It was in Phoenix.

Matt: Yeah, that's right.

Joe: So that was two months ago.

Matt: And it was 30 days away from seeing each other again I think, right?

Joe: Well, I'm not going to Tampa.

Matt: You are not, okay.

Joe: But I'm going to San Diego for traffic and conversion, are you going to that?

Matt: Yeah, I'll be there as well.

Joe: Okay, well I'll see you there.

Matt: Super, super.

Joe: Those of you who don't know, there is a huge internet marketing conference every year in San Diego called the Trafficking Conversion Summit, it's just phenomenal, it's really good and any of you who are interested in internet marketing stuff, you should go to that, if it's not this year, try to go to next year.

Matt: Unbelievable networking there too by the way.

Joe: That's the whole reason really most people go.

Matt: Yeah, exactly.

Joe: If you want to meet some people, and there is a lot of people in the real estate space that go there.

Matt: A ton.

Joe: At least that who we meet when we see-- when we go there, but I think everybody who's anybody is going to be there except the real big shots who are too important to go that. You know what I mean.

Matt: Yeah, I mean they don't get as much to hang out in the bar than attending all the different events and conferences.

Joe: And you know, and there is something to be said too about networking and masterminds and things like that. A lot of times you know, some of us guys who do teaching and coaching or podcast and stuff, you know, we have our own inner circle that we kind of like to hang out with and maybe that doesn't fit what everybody else is out there listening to this trying to do, but let me something Matt, about four, five months ago, I started a local wholesaling mastermind here in Saint Louis and this group is phenomenal.

We meet once a month for one to two hours and I found-- I try to find all of the major wholesalers in Saint Louis, the guys who are actually doing deals, and I invited all of them to come and sit once a week-- once a month I mean in my office, we have a big conference room area and mastermind and just talk about deals, right? And co-wholesale deals together or you know, the whole purpose of it was to share ideas. Well, first of all I thought the whole idea was going to be, let's just share deals.

Like somebody maybe has a deal that they can't sell and they need a buyer or somebody has a buyer who is looking for deals that they don't have, and what I've been finding it's surprising to me was, number one, a lot of people when they come there are sharing their secrets, right? Like this is working for me and this is not working right now and somebody asks a question, like one guy was doing a lot of advertisements on the back of the receipts at grocery stores.

He spent a couple of thousand dollars to get his add on, I don't know, like 300,000 receipts, okay, some ridiculous number on the back of the receipts at grocery stores right? I buy houses, didn't get one call on that. So you would think oh, competitor, you know he'll tell us yeah, those receipts worked great, well, no he is really honest, he said no, they don't work, they suck, don't ever do it.

Matt: I bet he's right.

Joe: It's really awesome, and I'm going to encourage everybody listening to this, if you have, whatever you are interested, maybe you are a landlord, and you buy and hold a bunch of property and you want to network with other landlords or maybe you are a whole seller. If you don't have a small group mastermind, I'm not talking about rear groups, okay.

The only people that can come to our masterminds are people that are doing deals, you have to be invited, and that's how we get some of the major players to our group. If our group was open to just everybody, the beginners and people wanting to do real estate, you know it would be obnoxious, but we are inviting everybody, you have to come, you have to invited. So everybody who's there are actually doing deals and the other thing I've been surprised to see is a lot of these guys were selling deals to each other.

Some of these guys they'll wholesale deals or they'll just keep up some of them for themselves and so we are getting pretty significant wholesaling fees, wholesaling deals to each other, it's working out really-really well. So anybody listening to this, get yourself in to a mastermind, get yourself in with a group of people and in your local market if you can or maybe even nationwide. I have some friends who just met somewhere in the Bahamas for a Mastermind with some friends you know, talking about the business, talking about doing deals and some internet marketing stuff. So grab yourself a good mastermind, what-- do you feel like you get a lot of value out of things like that Matt?

Matt: Oh, totally, totally and a couple of things that you've already said when you talked about your free course, how you created that like three years ago and people are asking if it's dated and then you just said this one guy who shared his story or his experience about this advertising on the back of the receipts.

Joe: Yeah.

Matt: You know, I think you are kind of like me Joe because I think we talk about a lot of stuff that and we have a lot of stuff in common right, away when we start talking about how we are-- we are students, like we-- I buy almost every once course that comes out, I buy every little e-book, I subscribe to everybody's stuff, I want to see what they are doing, I'm always looking for an edge in my own business, and when it comes down for every time I go into someone's new program, they got a new picture, a new angle I'm just like, well, I'm already doing that.

So I guess everyone is just doing the same thing, so it's the same thing that it worked over and over and over again, and when you belong to a mastermind you start to realize that there is a handful of things that work well and then lighting may strike every once in a while, but yeah, that's what I have definitely got out of mastermind and I just made a couple of things that you said that made think of that.

Joe: Well, it's also important too because you realize well, hey that stuff works or you know what I have to stop doing that for some reason and here is some Josh Moore doing it now, and he's actually getting leads and he's doing deals from that, wow! Maybe I should do that again, do some more of that. Every time...

Matt: And I get a live event, I kind of-- I do these live events just before my property tours and I did one in Atlanta and there was a couple that showed up and they weren't even academy members at the time. They showed up and they had just taken a free course, they had you know, they all had full time jobs, they didn't

make a lot of money at all, I think they had two kids, so they didn't have any money at all and they did that first deal and they closed that first deal the day that day that my event was there and they drove like to two hours I think to meet me and to tell me about the deal that they closed based off of the information and you know what they did Joe? Well, they only did was post house one at time… house one at add on Craigslist and then when they got under a contract they said a house for sale.

That's all they did and then that first deal was $6,500 and sometimes you forget that wow, I guess that simple basic stuff does work you know, that sometimes the evidence is always enough after we have tried you and get refocused on what-- on the right activities.

Joe: Well, and it's about taking massive action because one of my favorite success stories is a friend of mine who is a real good friends now, one of the first webinar I did I on wholesaling lease options, it was at a time where I was-- on my webinars I was actually teaching way too much on the webinar and they were going way too long and my sales weren't that good, anyway that's a whole another topic.

But I had a guy who was listening to that Webinar and he was-- he tells the story now, he didn't have two pennies to rub together, he was sitting on the couch in his living room and his kids just left for school and he had no food in the fridge, he had no food to give them when they got home for dinner. And he looked at his couch and he said, you know what, I guess I can sell this couch and he did, he put it on craigslist a couple hours later, somebody came, paid him 80 bucks, and took this couch and then he had some money for his kids. And it was shortly after that he heard my webinar and me just talking about the concepts of wholesaling lease options and I gave some really simple concepts in there and he just started doing it.

