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THE TOP 16 MISTAKES MOST NEW INVESTORS MAKE



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Introduction

How did this book come about? Well, if you're reading this book right now, then that tells me that you are interested in Real Estate. One of the greatest things that we can invest our time, our money, our energy into is learning how to invest in real estate. We can then use this knowledge to build wealth, not just for ourselves, but for our family and for generations to come after us.

Real Estate is a Business in itself, and it's not just about flipping a house, or making a quick paycheck, rather, it is a business. Hence if you treat it as a business, it will grow into a company that will pay you for many years to come. However, there is a risk in Real Estate. There are also risks in other forms of investing. Hence whether we look at real estate or stocks or bonds or buying businesses; whatever we look at, to find our way to financial freedom, there are risks involved.

We must look at it from a form of investing. Whether it's investing in capital, time, energy, or other people's money, investing is risky if you don't educate yourself. I have said it over and over that the only way to mitigate risk is to learn the business inside and out. This is because mitigating risk comes from knowledge and education.

I can only say that you are reading this book because you understand what I just said that some mistakes can be made in investing. And with mistakes come loss, but loss can also come with a considerable learning curve. Everyone will eventually learn more through mistakes than they will ever learn through success. Now we don't want to run out there and make all the mistakes that everyone else has made in real estate because we probably wouldn't last very long to do that which brings us to the main REASON why this book was written.

One of the things that always got me curious was how did other people do what they did and what they did to overcome their mindset? Or what kind of mistakes did they make that they had to overcome? I know one of the most significant errors that I have ever made in this business was the first year I was in it, and it almost took me out, but I learned so much from that one mistake, and it developed me into a better investor. I didn't look at it as a loss. I looked at it as a learning experience.

And now, here, you are going to learn from not only my mistakes but other investors mistakes all over the county.

Over the years, I have had podcasts, interview shows and have written several books through that experience. I have gotten to spend time with other investors all over the country, talk to them, interview them, and educate myself through them. One of the things that I always asked was; *what was one of the mistakes that you made as a new investor that changed you?* Or what would you tell someone else to look out for in this business?

I am going to break each one of these mistakes down over the next 24 chapters. It would be a straightforward read for you as you move forward through this.

Now, you might ask, who are you?

Well, I'm Zack Childress. If you don't know me or haven't met me. then you should know that I have been doing this business for a very long time; (19 years as a full-time investor). I have invested from California to Florida and everywhere in between. I am fortunate that I have spent the last ten years of my investing career homing in on the Alabama market, but I also invest virtually.

I invested in other markets too. I do private lending in my local area for deal partnerships. I have invested in all types of investing strategies like: wholesaling, lease options, creative financing, subject to, straight line financing, contract for deed, land installment contracts, rehabbing, hoteling deals, and all others.

I have done everything from single-family rentals to small apartments, large apartments, commercial warehouse space, and even land development projects. Not just all that, but I have also helped thousands of people all over this great nation to find a path into real estate. Most of the students I have helped have come to me through a referral from another student, one of my books, videos they found online or my Real Estate Investor Association I am the president at.

They reached out for help, and I was there to help them. I have also been very fortunate to be able to grow my business in multiple ways; from real estate to having a training institution where we have gone out, and trained people all over the country. We have been endorsed by some of the most exceptional people out there for my education, my books, and materials. One that I will never forget is

when I was able to team up with Kevin Harrington from the hit T.V. show Shark Tank “The Original Shark” they call him to endorse one of my best-selling books. Great moment!!

My Real Estate experiences and from my interviews of other Investors have given me the tools and understanding of what I needed to share in this book; I thank you for getting a copy of this book and reading it. It will help you grow as an Investor no matter if you are new, or you have been doing the business for a short time like a couple years.



Remember it takes years of Investing to get to a point that you can really teach someone how to do this business. I see it all the time someone comes into the investing world they go to a few seminars, flip a few deals, and think they are the next Guru. They want to go out and start teaching others, and this is a huge mistake for the new person listening to them. That 2-4 years’ experience just isn’t enough to really understand what they are doing and when that time was spent flipping in a hot market well it’s even worse advised. Because they haven’t had to make it work in a down market. This is the true test of an investor.

You see, be very careful of this type of person that wants to teach you!! Stay clear of people that want to show you the way when they haven’t figured it out themselves. Stay clear of the 2-4 year Investors that think they are going to teach you how this business works. Stay clear of people that say you should only be focused on one strategy. Remember you are going to need help but getting help from the right person is key. There is a lot to learn in this business.

This will be one of the hardest things you ever do, and it will be one of the most rewarding too. I hope you enjoy this book. I hope you enjoy all the resources and information here; I hope you find something in here that will guide you into a better path of Real Estate.

If you want to be part of our REI Community where you can Connect, Learn and Growth with other liked minded investors, then please join us in that Free Group...
www.REI-Community.com

Enjoy,

Zack Childress

President

Real Estate Investing Community

P.S. Always remember to focus on the 4 Pillars To Success if you want to have a true sustainable investing business!! Foundation is the key to your lasting success!

P.S.S. When you are building your business also never get stuck in the idea you only need 1 investing strategy to be successful!! Don't be a 1 Trick Pony!!!

P.S.S.S. To be successful you must be consistent in the business and then you will build momentum which in return will help you achieve results!!!

Chapter 1

Not starting soon enough.

This seemed to be a common thread amongst all the people that I have had an interview with over the last 19 years. One of the things that they would say to me quite frequently is that they would spend too much time in the process of trying to learn everything. The fear of moving forward would hold them back, and a lot of them would share, some of the things that they were afraid of. This could be common with you too, whether making the wrong offer, or not knowing your numbers, whether they would be able to sell it, or did they have the right team. How are they going to find a buyer? All these will hold a buyer back.

But one of the things that we must think about in the process is that, sometimes it's better to start something than to not start at all. When I would do these interviews, and someone would say, *I waited too long to start*, it always reminds me of the many students that I have worked with.

A lot of the new Investors face the same challenge. They keep buying books, they keep going to meetings, they keep learning, but they have a great fear of moving forward or pulling the trigger on investing in themselves. This is a common thread. Even amongst some of the largest Investors out there today that we know of or have interviewed, initially, when they began, they all second-guessed their actions.

They were fearful; they thought they needed to know everything first. The reality is, you don't need to know everything first. You will learn more through action than you will ever learn through the studying process but **get some help so you have a clear path on where you are going.**

There is a significant difference between being *book smart* and actual *street smart*. The word *street-smart* is seen as something that means being out there looking at properties, meeting with contractors, getting along with agents, understanding the lay of the land, talking with funders, identifying where the markets are for rehabbing, where the markets are for rent, and putting your team together.

Those are some essential processes or points that must be made or done in building the foundation of the business. But at the same time, there's an adjective called *analysis paralysis*; how long are you going to wait before you take action?

How much studying do you have to do before you take action? How many more books do you have to read before you take action? How many more seminars do you have to go to before you take action? How long are you going to wait before getting someone to help you?

Maybe it's something you want, but you feel like you have become a consumer of information and not moving in the process of taking action. I can tell you this, the market is not going to slow down and wait on you. It will move forward with or without you.

We must think about this and say to ourselves, *I am not going to wait*.

You have to identify the start time and that time is now. It is now for you to start because lost time cannot be made up in the markets cycle again. It could take five, six, or ten years through a cycle correction or a cycle of engagement.

You must identify where you are and what you want.

Are you willing to keep waiting or are you willing to get out there, make it happen, and start in the important process of gaining the knowledge that you need? There is something that you should be aware of, and it's not that knowledge is power! Rather, it is applied knowledge that will give you the power to create success in your life.

When you sit back and think about it, you can be the smartest person in the world, but if you are not applying that knowledge to something that is going to make your life better, then you are not that knowledgeable. Rather, you are a consumer of information.

You must practice the art of applied information. You must practice the art of getting small chunks of information and applying that into your business and market. Moving forward is something that is not natural for a lot of people. We live in a world where comfort is the creature that holds us back.

Wherever you are in your journey, whether you are just starting out, you really have not taken action to apply the information you are getting; take action to get some information, get some training, and then apply it to your business.

You might be a person that's two, three, four, five years into this and you don't need to take action to get started anymore, but you need to take action in the next level of your business. It could also be starting the new journey in the business, in life, anything. We are always starting new journeys. We are always starting new processes, and we can sit and think about it and let time go by as we have done over the years, or we can take the action needed to move forward.

Chapter 2

Only working with Real Estate Agents

This one is common amongst all Investors, especially new Investors, I could tell that it was widespread throughout the years of my interviewing Investors because they were all once new Investors themselves.

It is a misleading step, very misleading vision of starting in Real Estate because, some of us who were out there like myself when I first started, I thought you had to have an Agent to be able to buy Real Estate.

I didn't know you could buy it without an Agent. A lot of new Investors are making the same mistake. They think that they have to have an Agent, or they think they have to have money to do Real Estate. They do not understand Creative Real Estate Investing, or Creative Financing Strategies or even how to do Real Estate Investing using other people's money. So, the new person would not know that they can put a contract together directly between the seller and themselves.

When it comes to an understanding of Real Estate Investing, this is needed. When I started 19 years ago, the information just wasn't out there. It was something you had to look for, and you had to seek it out, and you had to find people or training events that were going on.

It was not a known topic; Creative Real Estate Investing. Back then, when you would talk to an Agent, they would be a little leery about you. One of the things some of Investors I interviewed said was that for several years that they only worked with Agents because it was the properties on the MLS they were going for.

That itself limited their ability for growth.

Okay. Let's be clear because it doesn't just limit your ability for growth; it also increases your competition. To be working with Agents only that will look for deals is simply because you are reluctant to do anything else. This may be either because it costs money to do marketing, or you don't know enough about it to do it.

Or you don't understand the Pinwheel Marketing System that I teach my students.

Sometimes, you may think to yourself; *well, I don't have to spend money on marketing. I could get deals on the MLS.*

That is a deceiving line of thought.

I have Agents on my team, but when you only work with an Agent, you're restricting your ability to grow, you're restricting your ability when it comes to lead flow, and you are dependent only on new leads come on the MLS, but then what else is the issue?

It's a competition level because, right now, not only are you going after that deal, but everyone's also going after it too. I'll give you a prime example in the market, literally today, as I am putting this chapter together. I saw a deal, and it was an excellent deal, and it was the first day on the market.

So I had sent my project manager out to the property to do an evaluation on it and walk through it, to give us an idea what it was going to cost and remembering that it had just been put on the market today.

By the time we got there, there were already 20 other people looking at that property. Even though the MLS and our Agent is one stream of deals that we get, they're not all because of scenarios like that. I'll give you another example. I had someone that had a property that they're trying to get rid of it.

It's a private seller, off-market. It's not on the MLS, and it'll sell for about \$185,000, needs about \$50,000 in work, and I'm able to pick it up at \$65,000, there is one other person that would be looking at that property with me.

There is a big difference. Yes, big difference from MLS and finding other lead sources. If you want to grow this business, you not only need to work the MLS and have an Agent on your team, but you must be working other lead sources as well.

I focus on teaching my students how to have multiple lead sources working at all times and we use the Pinwheel Marketing System for this process!

There's going to be lead sources that you can tap into, you can have an abundance of them, and there's going to be lead sources that have less competition.

And that's why those leads will be your better-quality leads; just as the MLS is highly competitive, you can get the advantage by trading other leads. However, it depends on the market that you're in. If you're in a market and the foreclosures are on the rise and REO's are coming on, then yeah, the available inventory on the MLS will go up.

But when you're in a market where you're sitting on two, three months of inventory, maybe four months of inventory, you can't rely solely on the MLS. But if you're in a market where you're sitting on five, six, seven months of inventory, then you're going to find some good deals off the MLS, but you must make sure that you keep it broad, keep other leads working also.

You should understand the difference between a private and a public lead source. Private lead sources are where we do our own marketing; we generate our leads and there is less competition.

Finally, you need an Agent on your power team. You need to work with an Agent, but you don't need to work with an Agent to find lead sources to grow your business.

Chapter 3

Building The Wrong Power Team

You must have heard of a Power Team, if you haven't, let me introduce it to you. We all know and incurred or have read or have been told, if we have been in the business for a little bit or anytime that you must have a power team; you have to have a power team.

A power team is significant. I concur and I agree. Power teams are critical. I think it's one of the fundamental processes to your ability to move into a market quickly and proliferate.

But one of the more common mistakes that was brought out in the interviews as I talked to more Investors was the talk about how the power team held them back, how they picked the wrong power team, how they should have put more thought into who they put on their team in the beginning.

And the list goes on and on.

If you take all the different ways of them saying it, it all comes down to building their power team. So, I asked them questions like, well, *what did you do wrong? How did you know your power team was wrong?* Because when you're first starting, you don't know who's right or who's wrong or who's who and the right fit for you.

One of the things that popped up was that a lot of them would say that they just didn't put enough time and energy into picking their power team. It was more of an emotional act when picking the team, they knew someone who knew someone, or my uncle's an Agent or my cousin is a Mortgage Broker, 'oh my neighbor's son is a Contractor". It was more of an emotional decision instead of a logical or researched decision.

I think that was something that I picked up too. I have made that mistake before. I learned from it, and I realized really quickly that that's not something that is beneficial to the business. It might be beneficial to the relationship because you're offering them business. But the reality is, if something goes wrong, the relationship

will be on the edge. You must mend the relationship. But to succeed, you must separate a business relationship from friendship.

If there was one, it could get very convoluted and cloudy, it's just not worth it. And that's the emotional action. When we're under emotional decision making, you might be aware of what you are doing, but in most cases, you may not be aware of it. But NO, Real Estate is not an emotional business. It's logical, and it's a number-based business.

I can relate to this very much because I have made these mistakes myself. Most of the mistakes in this book were mistakes that I made also early on when I first started out, maybe not all, but I made a lot of these mistakes myself.

One of the things I have been lucky with is that I have been able to travel all over the country and internationally. I have put on training events, and I have been personally coaching people all over this country, and in Canada and Australia. These investors are not different than you or me. And that's the thing I want you to understand. They're not different. These mistakes are made across the bloodline in any human being, getting into something new — hence one of the reasons I wanted to put this book together.

Part of that was identifying these things like building the wrong power team and so on. To get above these mistakes, you have to ask yourself this question; how do I know not to act emotionally and how do I know how to move into a process that will identify the right Agent or identify the right Management Company. That comes from asking the right questions and asking the right questions only. It will also come from slowing down and spending time to learn how to build your foundation and put the right team around you! Most people look over this as something small but it is one of the most important things you NEED to do as a investor!

For example, if I'm going to pick an Agent to buy deals from; I will be looking for Agents that have years of experience in the market, and that understands the MLS. That has the time to spend looking for deals on the MLS. An agent that knows the market; so, when they see a deal on the MLS, they can shoot it to me and say, this looks like a good deal. They know how to run searches in the MLS and assuring that they know the neighborhood that sells for \$100 a square foot, and then can

advise to pull any listing in this area that is listed for \$75 a square foot or less. These are some of the little strategies that you can factor in selecting the right Agent.

My selling Agent will be somebody completely different, and when we finish a project, we stick it on the market at that moment; we're looking for Agents — not the ones that we already have relationships with. We're not trying to bring emotion into it.

We are looking for Agents that are already selling houses in that neighborhood, that's who we want to identify, and that's who we want to turn our property over to because they've already been marketing in that area. They're already getting buyers.

If a buyer doesn't like the house that they are showing, they can take them to our house. Same way with property management companies, asking questions the same way that we would require for contractors. We're looking for referrals. We want to identify that they can do the skill set of the work that we want. It's just not emotional, and at the end of the day, you have to remember just anyone isn't the right choice and just because you say I don't know any other contractor, but I know this guy. I'm going to use him. That doesn't mean that that's the right choice. It only means that it's an available choice.

The easy choices aren't always the best choice, but remember that when you're picking your power team, you also have to realize that when you build a power team, this is someone, somebody that you're going to be in a relationship with business wise and you need to be on the same page. You need to have synergy. You need to be able to trust them, and they trust you and that you do business together in growing that business.

As you grow your business, your power team will not always grow with you. So, staying with your power team too long can cost you revenue and growth in your business. Always be in the habit of re-evaluating the current power team you're with, make sure they're able to keep up with you and your growth. If they are holding you back, you have to dismiss that part of your team, and you have to bring a new person on.

They can help you keep growing and going to the next level, so you always remember, never pick on emotion, never buy on emotion, and never keep any relationship either personal or business based on emotions.

If it's not serving you and a method or a process to keep growing in your business or even in your personal life, always seek more, look for someone else.

How do I gain more information? How do I get more data that can help me make better decisions? How do I move into the market quicker and are you the right team that's going to take me there because you are not going to do this alone? You must have a team to support you.

When you hear me talking about the 1st Pillar of the 4 Pillars is foundation this is a key part to that process there are 3 main section in the 1st Pillar and building a great power team is one of the section!

Chapter 4

Thinking You Can Do It Without Help

Wow, what a significant chapter this one is. Even though it may not have a lot of pages, it's still a big part of mistakes that everyone makes. Honestly, in any venture, this mindset is predominant and likely to occur. It could be a mistake you make in any business journey or relationships.

The truth is simply understanding that being alone is not going to create the growth, and I say that because as we've been so fortunate, as you will read through this book of all the people that I've been able to pull information out of to share in this book. This was another of those topics that when I would say, *give me one mistake that you made*; they would give me several and this was one of the mistakes they would say *doing it all alone*, was always mentioned.

One of them was this; thinking that they could do it all on their own and thinking that they didn't need anybody to help them like a coach or mentor, thinking that they were going to bully their way through the journey. Whether people were with them or not, they were going to make it work, and quickly you find out that you are now a solo-preneur in the journey, this is a nightmare, and this is a train heading for disaster.

Mostly, this occurs because we have been taught throughout life that the most successful people are alone because of their hard work. They stay away from people. They don't go out and serve the community. They don't hang out. They are loners. They make lots of money, and now they can't enjoy their life.

That's the mindset that we're taught from a very young age; that if you want to be successful, you've got to do it alone and you've got to push everybody else away from you, and you can't be social, and you can't do fun things.

That's one of the things we are taught, so our mindset is, when we start businesses, if I'm going to do this, I can't hang out with anybody. I can't do this. I can't do that. And yes, there is some truth to that, but there's a point where you must understand that you will need others.

What will happen is, you will create another job for yourself if you're the only one doing it, and I see this all the time, it's the biggest mistake out there for most solo-preneurs; getting started, especially in real estate. They don't want to hire an assistant. They don't want to outsource. They don't want to get help. They don't want to hire a coach. They don't want to build a team that's going to help them, and some of them will even say to you; *oh well, I have it I'm strong.*

Even when they have an agent or a property management company and contractor, they will ignore them; internally they're still doing it themselves. They're still handling all their accounting. They're still handling all their day-to-day operations. They're still handling their marketing. There are still handling all their phone calls and their data running in their inbound services and their acquisitions team and their liquidation department. It's all them and even worse, they're still the ones going out and looking at every single property. They're the ones going out, looking at the property, coming back and evaluating. They think that no one can do it better than them or that they think they are saving money by not hiring someone. This is a true key factor to understanding if someone really has made it as an investor. Are they still doing all this, or do they have systems in place and have others doing the work for them? Remember, Hustling is a season not a lifestyle.

At some point, you must do all of that, but you also have to understand that it is a huge mistake to stay there, and the mindset usually is, why would I pay someone to do this when I'm not even paying myself yet? Or why would I pay for a coach when I can just figure it out on my own... **WRONG!!!** You need a coach to help you understand when to outsource and when not to, when to grow and when not to, when you are making mistakes and when you are not!!!

I get it. Spending money is scary but this is a business and if you don't invest money back into you and your business you will never grow.

Also you need to stop thinking like an hourly employee... this is cancer in our way of thinking. It teaches us to think I'm putting work in. I need to get paid. I'm putting work in. But the problem with that is entrepreneurship is not that way.

It's about reinvesting. It's about investing in ourselves. It's about investing in people. It is about investing in the process, and the biggest mistake is thinking that you can do it on your own and being alone is the worst thing; you have no one to

talk to. You have no one to communicate with. You have no one to bounce ideas off of. You have no one to tell you if you're going in the right way or the wrong way, and that's where most investors make mistakes, or they listened to the wrong person.

They listened to somebody that might have been doing it a year or two years, and they don't have enough experience under their belt. They don't have enough failures under their belt that they came through. There's a big difference in failing and quitting and failing and then succeeding even more. That's the people you want to learn from.

We had this misguided outlook on who we should get advice from or who we should get help from because when a new person comes on and they haven't done anything, and then they see a person who's a year or maybe two years into the business the new investor naturally thinks "hey I should pick his/her brain to see how they can help me". Well, this help is good but can be very bad also. The person they are wanting help from doesn't have the history to be able to give the right advice for growth and how to become successful because they haven't reached it yet. Now they might have been successful figuring out how to do a deal or two but not long-term success.

The other problem is that success for most of these new investors is short-lived in most cases where someone that has been through over a decade of real estate cycles and been through the ups and downs and had losses and wins during that time to learn from will be able to help you at a much higher level. All these investors that I've interviewed have been around for years hence it is only wise to listen to them, especially when they say *you can't do it alone*.

You have to have a team. The team is significant for your growth. Being able to build a business model is essential for your growth and the infrastructure of an assistant to help you put your time where it needs to be. Your time needs to be on the growth.

When you're doing the day-to-day stuff, you're just creating a job, and that's where you think you need to pay yourself for that job. No, you don't. You need to pay someone else for that job. You need to be focused on the growth. You need to be focused on the business. You need to be looking at it from a high-level overview

and where it's going, and you need to really think about the direction you want the business to be in, and that is what the entrepreneur does. He/She may not get paid for a while or maybe even get paid less than what he's paying someone else as it starts to grow.

But the rewards from the time put in, come from the growth of the business. And that's the most significant part, and I think that was hitting home as I was going through my journey of talking to people all over the country and in what they did to succeed. They all felt like; *I started thinking I could do it alone, but I could not do it on my own.*

What I realized very quickly was as I was making lots of mistakes, I was making too many mistakes. I cost myself money, and I knew these mistakes could be prevented if I had someone around me that had a decade or more of experience that he/she had been through.

The cycles that we are in and could tell me what the next cycle would look like and how to prepare for that; that's when it would all come back around to having a coach or a mentor in their life. Such as someone who has an immediate success right now, and better yet someone that has had that type of success in your market.

Someone getting started with some quick success doesn't know how to see the future. They don't know how to understand the market cycle when it changes or how to be prepared for that or what to be doing now to be prepared for that if they haven't been through it already. Best question I was ever taught to ask someone before I start taking advice from them was, *"How long have you been investing and how many market cycles have you been through and did you make mistakes"* The answer to these questions are very important.

So, you have to be careful who you get advice from, and honestly, the fastest way to your success is through coaching and mentoring. It will cut years of learning time off for you and make your success much faster and safer. It will save you thousands in costly mistakes, and it will guarantee a level of confidence that you have someone to back you through that process.

I'm a believer in coaching. I still till this very day pay for coaching and mentoring in my life. I also coach and mentor people all over the world really, and the beauty

of that is watching the developmental process. It's just something that is in me that I know that if I want to keep growing, I have to keep investing in coaches and mentors and it has been a lifelong journey of mine.

When I started reaching success with my first coach and mentor, I knew at that point that I would always have a coach and a mentor in my life because I did not want to be doing it alone.

Even my power team, they might say, well, I'm not alone. I'm with the power team. Yeah, but your power team isn't focused on your business and where it's going. But my mentors and my coaches focus on my business and where it's going and what directions it's going in and how do I make that work.

Just like when I'm working with someone, I'm focused on their business with them and how do I help them get it to the next level. Think about where you are, where do you want to be, and know with certainty, you're going to need help to get there.

No matter what you think you will need someone to help you get to that next level in your business. With out them you will get stuck, and growth will slow down... I encourage you to look in the mirror and ask yourself the hardest question you want to know the answer to. This is when you will realize you only know so much and if you want to know more and move faster you will need to have a coach in your corner to help you with those questions and direction to get you where you want to be faster!

Chapter 5,

Only Looking At Deals That Have Equity

Now you might think; why would you go after deals that don't have equity? Well, that's the same thing that thousands of other new investors have asked themselves. Look for deals with equity, buy low, sell high, buy low, sell high. And it is a typical thought process. It's standard training.

It's what most people are told when they get into real estate investing. And the same thing with the investors that I have spoken to and interviewed over the years, was that they thought when they went into the market this was what they should be looking for also. But they found out quickly looking for deals that had equity in it was a big mistake that they made and so many other people make too. Just think everyone is looking for the same deals with equity too. So, what if you figured out how to go after deals with no equity and make money off them. Game changer, right?

This is another reason why I focus my teaching on our 4 Pillars To Success and the 4th Pillar is all about Smart Investing System that teach multiple way to do a deal even if there is no equity in the house!!

Also, another thing to look at; those who say I'm wholesaling, and I have to find deals with equity. Well, that's wrong. If you only know how to wholesale one way, then you are misguided in the avenue of learning wholesaling, meaning whoever you are learning from doesn't really understand wholesaling and that there are 6 ways to wholesale. Remember be careful who you listen to.

There are multiple ways to wholesale, and if you're only learning one, then you're losing out. The reason that we need to know other ones is so that we can do something with deals that don't have equity in them or a little bit of equity or maybe they're even upside down. And yes, you can still make money from those deals. But if you say, I'm just a rehabber, and I have to buy it low so that I can fix it up and make profits so they can sell it at a retail price; that could be true, but this goes back to being a one trick pony, which we'll talk about more in this book and if that's the only thing you're doing, you are missing out on everything.

And so I share that with you because one of the common mistakes that people kept saying in my journey of interviewing investors all over the country, was that, they only learn one strategy and only went after properties that had equity in them; they found themselves in a highly competitive world, and they found themselves limiting the number of deals that they could structure because the property did not have equity in it, then they had just basically let it go. This is from lack of education you can fix this, but you will need to invest in your education.

You must ask yourself the question; do I learn how to look at properties that don't have equity or a little bit of equity and still structure those deals to make a profit. It goes right back to investing in yourself, right?

Getting more education, learning the different strategies, not just reading a book on it and not just doing a one hour training on it, but really learning and putting the time needed into learning this business if that means going to a two day event or three days into a class that's going to teach this and or hiring someone that has done this over and over throughout their career to help you with it, whatever you choose is your choice. Just remember you will lose deals and profits from not being educated.

Also, remember equity deals are great, but they're not everything. Equity deals are just some of the deals out there.

There's a more significant portion of deals on the market with no equity that will give us a better opportunity to do more deals consistently if we don't just look for deals that have equity in them. Big Colossal mistake! When someone says to me, I only buy deals with equity in it. Then that tells me two things. They're probably a rehabber only, or they're a wholesale that only knows one way to wholesale, and they're just not educated enough to become a great real estate transactional engineer.

It all boils down to becoming knowledgeable about how all deals work and how you can control deals using other strategies to gain a profit. Not everyone is looking at these other types of deals. They're not looking for deals that don't have equity.

The majority of the population that's coming into real estate investing are only looking for deals with equity in them so you can really set yourself apart by gaining the knowledge, putting the time into investing yourself and really growing your ability to get educated on becoming a transactional engineer, which will allow you to have options and opportunities for all types of sellers.

No matter what their situation is in or what the property situation is in, whether it has equity, or it has little to no equity or even if it's upside down, there's still the ability to control that property with long-term positioning to build equity in it over time that you would gain from because you got smart early.

Chapter 6

Starting With Wholesaling

Wholesaling is a very hot topic. It is a strategy that I learned when I first started 19 years ago. It was a strategy that most people gravitate to when they're first starting because of the minimum risk involved.

You are specializing in the art of selling contracts, being a contract engineer, utilizing your ability to find leads, your skillset to negotiate deals, your networking skills, your ability to find buyers and your understanding of contract laws in your area that allow you to use contracts to secure properties with the right clauses in them so that you stay safe and legal and then selling your rights to another investor for cash this is traditional wholesale.

But you have to understand just because we're taught that, does not always mean that that's where we should start at because wholesaling is an earned income model and honestly the investors that are at a higher level work their way out of wholesaling and only focus on the deals, they can make big profits or great cash flow. You see they might start as a wholesaler, but they graduate to the next level and start buying from wholesalers. This is because wholesaling is an earned income strategy.

Yes, if you stopped working; it will stop paying you, and that's just how it is. Wholesalers have to be very good at marketing, they have to be very good at lead generation, and they have to be very good at communicating with the seller to be able to secure a contract with that seller before or during other people looking at that property.

Wholesaling can be a tough job, it can be a competitive world, and it is an earned income. To begin with, we ask the first question; why do most people start wholesaling?

I asked that question to several investors as I interviewed them. How did you start?

I started as a wholesaler, and I did the same thing I started as a wholesaler, and that was a general thing. They would say, I don't know why I didn't look at other

things, and they would say I thought that I should start as a wholesaler. This is only because they didn't have enough knowledge on how to do all deals.

But the reality was, a lot of them did not do a whole lot of wholesaling anymore. They started as a wholesaler. They realized very quickly that it was earned income. They moved into other investing strategies like rehabbing and creative financing. And then ultimately, they're now moving more into buy and hold cash flow properties for long term generational wealth. This process is called the evolution of investors.

They have gone through the same model as me. 19 years ago, I started as a wholesaler. I thought that was what I was supposed to do and I'm going to explain when you should use wholesaling as a strategy or when you shouldn't use wholesaling; in a minute, but I started the same way as most investors I interviewed.

I started as a wholesaler because I didn't know how to do other avenues yet. I grew into creative financing, and then I moved into rehabbing and then I moved into rentals and private investing and then land development and finally in commercial buildings.

I just kept growing through the evolution, which is where you will be eventually over time, as long as you keep investing in yourself and you keep educating yourself, and you get the right support around you. You too will be on that same journey.

But the thing about wholesaling which can be misleading is that it doesn't give you wealth. It doesn't create long term assets for you to pass onto your kids. It doesn't give you the long-term profits.

You will be looking for and finding the best deal in the market, and then you're wholesaling that off to an investor who's going to make \$20,000 to \$40,000 while you just made \$5,000 or \$10,000 on it. So, you can see that there's a big difference, but a lot of people don't realize, that there are funders out there that you could build relationships with and will help fund these deals; then you can be the one buying them.

Another reason I spend so much time teaching my students the 1st Pillar of the 4 Pillar Success Process... Inside this 1st Pillar is Where We Get The Money even if you don't have money or a great credit score it doesn't matter once you know the right funder sources!! Once you know this the whole investing game opens up for you!!

Most investors don't look at it from the point of view that they could go down to the bank and start working a buy and hold model. This is because some people might be sitting on \$20,000 to \$40,000 and they don't want to buy one rental property with it. Because they would run out of money when they don't truly understand, they could buy that rental property, get it stabilized, get a refinance, pull their money out and buy another property, get it stabilized, refinance it, pulled their money out and built this domino effect.

So, they go for wholesale deals, but I am not against it, I started that way. I ended up starting a wholesaling business out in California 19 years ago and ended up hiring a bunch of people; we ended up wholesaling across the US, and we moved virtually into other markets quickly, and it grew into something huge. We were doing anywhere from 12-16 deals a month.

But there again, the evolution happens.

Do I wholesale today? Yes, but is it my primary strategy? No. let me explain that; wholesaling should be a secondary strategy, not your primary strategy hence if you're in any position to establish funding relationships, whether those are hard money lenders or asset based lenders, banks, lines of credits, you should ensure to take the chance.

Wholesaling should not be a primary strategy. It should be a secondary strategy. Your primary strategy should be going after cash flow properties, fix and flip deals to make more massive amounts of money and that's something that you need to think about.

Where are you in your business and where do you need to be and what strategy do you need to be using? Your response to this will be your primary strategy. If you can do one of those two, that will be your primary strategy and then any deals that

come your way that doesn't meet those primary strategic goals those deals become wholesale type transactions hence it is referred to as a secondary strategy.

When should wholesaling be your first strategy? When you are starting, and you absolutely cannot get a lender to fund you on any deal, or you don't have the ability at all to execute a deal to rehab it or to buy or control it. If you can't do any of that, then yes, wholesaling should be the first strategy. Also, when you don't have the knowledge yet, or you don't have the understanding of how to do rehab or how to find the best deals for rentals or you just haven't studied enough to gain the knowledge, or you haven't invested in yourself enough to move into that process. If that's the case and you want to start learning the basics of real estate, then yes, wholesaling would be a primary strategy for you.

However, I got stuck in wholesaling; I wish that wasn't a mistake I made. I wish I would have moved over to other investing strategies faster. I loved wholesaling. It broadened my understanding of marketing and contracts and negotiations and building buyers and networking, and it led me into moving across the country as a virtual investor. But one of the things that it didn't do was it didn't lead me into a path to create wealth fast enough and so the other strategies in raising money.

I try to tell people all the time when they come to me, especially people looking for consulting and coaching, I ask them why did you pick wholesaling? What's your financial situation like? Where are you in your knowledge base? Can you build relationships with banks? After they have responded to these questions, then I know more about what they can or can't do. They may not know yet only because they don't have the level of experience that I have. I can usually tell when someone should be doing wholesaling and when someone should not be doing wholesaling with just a few questions.

I'm not against wholesaling at all, not at all, but I also think there are other strategies that a lot of people could be starting with to make more money than just wholesaling.

Chapter 7

Listening To The Wrong People

This is one of the biggest mistakes we all have made, and it's costly too. It is a hammer. It can knock you out of the game for months, sometimes years or it is something that will slow you down in your progress, and it happens everywhere. It happens all over the country. It happens to new investors and seasoned investors too.

We get so eager to want to learn something that we will listen to anybody that has done something we're trying to do at any level, and that is a massive mistake because listening to someone who has done a few deals over a year or two can be very disastrous.

They haven't done it long enough. They haven't been successful long enough. They haven't had significant fails and losses and came back from it. They haven't gone through market cycles and built companies and then had to take them all the way back down to two or three employees and then rebuild again. They haven't gone through the journey long enough to be able to help you honestly see the direction and the forecast of what's to come.

They haven't built enough wealth yet to be able to understand how to personally position themselves for growth even more and haven't had the timeline to see that wealth grow and determine if the decisions they made were right or wrong.

Listening to the wrong person is a costly process because I thought I was the only one who was doing this out there, but I found out very quickly I wasn't. So many people I talked to say the same thing. One person said the cost of bad advice would cost you millions in future revenues because of the loss of time.

Bad advice will slow you down; it doesn't create the growth. It moves you into bad mistakes. It's one of the most expensive mistakes, and this entire book is about correcting the error of listening to the wrong person.

It's not the person giving you the advice that you are taking is the problem. It's you not listening to your subconscious or your gut; knowing that even if this person is having a lot of success early in the first couple years that doesn't say they have

made it as a real success yet. They haven't had the time, and they haven't put in 40,000 hours into their business. They haven't put in the wins and the losses yet. They can't teach you how to be financially free when they haven't reached it themselves. Think about that.

That's what it boils down to. But we listened to them. We listened to them because we think that they know more than us meanwhile the reality is that even if they know a little bit more than us, yet they don't know anything about what will help us increase into our desired levels of financial freedom because they haven't made it themselves.

Another person that I interviewed called it the hallway guru; and although I chuckled about it because I thought, what exactly is a hallway guru? He replied by saying; it's the person that comes out to the events, the seminars and talks about how they know everything and how they've got this figured out and how they are having massive success. But then when you ask them how long they have been doing this, they tell you it's just for six months or about 1 or 2 years.

They are called the highway guru. They want to be the person who has had the years of experiences. And now they want to be out there at a different level helping, guiding, and coaching people in their masses. They want to be that person even though they'll tell you they don't. They are referred to as the hallway guru. They go to events, and they talk a big game in the hallway or at the back of the room to the new people.

They fill up their ego a little bit from it, but you must be careful about this because it will lead you down a path of destruction. So, I am saying to you that it is a bad mistake.

So, there is a question about how to know the right person. What would you need to do is find someone who has a good number of years of experience? Point blank.

Firstly, one of the reasons that I've had so much success with my students is because of my years of experience. I have gone through trials and errors. I have listened to the wrong people too. Hence, I know how to spot them. I have spent over 19 years in this business.

I've seen market cycles. I've seen it all. You must find that person wherever you are reading this. If you're in Seattle or Texas or Florida or wherever, you've got to find that right person with the right years of experience. You've got to find that person that you can bring on as your coach, someone you can jump on a call with or a zoom meeting with to help you build your business the right way; who is not just a thought leader, but he is someone who is an active investor and has the years of experience to be able to help you and guide you.

That's the person you're looking for. You've got to find that person, but that does not mean you are going to hire that person. You don't have to, but that would be a choice on you, but if you had the opportunity to, you should; I would hire him in a heartbeat just to help me speed up the process and get to profits and process much fast!

People seek me out all over this country and internationally to have me work with them and help them grow their business and help them structure deals and become better marketers and raise money and build a business from it. I have helped a tremendous number of people quit their jobs and become full-time investors. One of the things I love more than anything is sharing information and at the same time, helping people become successful. That is always going to be a passion for me.

Listening to the wrong person will cost you money, but it's an easy fix. Find someone who's been doing it, 12, 14, 20 years. Find someone who has the experience. Find someone who has the track record, and you connect with them. And if you have to pay them, you pay them. I remember the first person I ever went to work with on a deep level. He wouldn't work with me for six months; it took me six months on a waiting list for him to start working with me.

When we did start working together, he wanted to be paid for his time, and that was probably the most significant investment I have ever made at the time; it was the most rewarding and with the highest return that I could've ever done anywhere in my life.

I had waited for six months to have my meeting with my mentor. I knew without a shadow of doubt; that I had to make investments in myself, and it was a life turning event for me. This is why I share this story with you so you can understand that I have been there where you are, and I know where you're trying to go. I had decided

for myself to get away from the people that had 2, 4, 6 years of experience. Because they WILL NOT get you to where you want to be.

You can hang out with them. That's great. I always want to know what they're doing, but I needed to find the person that was going to take me to the next level. I needed to find the person that was going to take me above and beyond the people I was associating with.

My network of investors is excellent. We're all investing, but I knew that I would stay right where they were if I didn't find the help that was doing things at a higher level than the people I was hanging out with. I had been doing it longer, and it could take me to a more prominent place than they were, and that's why I made that investment in myself.

Anyway, listening to the wrong person is a huge mistake. If you're reading this and you're looking to get more educated on how to grow your business, I encourage you to reach out to us or join our community and message me, www.REI-Community.com, so we can see if there's something we can do for you. I'd be happy to see where you are in your business, see where you want to take it, see if what you're trying to achieve is even going to work, and I will lay out a plan for you, I look forward to me or my team having that meeting with you.

Chapter 8

Being A One Trick Pony

This chapter is dedicated to all the new investors that are starting and don't have a desire or want to learn other things. They may have this feeling because they think it will hinder their growth process, but there are more benefits to learning more things than you think.

If you remember what we talked about with wholesaling in Chapter 6, then you will know that this chapter is going to help you think that you could do more than one thing; more like buy and hold, rehab, seller financing deals, or even wholesale.

Having that mindset will help you become a multiple stream earner instead of a one streamer and as we have all been told, if you've read any success books or been around any highly successful people, then they'll all tell you the same thing. To become financially free, you need multiple streams of income.

Multiple streams of income create wealth and so the more streams that we can have ultimately will determine how fast we'll get to the wealth model. And if all we do is one thing, like creative financing, seller financing, and we don't do anything else, our income will not grow as fast as we project.

There is no need to be limited to one stream of income, even though it can be a considerable stream; yet there are lots of benefits to having multiple streams

So being a one trick pony is not advisable, many of the investors I interviewed mentioned that it was a huge mistake. They should have started out learning multiple ways to invest. One of the things that we teach, or I have taught for years, are 4 Pillars Success Process and inside those 4 Pillars is Smart Investing which breaks down multiple way to investing in property, so you are not a 1 trick pony!

One of the multiple ways to invest is the multiple ways to wholesale, not just traditional wholesaling. There's a total of six different wholesaling methods that can be used in today's market. But most new investors only know of one which is Traditional Wholesaling. Even people who want to start teaching only teach one way, because they don't truly know how to be a master wholesaler.

Tier one is wholesaling where we are being creative with the paperwork. In tier two, you have creative financing like lease options, subject 2, wrap mortgages, seller financing, land installment agreements, contract for deeds to name a few. You have multiple ways to structure a creative financing deal. All these are tier two. