# 010 His goal is to purchase 1,000 rental properties Brandon Turner [INVEST FOUR MORE PODCAST]

**Mark:** Hi everyone. It's Mark Fergueson with Invest for More. Welcome to another podcast. Today we've got a great guest. I'm sure many of you will be familiar with him, Brandon Turner from Bigger Pockets.


Brandon Turner

Josh Dorkin, I think, officially started Bigger Pockets, but Brandon is a huge part of their success and why they're so big right now. Brandon, thanks for being on the show. Great to have you. How are you doing?

**Brandon:** I'm doing well, Mark. Thanks for having me on. This will be fun. That was a great intro. I don't know. I'm flattered. Thank you.

**Mark:** No problem, no problem. I know I used to be a guest blogger for Bigger Pockets as are many very good investors. You helped me a lot with getting started in that process. You were a big part of helping me get started in the online real estate world. I appreciate that. Yeah, Bigger Pockets is doing great now. It was one of the first Web sites I first found when I looked for investing online.

You got started in real estate when you were very young. I think were you 21, 22 when you bought your first flip?

**Brandon:** I was, yeah. I was a 21 year old kid, didn't know anything about real estate. Didn't know anything. I told my real estate agent, I said, "Hey, you know." She was a friend, a sister of a friend. She was a real estate agent. We were bowling.

I said, "Yeah, well do you know any good rental properties in the area? I need a house to rent. Do you know any rental apartments or anything?" She goes, "Well, why do you want to rent a place? Why not just buy a place?" I'm like, "Because I'm 21 years old and stupid and kids don't buy property." She's like, "Let's just look at a few properties, see if it's something that we can make happen and maybe you can afford."

Sure enough, it worked out. We found a cheap house, bought it, fixed it up. Lived in in for almost a year and sold it and made a really nice profit. It was like 20 grand. We were like, my wife and I we'd got married during that time. We were like, "Wow, this is like the greatest money we ever made."

We decided that we'd jump into to real estate full time. I quit my job at that point. Jumped in and and started flipping houses, started buying rentals and that's how I got started.

**Mark:** Nice, nice. What were you doing at that point? What was your job?

**Brandon:** I was working the overnight shift at a group home for developmentally disabled adults. I worked. I showed up at work at 8:00. I got off at 8:00 in the morning. I worked a 12 hour shift. I think it was 4 days a week. I got to sleep for about 5 hours every night. I only had to be there. I'd watch the Flip That House and all the flipping shows for the first few hours on TV. When all the clients went to bed, I'd just sleep for 4 or 5 hours and then go home. That's what got me excited about the flipping stuff.

I started fixing up the house. Yeah, that's what I was doing. I was making minimum wage I think, maybe just slightly above that and got started.

**Mark:** Nice. When you first bought that house, did you just get a regular loan? Was it a bank conventional loan? How'd you finance that property?

**Brandon:** Yeah. I don't even think the same loan product's around any more. This was 2007, right as the market was about to crash, or maybe I bought it in '06, yeah something like that. It was right before the market crashed. I bought it during the peak of the market. There were a lot of crazy loan products out there. I got a, I think it was, a 5% down, or a 3% down loan, pretty much the exact same as the FHA loan today, like an FHA or something like that.

I did that. For the repair costs, I borrowed the money from my dad and mom. I said, "Hey guys, I need 20 grand to fix this up. Can I borrow it? I'll pay you back. I'll pay you interest." They said, "Sure." I used the money from them to fix it up. When I sold it, paid them back. Yeah, it was my start with creative financing.

**Mark:** Nice. I have a lot of people that ask me and concerned about getting the money to start. If you buy a flip or a rental property, you need 20% down now, almost for sure, if you go with a conventional loan. They know people that have money. Their parents might have money, their family. They don't want to ask for it.

What's your take on that situation, asking for money from your family, from your friends? Is that a good idea, or does it just depend on your situation?

**Brandon:** Yeah, obviously it does depend on your situation, the relationship that you have. My dad is pretty entrepreneurial. He likes business stuff. He's always dreamed about it, but never really done it. In a way, it was a way of us working together almost. Our relationship helped with that thing. That said, a lot of relationships don't.

When you borrow money from somebody, Dave Ramsey's fond of saying that you're a slave to them. I agree. When I borrowed that money, it was always, "When are you going to sell that house?" "What's the exit strategy?" There's always he's my boss kind of thing when you borrow money. There's a servant/slave attitude, or an employer/employee relationship. It just gets weird.

There's no real good way around that necessarily other than buying an incredible deal that you're not going to lose money. If you lose grandma's money, Thanksgiving dinner is going to be really awkward.

If you're going to borrow money from family or friends, make sure that they can afford to lose it. Don't borrow from somebody who's poor that if you use their money then they would lose it all and go bankrupt if you lost their money; especially when you're first getting started. There's a good chance that you won't do very well on your first one.

First, make sure the deal is a solid and a great deal. Secondly, treat it like any other business relationship. Pretend you're not related and get contracts, sign paperwork. Do everything as close to possible, as official as you can. Try to keep it by the book. That way it keeps people honest on both sides. I would say pay them back no matter what happens.

Even if let's say you borrow money for a flip. Let's say that first one wouldn't have worked out for me. Would I have lost all my money on it, or I had to sell it for what I had in it and I owed 20 grand. I would pay back my dad no matter what happened.

If I had to go work a double shift, or work two jobs just to do that, I will always be the person that will pay back no matter what. That way they're always going to get what they came for.

**Mark:** No, that's great advice. One thing I always try and tell people, even if it's your dad, your mom and they're willing to do a handshake deal with you, I would say put it in writing. You always want to put everything in writing just for the simple fact you might forget exactly what the terms are. Not always, but I borrow money from my sister. I've borrowed money from her for years. If I didn't have a piece of paper saying exactly what the terms were, there's no way I'd remember exactly what the interest rate was, or everything.

You don't want to get in that argument later on about, "Oh, well it's 7%. No, it's 6%." You wreck your relationship and you wreck your business relationship over something silly like that. Yeah, always put it in writing. Pretend you don't know the person when you're doing the deal. I think that helps.

**Brandon:** Yeah, very, very much so.

**Mark:** You got your first rental property. That was a duplex. You lived in one side and then rented out the other?

**Brandon:** Yeah, what I did is after the first house that we bought, we fixed it up and sold it. I moved into the duplex. That was the first rental-ish. All of a sudden I was homeless, or I had no house. I ended up actually living in my in-laws for a month or something like that. We had no where to go. I bought a duplex. I lived in one half, rented the other half out.

The great part about that was our mortgage payment was 620 a month or something like that. The other half rented for 650 a month. We were living for free. Granted there's expenses. A lot of things add up over time, but for me, I was handling all my own maintenance. I was handling my own management. When something went wrong, I could take care of it. That was an incredible way to get started.

**Mark:** Yeah, that's what I call house hacking. You're taking advantage of that cool low down payment when you live in the property. You can take care of the things. It's like investing on training wheels. It's like learning to invest, but you have training wheels on. I love that strategy.

**Brandon:** One thing, too when you're house hacking like you said, I stole that term from you too. I wrote an article on it a few weeks ago.

**Mark:** I've got to make that go nationwide. It's going to be a thing.

**Brandon:** You're getting rent as soon as you buy it. When you try and qualify for another loan, that rent will show up quicker on your taxes. You can show you're making money from it. I think that'll help you qualify for properties quicker than if you're just buying a single family house and living there and you can't rent it 'til you move out. There's a lot of advantages to buying a multi-family.

**Mark:** Yeah, there really are. I love that. I tell everybody to do that.

**Brandon:** Yeah, I love it.

**Mark:** I personally, all my rentals are single families. I see the advantage [too though 00:08:27] of when you're first start out, it's a huge advantage.

**Brandon:** It is, especially young people first starting out especially if you've got the flexibility you can do it. It's can really be a good way to get started.

Granted there are areas where multi-family don't work as well. I know your area is one of them. There just aren't as many multi-families as there are in my area. I don't know what that is. I know certain parts of Colorado and a lot of areas just have not as many multi-families. You got to look around in your market as see what's there.

**Mark:** Yeah, our cap right in Colorado is 5%. It's crazy.

**Brandon:** Yeah, that's what I'm saying.

**Mark:** You can't. You're losing money on a multi-family. I don't understand. I guess there's too many investors here.

**Brandon:** I do have a buddy who works for Bigger Pockets, Scott. He bought a duplex in Denver. What he did was because he is an owner/occupant, he's able to take advantage of the whole, what is it, not.... HUD. HUD houses, they have that exclusion so investors can't bid for the first what, 10 days, 20 days, whatever it is.

**Mark:** Fifteen days, yeah.

**Brandon:** Yeah, yeah. He's not an investor. He was an owner/occupant. That was a duplex HUD property. He went in there and all the investors couldn't bid on it. The only ones bidding were other homeowners. Most homeowners don't think like that. They don't want a duplex. That's [inaudible 00:09:41] for them. He snagged an incredible deal.

He's living for free right now in Denver, one of the most expensive cities in America. He's doing it in this great neighborhood because he's got tenants that pay $2,000 a month for their rent. It does work if you can find the right deals and you can get in there.

He took a year for him to find that. Yeah, there are ways, but yeah. Anyway, yeah, house hacking. I love that.

**Mark:** No, I have a HUD listing coming up in Loveland because I'm a HUD listing broker, too. It's a duplex. It's not listed yet. It's really rare to see those HUD duplexes come up for sale. When they do, like you said, it's a huge advantage for an owner/occupant to rent out the other side. Most investors aren't going to want to live in the house they're investing in. That's awesome.

After you got your first duplex, you just built on that like crazy. You lived there about a year and rented it all out then kept buying more and more.

**Brandon:** Exactly, yeah. I started to flip. What happened is that, this is 2007, 2008-ish at this point. I started just buying houses to flip. I'd fix them up. I spent a lot of time. I did all of my work myself at the beginning because I was learning how to be handy. I enjoyed that.

My wife and I would fix up the houses. We'd bring our buddies over and get a pizza, paint a room. We did it ourselves. That was a terrible idea. What happened is the market changed. We spend 9 months on our first flip, our first big flip. We spent 9 months on it. In that time, the market just kept going worse, and worse, and worse.

By the time we got it on the market, I couldn't sell it for what I wanted to to make a good profit. I could've sold it and broke even probably. Everybody was running like a chicken with their head cut off in 2008.

What we ended up doing was just sticking a renter in it and renting it out. It actually worked out pretty well. We were like, "Oh, this isn't too bad." We had the one rental already, the duplex so we rented the house out. The family moved in there, paid on time. They paid the entire amount that we owed the harmony lender. We refinanced it into a long-term 30-year fixed mortgage now. We still own it today. That's how I picked up a lot of the rentals were just tried to do flips that didn't work out.

**Mark:** Nice, nice. Yeah, I'm still flipping myself. Even after doing it for 14, 15 years, I've got a property I've held on to for a year. I've got a contractor-ish [unit 00:11:58]. It never ends. It's crazy. How many rental units are you up to now?

**Brandon:** I think I'm at 43 units spread out over about a dozen properties. It's a mix. There's a 24 unit. There's a 5, a 3, a 3, a few duplexes, and then the rest single family. There's a nice mix in there.

**Mark:** Nice. The 24-unit, you used seller financing to buy that one?

**Brandon:** I did, yeah. I actually used 4 different financing methods. That was a fun project. You would never read a book on how somebody should buy this, do this thing. This is not like a guru strategy or whatever. This was just what do you call it, necessity. What's that phrase, necessity is the mother of invention.

We wanted to buy this property. We had to figure out how to make that happen. This is what we did. We ended up with a seller actually from my church who wanted to sell it to me. I had been talking to them and building that relationship for years. When I found out they had a property to sell, I jumped on it. We agreed on a price. It was a great price.

They said that they could probably carry the financing on it. I said, "Great, seller financing. I don't have to go the bank." The property needed a lot of money in repairs. It probably needed at least 100 grand in repairs; maybe more. If I were to hire it all out, maybe a couple hundred thousand if I hired it all out. I didn't have that.

They wanted a down payment, a small one of $15,000 just to cover the closing costs of the sale. They didn't want to have to pay money to get out of it. I didn't have that either. I was broke when I got this, so I didn't have that.

Anyway, I had all that going in. I'm like, "How do I make this happen?" What I did is I did a lease option, a triple net lease option on the property for the first six months. What I did is we worked out a deal where I said, "I will rent the property from you guys, the 24-unit. I'll rent the whole 24unit from you for $2,000 a month." This was actually his idea. The seller is the one that when I said, "I don't know how I can make this happen." He said, "Well, let's try this."

I paid them $2,000 a month for the first 6 months on a lease option. I paid all the expenses. I managed everything. It was basically my property, but they still technically owned it. During that time, I used it to fix up about a dozen, well, I don't know, probably half a dozen units during that first 6 months.

I quit my job. I didn't have a job at that point. I was in there every day working on the units, fixing 1 up to another, another, another and slowly built up the income during those months and started saving money as well. I didn't have any money for the repairs, but I needed to fix up these units. What am I going to do?

That's when I called up my dad again, who had lent on the first deal. I said, "I've got this really fantastic opportunity, but I'm going to need quite a bit of money for it. Are you interested?" He's like, "Well, I don't have that much money." I said I needed about 60 grand because I'm going to do all the work myself. All I need is material.

He said, "Well, I don't have that much." I'm like, "Okay. Well, do you have a line of credit on your house, a home equity line of credit?" He said, "Sure." He said, "Well, why don't we just use that?"

What I did is I did a triple net lease option on the property. I used a partnership that I formed, a 50-50 partnership with my dad using a home equity line of credit to fix it up. We went and officially bought it using seller financing. There are 4 different creative techniques that people use, home equity line of credit, a partnership, triple net lease option, and seller financing, all wrapped into 1 gigantic 6 month purchase. 5 years later, it's been about 5 years, I went and took to a bank, a local portfolio lender, refinanced it with the portfolio lender into a 25 year mortgage, paid out the seller financing.

Officially, I had done 5 different techniques to get that property, paid my dad out. Yeah, I paid my dad off completely with the refi. Now it's just me on it. It's now my property that I bought with pretty much no money down. It just took a long time to put that together. Anyway, that's the long complex story. I'm sure nobody followed along with that, but that's what it was.

**Mark:** It kind of makes sense.

**Brandon:** Yeah, it was very, very big. Here what the great part about that is. I don't even care if people listening, don't listen to that for the, "Here's what you should do." You should not do that. People listening should not do that strategy. That's probably the 1 time in human history that 1 strategy has worked.

The point is the more things that you can figure out how to do and the more persistent you are, the more successful you'll be. I use this analogy all the time of a toolbox. If you imagine that you have a toolbox and you have one tool in there. You have a hammer, that is it.

You go, "What can you do with that hammer?" You can hit people with it. You can maybe pound in a nail if the nail's already there. You don't even have a nail. If you have a hammer and nails, now you can do a few more things. If you have a hammer, nails, and a saw, and a pile of wood, well now you can do a lot more things. You got a drill, now you can do even more. The more tools that you have, the more projects you can build.

The same thing applies to real estate. The more tools you have, the more techniques and strategies you learn about, the more projects you can take on. That's my tool analogy.

**Mark:** Nice. It makes a lot of sense. There's no one way to buy real estate. Like you said, every market's different. You don't even know if what you're doing in your area doesn't work in my area. Your lenders are different if you're using local lenders. They're going to have different terms, and different rates, and different guidelines than my lenders are going to have. It's just everything's different. You got to take each instance and look at it by itself and figure out the best way to do it.

Speaking of lenders, how long have you used your portfolio lender? How did you find them?

**Brandon:** Sure, I've been using my portfolio lender now for probably 6 years now, maybe something like that, 7 years. The actual first deal we ever did with them was that first flip that I couldn't sell. We had it with hard money for a couple years. We couldn't sell it. We rented it out. We had it with hard money then we needed to refinance it. I went to a couple banks. Everyone said, "No. You don't have a job. What are you trying to do refinancing the property?"

Somebody said, "Well, why don't you try this one bank? They're a portfolio lender." I'm like, "Well, what's a portfolio lender?" I'm like, "Well, it's a bank that doesn't sell all their mortgages up to Fannie Mae and Freddie Mac." which means they can be a little bit more flexible with their lending. It's all just basically a person somewhere or a committee that's local to your area will make this decision whether they want to do it or not. I said, "Great." We did it. That worked out amazing. I've used them probably a dozen times since on just various projects.

**Mark:** Yeah, I've got a portfolio lender here. I've just got my 16th rental under contract. I'm up to 2.5 million in loans with them. I do my fix and flips too. They like, "Okay, hold on a second. We've got to re-evaluate everything at that threshold." I think they'll keep lending to me. I don't know for sure. We'll see how it goes. I have to get my taxes done for 2014 which I always like to do at the last minute.

No, a portfolio lender is such an awesome tool to use. Once you get to 4 mortgages in your name, most big banks will just tell you you can't do it, Chase, Wells Fargo. They'll be like, "No, you can't do it." It's not true you can't do it. They just won't do it.

**Brandon:** Exactly.

**Mark:** A few other lenders might do 4 to 10, but then you're going to put 25% down. You're going to have higher rates. You can't do a cash out refinance, very restrictive. Portfolio lenders are a completely different story. I mention that as much as possible. If you can find a portfolio lender, it'll make your life so much easier.

**Brandon:** Yeah it will. Yeah, it will definitely.

**Mark:** You're still buying properties?

**Brandon:** I am.

**Mark:** I saw you want 100 units. Is that right?

**Brandon:** It's changing in that before I wanted 100 units. I read this book the 10X Rule by Grant Cardone. We had him on the podcast, the Bigger Pockets Podcast a while back. I read this book, the 10X Rule. His whole philosophy is whatever your goal is, multiply it by 10 and then try to hit that goal. Even if you fall short on that one, you're still way further than you were your original goal.

If I wanted a 100 units and I work really hard at that, I might get 100 if I work really hard at 100. Maybe in the next 10, 20 years I'll get 100 units or 5 years, whatever. If my goal was 1,000 units and my mind was wrapped around that goal, then I would think differently. I'd act differently. I'd work differently. Everything would be different because I'd be trying to hit that goal.

What if I only hit 50% of that goal; if I only got 500? That's still 5 times farther than I would've if I would've done my other one. It's a mindset thing. Anyway, 100 units, yeah, that's my goal, but now I'm thinking I need to start aiming for 1,000 because of that. Right now I've slowed down quite a bit. I buy 1 or 2 properties a year now, maybe a multi. This year, in the past 6 months, I've only bought 1 single family house just because the market's drying up a little bit. I've been overwhelmed with Bigger Pockets stuff. I published a book last year. I'm writing another 1 right now. Those things took away too much time which are lousy excuses, I know, but I'm human too.

**Mark:** No, I think that's awesome. I listened to that podcast, too. I've paid it a lot of attention. I listened to his audio book. I didn't read the book.

**Brandon:** That's what I did too, I listened to the audio of it, yeah.

**Mark:** It takes me so long to read.

**Brandon:** Yeah, I like audio books so much more.

**Mark:** I love his attitude. I did the same thing when I first started. I wanted to get 20 properties. I'm like, "Okay, that'd be an awesome goal to get 20." I realized, I could do that. I can see myself doing that pretty easily given enough time. I need to make it 100. That's when I bumped my goal up to 100. When you say that, maybe I need to increase my goal now.

**Brandon:** Thousand houses, Mark. Thousand houses.

**Mark:** No, our market is nuts here. We had the highest appreciating market in the country ...

**Brandon:** I heard that.

**Mark:** ... in Colorado. We're still finding some deals, but it's tough. Inventory's so low. I know what you're talking about with the market drying up for sure.

I saw you mention something on 1 of your pages about partnering and how you love to partner with people on your deals. How do you make that work and how has that helped you go faster than you could have without it?

**Brandon:** I like partnerships a lot because partnerships are like a puzzle piece. Everybody has something that they don't have. Somebody else will have that part that you don't have and you can fit those together like a puzzle. What's the word? Ideally, partnerships are perfect. They never actually work out ideally. There's emotion involved in people. You have to be careful.

The great thing about partnerships is that you have people. If you're lacking something, they might have it. For example, I've generally, in my entire career, have lacked capital. I don't have the money to go and buy all the deals that I want to.

What I've done a number of times is I've partnered with people who want to invest in real estate. Let's call them Bob. I like to call them Bob. Bob is an individual who loves the idea of real estate. He's busy though. He works a full time job. He's got good money, good credit. The bankers love him because he's a perfect borrower or he's got a perfect credit score or whatever else.

He has no time to invest in real estate. He doesn't read the books. He doesn't study on Bigger Pockets. He doesn't listen to podcasts like this. He just likes the idea of it. What I do is I partner with Bob. I say, "Look, why don't you bring the down payment? I'll bring my knowledge, experience, and the deal. We'll put it together and we'll buy something cool."

Essentially he's just almost like a private lender, but he's got an equity in it. I've done that a number of times with different people and worked these together. I bought a triplex with one, a duplex with another, a single family with another. We buy these properties together. The great thing about that is when you go to get a loan at the bank, they're going to look at the partner's amazing income, and amazing credit, and amazing everything. They say, "Oh yeah, no problem."

Even if I'm on the loan, or sometimes I'm not even on the loan. Sometimes I've just been we're both on title and only one person's on the loan. Some banks are okay with that. My portfolio lender, "No problem." Some banks will be like, "No, that's not allowed." Those are usually the big ones. Portfolio lenders don't care who's necessarily on the mortgage as long as at least one person can qualify.

Yeah, that's worked out pretty well for me. Each of those are their own little income streams. Me and Bob 1 can sell our property and then buy something else together. We can sell that property someday and buy something else, or we can take the cash flow and roll it into another 1. Me and Bob 2 can go and do that same thing over there, and Bob 3. I have these multiple avenues that yeah, I'm only getting 50%, but I didn't put any money in to begin with. They're able to all grow independently of each other. Hopefully, 20 years from now I'll have half a dozen partnerships that are all millions of dollars in value on each. Even if one didn't go as well as it should've I still got a bunch of others that I can look towards.

**Mark:** That's great, yeah. 50% of something is better than 100% of nothing for sure.

**Brandon:** Exactly, yeah exactly, exactly.

**Mark:** If you don't have the money then it's better to take a cut and get someone else involved.

Are all your properties in LLCs? How do you structure all your entities with that many units and properties?

**Brandon:** Sure, yeah. Right now they are. Yeah, they're all in LLCs. I buy them in my personal name and then I transfer them into an LLC. There is some danger in doing that in that you could trigger the "Due on sale" clause. All mortgages say that if you sell the property, they can take it back. Obviously, I'm not selling it. Banks can say that an LLC transfer counts as a sale and they can get mad about that. I've never had that happen to me; a buddy of mine did though.

He actually transferred into an LLC. The bank sent him a letter and said, "You sold the property. You owe us money." He said, "Oh, no I didn't." They're like, "You did." He's like, "Okay, fine." He went and transferred it back to his personal name then they were okay with it.

There is some danger and risk in doing that. Personally, I'm okay taking that risk knowing that I've got good equity in all my deals. If I ever had to, I could find a private lender, or harmony lender, another portfolio lender, whatever to cash me out if again that worst case scenario where the bank came said, "We don't like that you transferred this and we're not going to let you transfer it back."

Anyway, I did that. I bought the [inaudible 00:25:36] as a personal name. I went to my lawyer and said, "Please, just take care of this for me." He did it, transferred it into an LLC, took care of it for I don't know what it was, $1,500 or something like that. Of course, people listening, don't just assume that you should do the same thing. Talk to your lawyer, or CPA, all that good stuff because it's different for everybody. That's just what my lawyer, my CPA told me in my condition to do. Yours might be different.

**Mark:** Yeah, no I'd do the exact same thing. My portfolio lender doesn't care that it's in an LLC.

**Brandon:** Yeah, mine too.

**Mark:** Big deal. They'll even lend to an LLC if I want them to.

**Brandon:** Um-hum (affirmative). Yeah, mine will too.

**Mark:** In Colorado, it's really cheap to do an LLC. It's $5.00 a year or something.

**Brandon:** Oh, wow.

**Mark:** Yeah. It's crazy. It used to be $50 a year. They lowered to 5. I don't know why.

**Brandon:** Wow, mines like $300 or something like that a year.

**Mark:** Yeah. People ask me, "Why do you do an LLC when it's so expensive?" I'm like, "What are you talking about? It's like $500 a year." I'm like, "Oh. Well, if it's $500 a year, maybe I'd think about if it's worth it or not and just do an umbrella policy or something else with it.

**Brandon:** Exactly, exactly. Yeah, that makes sense.

**Mark:** You want to buy 1,000 properties. You're at 43 now. You're using your partners. You got your portfolio lender. Do you have a time frame for when you want to get to 1,000, or is it just like a some time in the future hopeful type of thing?

**Brandon:** Yeah, it's a just sometime in the future. I don't know. Originally, I said I just wanted to retire. I wanted enough units that I could retire. I got enough units that it paid my bills. I'm like, "Okay, well that's good." I probably should have a time line when I want to achieve it. It's hard to predict the market.

The market was crazy good a few years ago. I bought 40 some units over the past half a decade or whatever. Now the market's a little bit slower or a little bit heating up. I'm going to buy slower. When the market tanks again man, I'm going to jump in and buy so much during that time. I have to time it with the market.

Ideally, if I had to pick, 20 years. What am I now? I just turned 30. By the time I'm 50 if I had 1,000 units, I think I'd be pretty happy.

**Mark:** I think you'd be set up pretty good.

**Brandon:** I think I'd be set up pretty good, yeah.

**Mark:** Yeah, nice. Besides the real estate, you mentioned you wrote a book.

**Brandon:** I did.

**Mark:** You've been going crazy with Bigger Pockets. Talk about your book. Talk about what you're doing outside of the rental properties now with Bigger Pockets and how that's been changing over the last year or so.

**Brandon:** Sure. Yeah, actually let me start with this. I started writing a book on rental properties. I love rental properties. That's my bread and butter. I started writing a book on it. chapter 2 was on the financing side of it. As I wrote it, I wrote chapter 1. As I got to chapter 2, I just kept writing, and kept writing, and kept writing. That chapter 2 turned into a 50,000 word chapter. I'm like, "That's an entire book." I just took it out.

Last year we published the book on investing in real estate with no and low money down. It's been phenomenal. It's been selling a ton. It's one of the top books in the real estate category and Amazon consistently. Yeah, that was a lot of fun.

People can get it at biggerpockets.com/nomoney. Yeah, it's really been cool. That was done. That sold. It's still selling. It's still out there. I decided to pick back up the original book which was the book on rental property investing, title to be determined. That's probably what it's going to be called. That's written now.

That one's actually 3 times as long as the other one. It was almost 150,000 words by the time I finished it. Yeah, that's a big book. I'm paring it down. My wife, who is amazing. She is writing. We're co-writing the book on rental property management, also name to be determined.

We figured why not come out with 2 books at once, 1 on rental properties, 1 on management, do them together. Combined, it's 250,000 some words now of real estate. That'll be out in months from now. I don't know when.

**Mark:** I've self-published a few books. It's a lot of work. That is a lot of work.

**Brandon:** It's crazy.

**Mark:** Tell me, what's it like writing a book from scratch all the way through editing?

**Brandon:** Yeah, it's intense. Here's what's funny. I never realized. I never realized how much work goes in after the book is published, or after the book is written. I thought if I could just write the book, that's it. I could write the book in 3 months. It took a year, I don't know. 9 months to publish the other 1 after I finish the writing. It's everything else, the cover, the editing, the promotion. The whole thing just takes forever to do.

That's why I say it's months down the road even though I wrote the book already, the newest 1. It'll be months before I ever see it. I learned a really cool technique for writing the book this time. I didn't really learn, but I did a cool technique. I did this thing called the 100 day challenge from Gary Ryan Blair. Have you heard of that?

**Mark:** Um-hum (affirmative). Yup, I have.

**Brandon:** I did that. It was good. It was really good for me. It was a couple hundred bucks to take this course. Every day I'd get an email and have to answer these questions and walk my way thorough it. Yeah, the lessons maybe were a little bit cheesy, maybe things that you already know, motivational stuff. However, what that did is it forced me every day to look at my goals, to work on those goals, and to strive towards something for 100 days straight.

What I did is I took my book outline that I wanted to write. I divided it up into 100 sections, very, very detailed. I spent 5 hours outlining. I had my entire book outlined. Every day I just wrote. I told myself I had to write 1,000 words a day. That was just my goal. !,000 words every day for 100 days and I'll have a book done.

I actually averaged 1,300 or 1,400 words during that time or 1,500 words every single day. I never missed a single day. It made it very, very easy to write compared to the previous book which took me a lot longer because I didn't have that.

**Mark:** Wow, that's cool. No, I'm a big goal-oriented person too. I've always got my goals. The hardest part about them is just making yourself look at them, review them. You do it once a week. You do it. If you do it every day, that's where you really see those results and things start to change. You're always thinking about them. You're always just making constant improvements.

**Brandon:** You know what's funny about that. I did this course. It was a couple hundred bucks or whatever. It was one of the most well worth it things I've ever done. I had a lot of goals, real estate ones, personal ones, financial ones, relationship ones. I hit almost every single goal I had, or very, very close. I had pretty big goals set. It just totally transformed my life in 100 days, completely.

It got done with. I'm like, "Okay, well that's done." I did the course. They were like, "You should do it again." I got these emails from them saying, "You should do it again." I'm like, "Ah, I did it though. Now I know every day I'm going to work on my goals." I don't though. I don't do it. It was something about being a part of that thing that made me work on them.

I don't know. I need to work on either pay the couple hundred bucks and do it again or whatever. Again, it wasn't even the content. It was the act of doing it every single day.

**Mark:** Yeah, no. Actually we talked about this before. I took Jack Canfield coaching. Goals were a huge part of that. They told me, "Every single night you have to spend 15 to 30 minutes reviewing your goals, just reviewing your day, whatever. No exceptions. When I was in that program and I had someone I had to be accountable to, I did it. I did it the whole time.

Once the program was over, it's like, "Oh, I don't need to do that tonight. Oh, I'll do it." You have to have that accountability to really get going on those things.

**Brandon:** Yeah, you really do.

**Mark:** For those of my listeners who don't know about Bigger Pockets, I'm guessing there's very few of them. It's a real estate investing Web site that was started about 10 years ago now.

**Brandon:** Yeah I think it's been 10 years since Josh started it.

**Mark:** Yeah, it was a great resource for me when I first got on line and was looking at different investing techniques. How did you get started with Bigger Pockets? What are you doing right now with them?

**Brandon:** My journey with BP actually started long before I started working there. I found the site when I bought my first house. I bought that very first one. I didn't really know anything other than that my real estate agent said it was cheaper to buy than rent. I lived in the house. I realized that I could sell the house and flip it and make some money. I thought well, I'm going to do that.

I started reading some real estate books. I think I read Rich Dad Poor Dad. I'm like, "Man, real estate investing, that sounds like a ideal career." I called up my parents and told them I wanted to invest in real estate for a career for the rest of my life. I was going to go to law school. I had been studying for the test. I took the LSAT. I was all prepared to go. I was applying to law school. That's when I decided I'm not going to go to law school.

I read a couple John Grisham books, The Firm, and all these terrible lawyer stories. I'm like, "That doesn't sound like fun. I want to be a real estate investor." I told my parents that. They said I was crazy and that if bought rental property, my tenants would never pay rent and I would lose everything and I'd be homeless. I'm like, "That doesn't sound fun."

I went on line, I think it was Dog Pile, or Google, or whatever was the search engine back then. I typed in, "What to do when tenants don't pay rent." The first article that came up was the site Bigger Pockets. It was very young. It was a year or 2 old at the time. I started clicking around. I read this article. It was amazing that there were answers to all these questions that I had.

Everybody has an uncle who invested in real estate and lost their shirt. Everyone's got that story. I realized that there was the other side of that coin, that there are people who are succeeding with it. There's a whole community of them. At the time, there was 10 or 15,000 people or whatever on the site. Today there's 300,000 or something like that.

Anyway, that's when I started just being a member and reading articles. A couple years later I started, I don't know, getting a little more involved. A couple years after that, I started writing articles for them just like you were doing, guest blogging, and writing articles. I became friends with the CEO, Josh. One day he put on his Facebook wall, he said, "Hey, I'm looking for someone to help take over the writing the articles, managing the articles."

I said, "That sounds kind of fun." I was doing it anyway with my own blog. I had a small blog at the time. I was doing it anyway. I said, "I'll do it." That just morphed into me being what, today I'm VP of marketing and communications, or some BS title.

**Mark:** That's [inaudible 00:35:30].

**Brandon:** Yeah, yeah, really. Basically, I'm the I don't know, number 2. Is that the right word. I don't know. Me and Josh just work together. He's .... Yeah, it's fun. Today I just do whatever needs to be done. I do weekly webinars. I teach real estate. I write stuff. I write articles or I write for entrepreneur.com now and a few other things like that.

**Mark:** Nice, nice, awesome, cool. You guys started a new podcast with what was that? Asking beginning questions?

**Brandon:** Yeah.

**Mark:** HOw's that been going?

**Brandon:** Good, good, yeah. It's called Ask BP. It's just a daily podcast that comes out; just people ask questions about real estate. We'll just answer them. It's me and then 2 other people are doing them right now, Scott and Mindy, who are both Bigger Pockets employees. We just take turns answering questions and try to hit 5 a week. Monday through Friday it comes out. It's awesome. I like it a lot. The podcasts are great like this one.

We've been talking for what now, a half hour or whatever. A lot of people love that, but some people don't have time for it. Some people just have 5 or 10 minutes on their quick commute to work. The Ask BP one is a way to quickly listen, 5 minutes, 10 minutes every single day.

It ties in perfectly with that idea of the motivation that every day, doing that 1 thing and being reminded to get out there and work on your goals and stuff like that. I think that's probably why it's seeing a lot of success is that people just like that everyday thing.

**Mark:** No, I think, yeah. You've been very impressive in your investing, in your writing especially. You put out a lot of articles, a lot of books. I saw you're writing for Entrepreneur too, which is something else to add on to your plate. I know how time consuming it can be.

**Brandon:** Likewise, you're always pumping out content. You're one of the more prolific bloggers I know.

**Mark:** Yeah, it's the writing part's the easy part. It's the editing. It's all the other parts that make it hard. I think that's all I've got for this show. Thank you so much for being on it. Anything else you want to add, any great tips for beginning investors, or experienced investors out there before we end it?

**Brandon:** I'll end it the same way that I end every Ask BP episode is that I say this. In pursuit of your goals, don't just learn, but take action. Don't just learn, take action. People spend so much of their time listening to podcasts and learning and that's great. There's some point where people have to just go out there and do something. Take some action.

That's just my encouragement for the listeners today. Take something you learned today, anything at all that you learned today, one thing if that is and go out and apply it somewhere in your life.

**Mark:** No, that's great. A lot of the people I've interviewed before, their first deal they totally screwed it up. It didn't go well. They didn't give up. It didn't break them. It made them better in the end.

No, great advice. Thanks a ton for being on the show. We'll include links to your book and Bigger Pockets and everything we talked about on the page. Thanks a lot.