He didn't understand how the whole process worked, he didn't understand step seven and eight, but he just started doing steps one and two and then he figured out steps three and four. And then after he did steps three and four, then just figured out six, seven eight you know and he closed his first deal and then pretty soon within a matter of months, he's making ten, $20,000 a month flipping lease options. And that's when he called and he was almost in tears and said I got to tell you something Joe, I- you really-really helped me. And it was-- my point in that is, listen, you hear somebody and even, you hear somebody telling you what works.

Matt has an amazing podcast and he doesn't hold anything back, and I don't think we either, we do that either, but we are giving you like the keys to the kingdom right now in a sense. The stuff that we are talking about here in this podcast just isn't, we are not trying to blow smoke up your whatever, right? We are telling you stuff that actually works, and if you aren't making money, if you aren't doing deals in this market you have nobody to blame but yourself, we are giving you everything that you need to do.

Matt: Frequently yeah, you know, I'll hear a story, I'll get an email, I'll get a phone and it's someone that listens to the podcast that's not even a student or even a member of my academy or anything like and they share their story with me of what they've done and how they've closed their deal and I'm just like, why am I not doing more of that? It's like it reminds me of that.

Joe: Right.

Matt: I just- I randomly haven't logged into Bigger Pockets in probably six months and I didn't-- I was up early this morning and I saw that I had a new friend request and I just went and checked it out and this guy, and he said I took, I just have- I have this new little free video sequence of how to find a buyer, how, teach me how to do-how to find a buyer and how to close it, very-very vague, very-very quick everything there, but I go over pretty quickly, and he said he did what?

He sent me and EM message to Bigger Pockets that I read just this morning says I watched that seven times and I'm closing my first deal this Friday. And I nearly went to my academy member and I was looking up his name like okay, is he a member? Is he in coaching class, is he-- where is he? And he's nowhere, he's just a free opt-in and that's all he did, and he's closing his first deal so-

Joe: I love that.

Matt: I booked him on the show to share that story too.

Joe: I love it and that's why…

Matt: Yeah you are right, we are giving away the keys to the kingdom is what I'm trying to say.

Joe: That's why I'm doing this. I don't know, do you get paid for producing podcasts Matt?

Matt: No not a dime.

Joe: Does somebody write you a check every time you record an episode and release it?

Matt: No they don't. And it drives me nut when people complain about it. It's free and they don't listen to it.

Joe: I know. But we also provide courses because sometimes people don't want to listen to a thousand podcasts to learn how to flip deals, so we'll condense it and

compact it into a really simple quick easy format to go through step by step by step.

Matt: Right.

Joe: And that is worth something and that's why we sell that stuff, but I love hearing stories from guys that are doing deals just taking massive action. And that's what gets me going. That's what keeps me doing this podcast because we are meeting people all over the world. I don't know what your numbers are Matt, but they are probably better than mine. But we have listeners in 146 different countries listening to our podcast. It just blows me away that people that I talk to from all over the world who are interested in real estate.

There was a guy I interviewed just recently for our podcast, his name is Tom Wade and he heard and he mentioned your name. He was in England listening to The Real Estate Mastery Podcast, your podcast Epic Real Estate and Sean Terry's Flip2Freedom. And he says you know what, why can't I do that from England? So he starts flipping deals in United States from England. And then he thinks about well you know what, why can't I flip deals in England from England the same way these guys are doing it? And it's completely different. He says England and Europe in general is about 10 to 20 years behind the United States when it comes to real estate investing.

So yeah sure enough he starts doing bandit signs and posted notes and fliers and postcards and targeting sellers on craigslist, starts doing this and handwritten yellow letters and stuff like that and is now crushing it in England flipping deals. And now he is doing them virtually where he is not even going to look at the house and he just said, "Why can't I do this here in my own way?"

Matt: Right you now I just-- I have a coaching client that just signed up just a couple of months ago and he is in Canada. And we've done all types of research you know whatever legalities and what can he do and cannot do, and we just found through escrow just yesterday-- I had called him yesterday saying that he can wholesale US properties from Canada being a Canadian resident living in Canada can put properties under contract; US properties under contract and wholesale them to US residents.

The big caveat there was and I didn't know that you could do that. So now I do but the big caveat was you just can't take ownership at any time. So he cannot do the double calls or he can assign the contract, but you can do that from outside United States. So yeah I guess it impacts everyone.

Joe: So but is that a title company that said you could do that or who makes that decision?

Matt: Yeah I believe it was our escrow company.

Joe: No way. We'll have to talk offline about who that was.

Matt: Yeah, I don't-- her name escapes me, I'll have her look it up for me, but yes she has that conversation yesterday and forwarded the email to me.

Joe: Well really if you've got a good relationship with the title company, it's just kind of like you could do it as an assignment, right? Or you could put it into a trust sorts, I don't know but where there is a will there is way. I guess that's the point of what we are saying here. Where there is a will there is a way and I see the most people have the most success, they don't take no for an answer. I think you

would say-- and by the way you should listen to the interview I did with Matt Theriualt on an earlier podcast.

If you just go on Realestateinvestingmastery.com and type in Matt Theriault or type in epic in the search box, you'll find the earlier interview I did with Matt and he's got an incredible story, it's still funny to hear him talk about the time he went to the tax auction. And how many times he dealt with rejection and know and went from begging groceries. Well you went from like making close to seven figures to making $7 an hour.

Matt: Yeah in about six month's time frame.

Joe: Within a six month time frame you went from being a big time record producer and then Napster came out and stole your carpet from under you.

Matt: Yeah.

Joe: And then you started flipping groceries and then you find about real estates. So Matt has an amazing story you should go listen to him from an earlier episode.

Matt: Flipping groceries I like it.

Joe: Flipping groceries-- all right, so Matt what are you working on these days? I know you are still doing deals, but you are doing them all over the country as you are selling turnkey rental properties. Is that your main bread and butter right now?

Matt: It is and you know one thing that I got out of our Mastermind group this last year Joe and thank you for introducing me to it, was how to do or how to make more by doing less and narrowing in your focus.

Joe: Yeah.

Matt: So almost the whole of 2014 we had so many tentacles out there, arms out there and all different things. This year we reduced it down to three main focuses or foci; I think it's the plural form of focus. One on the education arms for the Epic Pro Academy. Second is our turnkey operation cash flow survey and then just this last November I opened up a real estate hedge fund of which I'll do all of my own investing underneath that umbrella.

Joe: Yeah.

Matt: So those are three heads of our business I guess you could call them, and but right now the turnkey operation is certainly the big money maker, but I'm looking to make the other two at least to equal or surpass it.

Joe: Now talk about the-- well I want you to talk about your hedge fund because that just sounds crazy complicated. But talk about the business that you are in where you are finding deals in other markets, and you are wholesaling them or flipping them to investors who are looking for cash flow.

Matt: Sure, well turnkey in that thing is basically what it insinuates is that you buy and invest and then you turn the key and it works. There is a big demand out there by people-- there are a lot of people that want real estate. They understand what real estate can do for them, but either they don't have the time to do it because they already have a career, or they don't have enough knowledge to go out and do it or they just like opened up this show. They don't have to desire to go do all the heavy listing, all the dirty work.

Joe: Yeah.

Matt: That's a lot of people out there that fits all of in one of those free categories if not all of them and have money. And so especially here in California we've been able to kind of find quite a few of those investor clients that-- so what we do is we go out and we find cash producing markets and big cash producing assets, we fix them up, we put a tenant in place, we coordinate the property management and then we sell them as the cash long asset to our investor clients, and then we'll hold their hand as long as they need to until they are up and running and independent and we've done that in 10 markets right now.

Joe: Okay that's a pretty big operation. You didn't get there over night, right? How did you build up into that?

Matt: Yeah we started with one so one market, we started in Memphis and then we found some more numbers in the demand group where we couldn't supply, we couldn't find a property to fulfill the demands of our clients. So we look for other markets that has some more numbers and so went into St Louis and then we went up to Cleveland, and now we are in Kansas city, we in Columbus, we are in Cincinnati, Indianapolis is a great market for us right now and then we started partnering with other Turnkey operations. So now we are Birmingham and Huntsville, Alabama and then we are in Atlanta, Georgia.

Joe: Wow. Well let's talk about this, who came first, the chicken or the egg for you? What comes first, the buyers or the sellers?

Matt: Well with my own business I do my own port for that. I had probably 100 units of my own before I really started the Turnkey operation. And for sure the deal

came first. The deal always came first because I mean I've built almost my whole portfolio using that amount of money. And it's a lot easier to raise money; it's a lot easier to find private investors when you got the deal in place than when you don't.

Joe: Right.

Matt: So to me it's the deal that's first. Then with the turnkey operation though it's kind of like depending on what the demand is from our buyers is how we wrap up or wrap down our marketing arm.

Joe: Okay. Let's talk about then because you are constantly doing marketing for buyers, right?

Matt: Yeah.

Joe: A lot of it comes from your podcasts, I'm I correct?

Matt: Definitely, I mean almost entire business is built off of my podcast which I had no idea what happened, that was not in the plans initially. I really wanted to become an information marketer. I had my own real estate portfolio and now I'm okay let me go ahead and I'm going to teach people how to do what I did, and that's what the podcast was really for because you know generate interest of my academy and generate information on my instruction in education and coaching.

But it turned into something totally bigger than I could have ever seen for myself and that was people just kind of like you know Matt this is a lot of work, can you just do it for me? You know and I have hyped the tracked of a good number of

those who had made sense to me to actually start a business around that. I don't know if you know Joe but I just started a second podcast just for that. It's called Turnkey Real Estate Investments.

Joe: Yes, yeah I did.

Matt: Yeah, I found that over the last six or seven months after talking to all of our turnkey clients and then talking to all of my students through the academy that I really had two segments of an audience. I had those that you know want to get down and dirty and go out and do it themselves; the hands on people. Then I had the others the busy professionals that you know wanted real estate but did not want to get dirty. They wanted more of a passive approach. And I was like wow I've got-- every time I created a podcast I was like torn on who I'm I actually going to speak to?

I'm I going to teach you how to write yellow letters and how to sell out your assignment agreement or I'm I going to teach you how to get the best ROI and deal with your property manager. So I just decided let's make it easy and I'll just going to split it up. So do a lot of overlapping grey area that's covered in both podcasts or one of the turnkey or the urnkey podcast is a little bit more for the passive investor, Epic is now a little bit more for the active investor.

Joe: Well talk about what are the podcasts that you have right now?

Matt: Oh boy. I've got the-- it all started with the Do Over. That's my personal development self-help podcast. That's where I started. I did that sell us up publishing a book. So that's why I started that and the whole world of podcast just kind of opened up to me and I started the Epic one. And then beginning of

last year I started one with fitness and Nutrition with my personal trainer John Shaffer and we just kind of used me as a guinea pig. I was kind of the biggest loser specimen.

So I kind of play the dummy that doesn't know anything on the podcast, and John answers all my questions, he is the expert. So that's the third one and just this last month I started the Turnkey one. So we've got four of them now.

Joe: Nice.

Matt: And I wouldn't have started them if I didn't see the value in them if they weren't producing something for me. So I love it, it's the biggest blessings. I don't know where I'd be if podcasting didn't exist.

Joe: The two real estate's ones you have, what are they called again and how can people find them?

Matt: Sure, Epic Real Estate Investing very simple. Epic just like it sound EPIC and that's the active investor podcast, and there is Turnkey Real Estate Investing. And that's the passive, one of the passive approach.

Joe: Yeah.

Matt: And if you are listening to this voice right now then you probably can find most of those right there as well.

Joe: Really good and I did listen to the first couple that you did on the Turnkey. One of it was really well done. You didn't have a picture on the cover art though.

Matt: I did not.

Joe: Those of you who don't know what I'm talking about, normally Matt has his picture on the covers.

Matt: Only two, two of the four; 50%.

Joe: Okay, all right.

Matt: But I do something different. I was looking kind of it how I'm I going to make this stand out. So I looked for some art work that I thought will stand out and I'm not sure if I nailed it, but the podcast is doing really, really well so I'm happy with it.

Joe: Well I like it. It feels the need in podcast world right now for turnkey rentals, I like it a lot.

Matt: You know something that kind of came from the last VG meeting Joe was you know we did that little break up meeting, break up round where everyone had to have their one on one meeting with everybody.

Joe: Yeah.

Matt: And my cards showed that so fast. My appointment card with everybody want to have this meeting with me and the number one question was, should I or shouldn't I start a podcast? And that was what everybody wanted to know. And I gave everyone the advice. Well first question was do you want to be like a famous podcaster or you looking to drive business? And everyone said to drive business. And I said well this is what I'd do. You and I kind of add over

conversation kind of came up and agreed on this together was get really big into your niche or whatever you are doing.

You know if you are a wholesaler and you know Detroit, Michigan you might want to start a podcast on Detroit Wholesale Property or something like that.

Joe: Yeah.

Matt: Just get really big and you are not going to be on the charge, you are not going to get thousands and thousands of downloads, but you are going to get hundreds for sure and those people that download your podcast guess what they are interested in? They are interested in exactly what it is that you do.

Joe: And they are going to listen to every episode you release because it's specific to them. Don't be afraid of the niches. In fact your niche should be so narrow it's uncomfortable. That's one of the drawbacks to having real estate invest in mastery. My podcast because it's so general it appeals to tons of people, but I love what you've done Matt in having something very narrow specifically focused on a specific audience. And you may not have the huge downloads that other podcasters have, but the few people that are listening to it are much more interactive and attentive and interested in what you have to say.

Matt: Exactly. And we've actually got our very first client to open escrow today from that podcast. So that's been up about 40-- I don't know, maybe less 30 days, about 30 days. And we got our first client from it, today.

Joe: Good for you. Good for you.

Matt: Directly from it saying, "I never heard of you before that podcast." So that was like perfect. And that's where I was going with that whole story was at the end of our mastermind meeting and all those one on ones I had, I was like, I gave the same advice to every single person. And looked at myself like, but I'm not following that advice. So that's why I started the podcast as well, let's go ahead and practice what you preach. So I created a new podcast really with a deep niche.

Joe: That's interesting. And I'm thinking about starting a new one myself. But I'm not ready to announce it yet.

Matt: Okay.

Joe: It's going to be-- I'll tell you later on to see what you think about it.

Matt: Sure.

Joe: But it's-- I love podcasts because they allow you to spread your message out, and give a lot of good value. But you're going to also get a lot of good business from it as well. Now…

Matt: And they last forever which is cool.

Joe: They do. You're absolutely right. How did you-- talk about how you get these deals, you're finding properties to flip in a dozen different cities, how are you finding these deals? Start with that, how do you find the deals.

Matt: Sure. Well it began with-- when I was in the Memphis market only. The realtor there worked with a property manager, brought us deals like three or four a day. And then while on two of our visits out there we met with a wholesaler, who

started to send us deals. And then we met this guy that works for the city. And this was in a random eating out of the bar. Guy works for the city, and he drives around and he boards [ph] up condemned homes for the city of Memphis. We would tell him that we don't use that final deal all the time." And so we created a connection with him and it became one of our best bull dogs and we just every time he got an order to go board up a house, he sent us the address of that property, and then we hunted that person down, and started mailing the owners. And we get a dozen of those a day.

That's how it started. And so we still have those elements in all of our markets now. So we've got a realtor too, we've got wholesalers in those markets, and we've got a key bull dog into those markets. But I also came up with the idea of when I'm teaching my students that-- one of the parts of the process is teaching them to build their buyers list. And a lot of people getting started are just, "but I don't have a buyer list." So I created a web portal to where they could borrow my buyers list until they had one of their own made, as long as they were operating in one of our 10 markets.

Joe: Okay.

Matt: So I get a lot of properties now for my students. That's a pretty steady flow of property. And it's kind of cool, because the join the academy and then we can also be an option for one of their exit strategy. So we help a lot of them make money as well.

Joe: Interesting.

Matt: That turned out really good. And then…

Joe: Are you still-- I'm sorry, are you still doing that today.

Matt: Yes. And there's a portal outlet, epicwholesalers.com that's outside of the academy. And then it's free for academy members, then we have a second portal inside the academy.

Joe: Right. But you do-- because you're getting so many leads at one time, you started requiring that they pay some kind of one time up freedom to make sure that they're serious, right?

Matt: Right. What happened was when you start saying you're looking for deals, you start getting tons of emails with people that are saying, "It's 123 main street, it's a three bed roomed. It's worth $400,000. I'll give it to you for 200,000."

Joe: Right.

Matt: And you know very well that's not enough information for me to say yes or no on. So it was taking a lot of our time to go through those emails in that fashion, and every person had their own format of submitting, and everyone decide which information they want to reveal, which they didn't, so a lot of investigating. And it was too much. We didn't have the man power to go through it.

So what we did is we laid some rules down, that you had to submit it through a portal, you had to look for-- fill in every single field, because this is all the information that we needed to make a decision as to whether we can move forward or not. And then I put a small little barrier, that one-time $97 fee. So you're not going to submit it unless you're absolutely serious about your wholesaling.

Then we refund that by 5 times when we close that deal anyway. So it's just an entry fee to get past the board, but you get 5 times that back on your first deal.

So that's slowed everything down, and now the deals that we do get in there are all very serious considerations for us.

Joe: Now do they have to have it under contract before they submit it to you?

Matt: Yeah. They got to have control. It can't be I know a guy or you can't pluck them up to multiple listings service, but under contract is-- that puts us in a wild goose chase as well.

Joe: Didn't you also have some criteria like if they put in the rent amount, didn't you have some kind of calculation that told them the most you would pay for is something like that?

Matt: Exactly. On the back, once they've filled in all the fields and they hit submit, there's an automatic calculation that goes back, so all discretion and all subjectivity, is kind of thrown out of the window. So it's a very specific math equation, just math. It's not whether we like the deal or not, it doesn't fit the numbers. And that automatically computes in the background, and then it sends it to my acquisition manager. And he gets an email saying, "This is the maximum we can pay for it." And sometimes we can fluctuate there a little bit, because the market changes and shift every once in a while, but it just allows us to be really efficient at running through the deal.

Joe: I like it. And so you're getting a lot of your deals now from other students, in these other markets? Are you doing any marketing on your own though?

Matt: Yes. In the last probably eight or nine months, we've run that way up. I used to do that all the time, and that was my only source before as I was building my own portfolio. And then even though the market kind of shifted in 2008, 2009, and there was a lot of sources for properties and you didn't have to really work the direct mail, and you didn't get to get your house found as much as you used

to. So we got kind of lazy and I got out of that habit, but we re-implemented all those practices in probably the last eight, nine months. So that's where most of our deals are actually from right now anyway.

Joe: But who takes those calls then? Do you have a team on the ground that takes those calls and meets with the sellers or are you doing that in California?

Matt: Yeah. I've got one guy in the office that pretty much does everything virtually. We actually heard this from you when we heard about the website wegolook.com. So we use them to take pictures, and then we have our property managers do a drive by to tell us what they think of the property, because our end buyers are typically cash flow buyers. They're income buyers. So we send out our property managers in all the areas to drive by and tell-- have them tell us what the repairs are, and how much we can rent them for.

Joe: Nice. So those of you who are wondering wegolook.com is a website service. You can pay people to go look at things for you. Cars, houses, blind dates. Literally you can hire them to go look at somebody you met on the internet. They'll go meet them in person and they can do a background check, and take pictures of them.

Matt: Do a quick selfie.

Joe: Yeah. And then send you the details before you meet them.

Matt: Right.

Joe: But yeah you can use them to look at houses and cars but yeah. Go ahead.

Matt: Yeah, I know this service, we've created some relationships. So now we use the same people every single time.

Joe: Nice. I like that. All right, so you're doing the marketing yourself, if you've got a buyer who's looking for properties in Atlanta, and then you need more deals, you'll just do the marketing yourself, you've got a guy in your office that takes the calls, makes offers over the phone, is that right?

Matt: That's it. That's exactly how it works.

Joe: And then you send WeGoLook to go take pictures and fill out some kind of property report. You have a property manager that looks at the house and gives you the estimate on repairs, and gives you an opinion on whether it can be rented or not, what it can be rented for right?

Matt: Mmh-hmm. And here's the key, we don't put anyone to a whole lot of work. We don't send our property manager on every single call. We get them under contract first. We run a really quick and do the math formula on what the property is worth, and what our maximum offer price is. We submit that. And if we're in the ballpark we get that contract signed, and then we do all the work. We'd have our team running around doing crazy stuff if we did it for every single big deal or potential deal.

Joe: So you're targeting properties that are going to cash flow, correct?

Matt: Mmh-mmh, mmh-mmh.

Joe: So you're targeting homes-- like let's just look at the mid west for example. That's when most of your deals are, because that's where the best kind of returns are right?

Matt: Right.

Joe: If a property rents for 800 bucks, give me kind of a rundown how you make your offer, how you calculate your offer. It rents for $800, and do a typical scenario for repairs and things like that.

Matt: We used to reverse engineer based off of the rent. And that was a really good strategy when we're in two or three markets. But we found out that it kinds of breaks down when you go onto markets where those dynamics don't match up.

Joe: Okay.

Matt: Okay. And we also shifted our focus a little bit. Well, this is also part of the reason we don't do it that way anymore, is we found after about four years of running this turnkey operation and working with our clients, and helping them get their properties to perform, but on paper a property that shows it's going to produce a 13, 14, 15% cash on cash return, will probably be outperformed by the property that on paper shows an eight or 9% cash on cash return.

It just has to do with the neighborhood that the property is in, because the lower income neighborhoods--and we stay out of-- we don't go into war zones, we don't go to dangerous areas. We've ended there a couple times accidentally, but that's not our focus, and we stay out of that when we know that that's the situation. But even in those lower income areas, you get a really good purchase price to rent ratio there, that's going to produce a 14, 15-- it's kind of common for us to stumble across 17, 18% cash on cash return. But for some reason, one reason or another, those properties actually don't perform to the 17, 18%...

Joe: Because…

Matt: They probably perform more to either 8 or 9%.

Joe: Right, because they're in such bad neighborhoods right. It's hard to find good quality tenants.

Matt: Yeah. I wouldn't call the neighborhoods bad because I've been to these neighborhoods. I don't feel like-- I'm not scared, I'm not intimidated by the neighborhood, they don't look bad. There's green grass, there's-- cars aren't parked on the lawn; they're parked on the street. Houses are painted and kept up. It's just the nature of the tenants in that area I guess, and then property management, and everything as well.

Joe: So how do you…

Matt: And that's a whole lot of conversation.

Joe: That leaves me with another question. But you still haven't answered how you make the offer. How do you calculate the offer?

Matt: Okay.

Joe: But then also…

Matt: So what I….

Joe: Also answer the question then what kind of houses are you looking for?

Matt: Got it. Okay, so as far the calculation, we stopped reverse engineering from the rent. We can still do it on a couple of markers but overall we stopped doing that. And just do the basic; the share market value times 70% minus repairs, minus your profit, blow measure, leisure, offer price.

Joe: But you know-- okay, but because I know where you're going and I appreciate your openness on this. In a rental market where houses-- like 80, or 90% of the houses sell to landlords, what is an after repair value of a house there, because there is no retail market? Does that make sense?

Matt: Right, right. So that's what we'll make our offer to get them under contract for. Then once we have them under contract, then we decide what we're going to do with them. And this really was shift when we started doing direct mail again. So nine months ago we made this big shift that you can target rental properties all you want, you can target exactly what you are looking for, all you want. And you still know you're going to get a bunch of stuff that you don't want.

Why we do that formula upfront and get everything under contract first that way is that if it's not going to make a good fit for one of our cash flow buyers, we can still wholesale it. Just because we don't want it, just because our clients don't want it doesn't mean somebody else does want it. So…

Joe: Okay.

Matt: That'-- once we get under contract, then we decide what's our exit strategy, because the acquisition strategy for everybody is going to be the same thing. You go through the same steps, but what you afterwards, after that is where everybody is different. So that's why we use that calculation.

Joe: So then let's say you've got a property-- well answer my next question then, what kind of neighborhoods are you looking for? What kind of house are you looking for? That you're…

Matt: So I…

Joe: Targeting.

Matt: Cool. So we look for three bedroom, two bath properties. A lot of the Midwest is one bed roomed but we're looking for two. But we do one bedrooms all the time. But even on two baths and just priced at just at or just below the medium price range for that area.

Joe: Okay. So St. Louis for example, the medium home price in St. Louis is let's say $150,000. So what price range are you looking for homes in?

Matt: Our retail price right now is probably landing between 70 and 110.

Joe: Okay, 70 and 110. So you're automatically by doing that - avoiding really bad crime areas? I guess you'd say. The blind…

Matt: Mm-hmm and we've made those adjustments over the years. And now we're pretty dialing on and everything is performing really well.

Joe: So when you're targeting homes in the 75 to 110,000 price range, your cash on cash return is going to be lower on those properties, right?

Matt: Mm-hmm. It depends on how you buy. But typically it's going to end up between probably eight and 12%. That's our sweet spot.

Joe: Well, that's still phenomenal.

Matt: Yeah.

Joe: But I'm trying to let people realize, to think about that, you're not going to get 15% ROI and you're probably – guess what – don't want a property where there advertising 15% ROI or cash on cash return, because that might be a property in

an area that is just too rough for you. And you'll be lucky enough to even find a property manager who'd be willing to rent property in that area.

Matt: And if they are all willing that should raise an eyebrow.

Joe: Okay, yeah.

Matt: Because I've been through that and I've been through the property manager-- "Oh yeah no problem. I was born and raised in that area, I go there all the time; we've got a bunch of properties over there, no big deal. That is really great, what a fine? I'm so glad you found someone here that can get this property reformed." And then it's a totally different story once you get into bed with them.

Joe: Yeah, exactly. Okay, so then I can understand now when you are targeting homes in that price range it makes a little more sense to do the ARV times 70%, right?

Matt: Mm-hmm.

Joe: So is there a quick and dirty way that you make these-- that you've trained your guy on the phone to calculate offers? How does he make these offers?

Matt: Yes. We actually-- our quick and dirty way based off that initial conversation that if we do a soft pass and that all cash offer, that really low all cash offer is going to considered, we'll go ahead and we'll just sign that over. But probably 75 to-- actually 75 two fourths of the time we are sending over three option letters of intent.

Joe: Interesting.

Matt: So we have a low… option one is a low ball cash offer, option two is an interest only offer, and option three is a principle only offer.

Joe: You are talking about owner financing.

Matt: Owner financing, right.

Joe: And you know it doesn't matter to you if there is a mortgage on the property? You are only doing owner financing offers to free and clear properties.

Matt: Actually we make the same offer to everybody and then they'll-- it will come back to us. Rather than us going through now the interrogation of, you know, how much do you owe on the property and what's the interest rate or the payment escrow and all of that, we'll just submit the offer and it will come back to us in a way that-- okay, I like option two, but I've got this loan in place. How can we work with that?

Joe: Interesting.

Matt: So they kind of-- they bring it up rather than us trying to dig it out of them, because once you start asking about finances especially when you are going through a lot of cold numbers-- you know this-- that people start to get a little protective of their private information, and don't want to tell you how much they owe on it.

Joe: For sure.

Matt: And so we just stopped asking and then as it turns out to be a subject to or whatever just-- we use the three option letter of intent-- is yes, we want them to choose one of those offers because that's a quick and dirty deal, but what it also

does, it just opens up conversation where there probably wasn't going to be one before. And when they see option two and option three it actually makes option one the low ball offer which they might have snubbed originally, but now it makes, oh I could get all my cash right now if I took this one or I could get closer to price if I waited to get all my cash.

Joe: All right. So are you making offers then to every seller you talk to?

Matt: Just about, just about yeah.

Joe: Unless they tell you to go to HE double hockey sticks

Matt: Yeah. The obvious ones we don't, but even the people are like, you know, kind of curious of what you have. And I say, "We'll go ahead and we'll send you over something, if something changes give us a call."

Joe: Fascinating, I love it.

Matt: Yeah.

Joe: So the-- now your conversation, your acquisitions guy who is on the phone talking to them, he tries to get a number from them, but I think it's cool too that you are not asking them all those mortgage questions. I have never done that, I've never liked doing that either. So you are trying to find out their-- I love your three questions too by the way, and I've stolen this idea from you and I've taught it many times. And I just apologize in advance if I have ever forget to acknowledge that I got this from you. But your three questions, what's your situation?

Matt: Yeah. First one is ring-ring-ring and they call in. I got to ask, tell me about your situation.

Joe: Exactly. The second question is, what would you like to see happen?

Matt: After you've listened.

Joe: After you've listened.

Matt: There is a lot that happens between question one and two. That is where all the report building is. You are listening-listening-listening, asking about the situation. You are relating to them, "Yeah, I am landlord too. I get it; I understand how it can be blah-blah-blah." And when that comes to like a close, an actual close then it's, "Okay what do you want to have happen?" That's question number two.

Joe: I love that question, what would you like to see happen? And then the third-- the next step is listen-listen-listen, right? A lot of listening and then the third question is, well if I can make that happen how quickly do you need to sell? Is that right?

Matt: Correct. How soon do you want to sell, exactly?

Joe: I like that. It's so simple, right? There is no script involved.

Matt: Right.

Joe: There is no trick NLP subliminal messages or-- it's just asking simple three questions. I love that. Okay, so then you are not even asking them really-- well you are kind of are, but maybe you get to this but you are not really even pinning them down on, okay if I can pay cash close to seven days what's the least that

you would take? Can you go any lower than that? Are you still asking those kinds of questions then?

Matt: If we get the amount of motivation within those three questions and we've built a rapport and there is some conflict there in the relationship, we typically-- the next step will be, I've got a few questions I need to ask you. There are the same questions I ask everybody. I'm going to read them right off a piece of paper. I can get through them in about 10 minutes. Do you want to do that now or do you want me to call you back in an hour?

Joe: Okay.

Matt: So I give them-- there is something called-- like I don't do the NLP and everything but there are things that I use all the time called release statements. That you are not going to get a real yes from somebody unless you give them the ability to say no. And so when I say, "They are the same questions I ask everybody, I'm going to remove the fear, I am not going to ask any special questions. I'm going to read them right off a piece paper just to prove to you that I ask them to everybody."

So now I don't-- really don't know how to read and have a script at all and I can train that system to anybody that comes in. And then I say, "It's only going to take about 10 minutes to get through them. Do you want me to-- can we go through that right now or do you want to call me back in an hour?" So I give them their out. I give them the ability to say no there because if they say, "No let's go through them now," that's a real yes. That means I am going to answer your questions. So you got like some of it, like a commitment from them that they are going to participate.

Joe: It's a trial close.

Matt: Yeah, absolutely.

Joe: Okay. So then they say, “Yeah.” You get some information from them. One of the questions is, how much cash do you want or how much cash do you need to walk away with? Right?

Matt: Yeah. How much do you want for your property is one, we have the other one, how did you come up with that? What's your estimate of repairs and how did you determine that? All I want in these questions-- I just want to know what they know. I want to know what they want; I want to know what they know. I’m not volunteering any information, I am not arguing with them, I am not saying that no you can't, how will your property…

Joe: That’s right.

Matt: Do you know how much it costs to put a new roof these days? Like I don’t get into any those types of conversations. I just collect and ask questions and write down the information. And once we have those questions filled out-- we’ve reduced that, we’ve cut those in half. It used to be like 25, I think we are down to like 10. And we end up and go, “Okay, great. I have got everything I need. Let me go back and just kind of see what the market is doing as it pertains specifically to your property and I’ll come back with an offer. In fact I might even have a few options for you, would that be okay?”

Joe: Awesome. And then you are not even really making the offer right then on the phone.

Matt: Mm-hmm.

Joe: Now what if they don’t give you a number that they want. They just say, “I don’t know. Make an offer.”

Matt: Great. Well I will go ahead and see what the marker is doing because it really not up to me, it's not up to you. It's really what the marker has to say.

Joe: Okay, nice. But are you still making the soft pass offer to them over the phone?

Matt: It depends. It's wherever that conversation is going. If the motivation is higher, yes. If they are really pressing you like, “Really how much-- I don’t want to play games. How much are you going to offer me?” Sometimes you get pressed like that. And I’ll say, “You know what, I’m going to need to look at the marker data. This could change, but as my experience is showing me and what the market is doing right now in your area, you know, looking at three bedroom, two baths with similar square footage we are probably in the ballpark of 50,000 bucks. If that’s what the offer was, would you even consider it?”

Joe: Okay, and if they say no...

Matt: They say no…

Joe: You are still sending them something in the mail, right?

Matt: Absolutely, we go that far in the conversation we are absolutely, yeah.

Joe: Glad you say that. So every seller that you talk to that’s at least-- there is potential for a deal, it maybe not be now but there is potential, you are sending them something in the mail, physical mail, right?

Matt: Yes. We do mail and email if we can.

Joe: I love it. And you are sending them a letter of intent kind of as it were with three different options on there, right?

Matt: Correct.

Joe: And that's obviously something that is pretty valuable. You can't give away because it's in your Epic pro academy and I've seen it and it's amazing. It's an online calculator that you put in the numbers and then you can click print, it actually prints the offer for you that you can send.

Matt: Right.

Joe: I love that. One of the things…

Matt: Guess what we are doing right now Joe? We are having it built into our Podio system. So it will be a push button offer.

Joe: Oh from Podio huh?

Matt: From Podio yeah.

Joe: Who told you about Podio? I am just curious.

Matt: This guy named-- you've got his website, it's called Podio Joe.

Joe: That's funny.

Matt: And…

Joe: Podio Joe.

Matt: We've hired a consultant and they just built it all out for us and customized it round our specific business and that's one of the features we are getting put in-- is the option of letter of intent that's just a push button.

Joe: And so they-- that's cool because there are some features in Podio to get a little techy that will run the calculations for you, and it's a little complicated but once you learn how to do it, it's super easy. And yeah, I like Podio a lot. So that's awesome. Now you can put in some numbers, it will spit out three different offers. The first one being an all cash offer which you just do for an all cash offer or are you just doing some 70% to 60% of zero minus what you are guessing for repairs, minus the whole…

Matt: Yeah. Well that initial offer-- we'll take the 70% minus repairs minus our profit and boom, that's the cash offer.

Joe: How much time do you have your guy-- your acquisitions guys spending on getting cops. Do you have them go into a ton of detail and ton of research for that?

Matt: Nope. We'll just take a general three or four. We just want to get into the ballpark that's all, because if we are off, if we find out after we get profit and the contract and during our due diligence-- if we find that we are off, we just go back and renegotiate.

Joe: Yeah.

Matt: We do a little bit of deeper research and the marker is actually saying this about your property and not this.

Joe: You know, I was hanging out with Peter one of my business partners in Atlanta last week or the week before and they are doing-- I am not kidding, they are

literally wholesaling about 30 to 40 properties a month in the Atlanta area. And I was there in his office; he's got like 10 negotiators on the phone just making offers, talking to people. I forget the number they said. They are getting like four or 500 phone calls a day, leads. It's a machine, right? Well anyway when you are going to…

Matt: Oh Peter. What's his last name?

Joe: Vekselman.

Matt: Yeah, okay. I went down and found his operation, yeah.

Joe: Okay. How long ago?

Matt: That's probably nine months ago.

Joe: Okay, nice guy. So we are now-- we have a marketing program that we do for clients where we do a lot of the similar marketing for them. But anyway my point is, they have all these leads coming in, all these negotiators that are on the phone. They just take the zestimate and they put that zestimate value on the seller lead sheet and they make their offer. I don't remember the exact calculation, but it's based off of that.

I mean, it's good enough, right? If you are making a ton of offers it's good enough, just get it under contract. If it's close, get it under contract because you can always negotiate again during the negotiating phase or during inspection period. And it's going to get you in the ballpark and even if it's off it's okay because it can be corrected. And you are probably doing the same with repairs, right? You have some basic round numbers that you use when…

Matt: So we use based on what the seller shares with us, we'll do $5 a square foot if he says it needs no rehab. And they say that but we know it always needs rehab, but we'll do $5 a square foot and no rehab, minor rehab is $10, heavy rehab is $15 a square foot.

Joe: That is simple. Everybody listening you should write that down: $5, $10, $15. That's going to be different in different parts of the country but generally in the Midwest-- I mean excluding California and New York, those are pretty good numbers. Excellent, five, 10, $15 a square foot, so if it's a 1500-square foot house and they say it needs-- I'll open up my calculator here.

Matt: So let's say it needs minor rehab, its 10 bucks so it's going to be 15 grand.

Joe: Yeah. And then if it's heavy rehab, 22 and a half. That's might be a little low but…

Matt: That's 15 by 15.

Joe: Yeah 22,500.

Matt: We got 22,500, okay.

Joe: Yeah. That might be a little low but that's for a rent-- that's a good number actually for a rental rehab.

Matt: Totally.

Joe: Ready to rental.

Matt: And if we have that number and then during the due diligence we have a contract to go through there and a property management-- we have the

property inspection and we need an adjustment-- now they are the bad guy. Well this is what the property inspection report says, this is the-- we've got three bids on it. This is what it's going to take to repair it and so I need you to share in the liability of this home.

Joe: I like that. The point we are trying to make is just keep it simple. Get it under contract as quickly as you can and get going. I love it. So you are sending them in the mail and in an email your offer that includes three different offers in it. It's a letter of intent, right: cash offer, another offer with owner financing based on interest only payments. And you walk through in your academy how to make those kinds of offers, but it's pretty simple. You-- maybe you can talk just briefly how you do that interest only offer.

Matt: Sure. What we do is-- I purposely escalate it. So each offer the purchase price is getting higher.

Joe: Right.

Matt: I really want them to take option number three, I always want them to take option three too, because I'm a buyer whole guy and if I get a principle only payment, that's just I mean where can you get zero interest loans you know what I mean. Even if I'm paying market value that's what's I want. It is said that they're going to get say $50, 000 all cash at-- if they take option one. The next one would be, okay so you're going to get $80,000 for your property, but you're only going to walk away $25,000 cash, and you take the balance on payments. Or you can get $110,000 for your property, you're going t get 40,000 up-close and you have to take the rest on payments, so each one looks like I'm getting a higher price and more cash.

Joe: No you're talking about from the seller's perspective or yours?

Matt: Yes from the seller's perspective, they're seeing an escalation in how these are presented. So that I want them to give each one genuine consideration and I'm really trying to steer them towards option three.

Joe: What percent of your contracts that you get accepted would you say are options one, two, or three?

Matt: It's probably 40/40 option one and three.

Joe: Wow and then I would have thought it was-- if you were to ask me, because I've never done that, I've always just made the cash offer right. I would have thought it would have been 80% take the cash offer, 20% take owner-financing offer.

Matt: We took the-- if you look at how offers come across that option three, sometimes we'll give them 110% of market value, if we really want that property.

Joe: What kind of terms, how many years are you doing that with?

Matt: Obviously we're going to divide payments up into 300 monthly payments.

Joe: So that is how many years?

Matt: Let's say 15 years, something like that.

Joe: So you're amortizing it-- you're amortizing it over-- well there's really no amortization there's just.

Matt: No.

Joe: You're owner financing it until it's paid off.

Matt: That’s 25 years.

Joe: 300 divided by 12.

Matt: Okay, two hundred payments will be enough yeah, so 25 years. But they don't see 25 years, they don't see interest off, they don't see no interest, they just see the balance divided into 300 payments.

Joe: And you're getting-- you're making sure that you're getting a certain amount of cash flow every month with those payments, right?

Matt: Oh absolutely I still get a double digit cash on cash return on that, with a tenant paying down 100% of my loan.

Joe: And how many deals would you be throwing away if you didn't offer that kind of a scenario Matt, probably 50% of your deals, you would have lost if you weren't offering them some kind of special owner financing?

Matt: I think so, I think it-- like I said when we first start talking about this pre-option letter of intent is that it creates a conversation, it creates consideration where there wasn't any before. And that could be giving more-- you get more considerations for your low ball offer, because now it doesn't look as insulting because now they got free options. Or it's like if I can't sell it that low, but I kind of like the third price because I can use the income as well. So I haven't done exact analysis or a split test of what I've lost, but we do a lot of deals you know we do 10 to 12 a month.

Joe: We're coming up to an hour, I thought our conversation would only be like 30, 45 minutes, but as usual talking to Matt is like your head starts to explode with all these awesome ideas, and I'm hoping everybody listening to this is getting what we're talking about here. This is gold this is-- we talking about before the keys of the kingdom, and maybe now going to say maybe that would be a good podcast title, but it's not because it's-- these aren't really the keys to the kingdom. But this is amazing…

Matt: It'd be very poor-- you get very poor search results too.

Joe: Right, this is really-really amazing stuff and Matt you set it up where you're not really on the phone talking to these sellers, you've got someone doing this for you. I'm sure you got somebody sending the marketing for you, right? And maybe you got some VAs doing some admin stuff, but you've also got somebody in the office taking the calls for you, right? And can you talk briefly about how you found that kind of a person to do that.

Matt: Sure every single person, I have six full-time people that work for me and all six of them were podcast listeners. They were podcasting clients, listeners... So to speak they were already drinking the kool aid before they started working for us, so they were just perfect people, they've been a perfect fit, they're happy I'm happy. All the compensation is based off how well the company does, and so everyone works as a unit, everyone works together, and everyone is all for the betterment of the company, because they know when a company does well everybody does well.

And that gets measured-- everybody gets paid on the day that a property closes, so everyone is always fighting the deadline, everyone is always striving to win, striving to get the most profit out of the deal, because they know they're all compensated accordingly based on the performance of that deal.

Joe: So you pay them 100% commission, right? Or is there a base salary that they get a draw?

Matt: No it's a 100%. We have one hourly person, an admin person, and then our book keepers of course, but yeah everybody is 100% commission, but when they walked in we're doing 10-12 deals a month, so they just kind of stepped in the money.

Joe: So you're only overhead really is your marketing expense?

Matt: And the office.

Joe: And your office right, but that's pretty negligible. I love that because anybody could go and find maybe somebody at your local rear group or somebody already has working understanding of real estate maybe a realtor, you say, "Look I'm going to do a bunch of marketing and I need somebody to take the calls, and here go through Matt Theriualt's Epic Academy course, and learn how to do this stuff, and I'm going to start bringing you leads and I want you to send them-- use these numbers to come up with an estimate for an offer. You ask them these questions, send them this letter of intent offer, and I'll pay you certain percentage of the deal, and you probably doesn't want to say what you're paying your guys incase they're listening to this. But…

Matt: Everyone is paid off a percentage of the net profit.

Joe: Correct and if the more deals they do the more money they make, it's brilliant.

Matt: Exactly, and the more profit they generate like my buyer, my acquisition guy knows, the lower key purchase for the property for the more money he makes. And the person that disposes off the property knows that the higher the prices they sell those properties for the more money that everybody makes.

Joe: Well I love it Matt we could be talking a longtime about this and we probably should…

Matt: I know we're already doing.

Joe: Where can people…

Matt: Whether we're recording or not, we do it.

Joe: I know I know where can people go to get more information about you for two things. How can they get information about the properties that you offer turnkey deals, and then where can we go to get more information about your Epic pro academy or your podcast?

Matt: Right, so epicrealestate.com is the mother website that can probably lead you to everything, but for our turnkey operation and our turnkey service that's at cashflowsavvy.com, and then tune in to the podcast at real estate investing, and that kind of leads to all good things.

Joe: Epicrealestate.com, that is the main hub for Matt Theriualt, then your cash flow savvy isn't that S-A-V-V-Y?

Matt: Correct.

Joe: Two Vs, cashflowsavvy.com you can get more information about the properties. And listen guys Matt is doing deals right here in my backyard, and I know firsthand the quality reputation that Matt has, he's a good guy, he does what he's says he'll do, in fact I have sold you a deal or two before.

Matt: That's right.

Joe: I forgot about that. He does what the teaches and he takes his integrity very-very seriously, I mean I have seen Matt take it to the chin before on deals just so that he could keep his word.

Matt: We've taken it to other body parts as well.

Joe: So if you're looking, I'll say this all sincerely if you're looking for somebody that you can do deals with, that you can trust, that will tell you the truth, will bring you good deals, oh that's something we didn't even talk about and I wanted to do that actually and I think it would be important, but let me finish my thought. If you're looking for somebody that has integrity that is going to give you a good quality fair deal, then you can trust Matt, he's a guy who stand by behind what he does, and stands behind what he sells.

Okay Matt I want to talk to you-- this is really-really important and you talk about this in the first episode of Turnkey Real Estate your podcast Turnkey Real Estate,

talk about when you're getting a turnkey property mention real quickly about-- there's still work involved, right? You know what I'm saying, going into…

Matt: Oh right-right that's one thing like passive income gotten such a big buzz, you know it's such a sexy…

Joe: Passive income?

Matt: Yeah, it's such a sexy keyword type thing and just know that passive income doesn't mean uninvolved income.

Joe: Right.

Matt: When you buy a turnkey property, yes it represents passive income probably more passive than any other income you have coming into your life, especially if it's your first one. But it doesn't mean uninvolved, it doesn't mean set it and forget, it doesn't mean that it's just going to work forever and you never have to do anything.

You are still an owner of real estate, you still have all the responsibilities of a real estate owner, certainly you can delegate so many of those activities so you can carry on the major portion of your life and what's important to you. But you're going to be checking in every once in a while, it's like you-- it's not like your 401-k and you just send it off to somebody I hope they know what they're doing with it, and you know get your statement every month it doesn't work like that.

Joe: That's really good, I wanted to just remind people about that, when you're looking for turnkey properties and passive income, I say "passive," for the amount of return that you can get it is probably one of the most passive type of real estate investments you can get for the fabulous return you get, but it is not just set it and forget it.

Matt: There's still work involved, and what I would just say like to create a passive income or active income, one that's going to make you happy financially both of

them are hard work, both of them are really hard work. It just one is going to take you-- the active income is going to pay, you have to work hard for 40 years. Working hard on your passive income you have to work hard for maybe four to six years, but they're both hard work in the beginning, really hard work. But the question is how long do you want to work hard?

Joe: Very good, well okay good on that note guys go check out Matt at epicrealestate.com or cashflowsavvy.com, go listen to his podcast. Don't leave him anymore reviews please, just leave us reviews He's got enough of them on iTunes, go leave us a review on iTunes please, I'm just kidding.

Matt: Great, go to Joe; go tell Joe that he's a Joe.

Joe: He's got enough of them; leave us reviews, all right thanks Matt. I sure appreciate our conversations whenever we have them.

Matt: Yeah likewise and I appreciate you Joe, Thank you.

Joe: All right see you later, take care, bye-bye.

Matt: Bye.

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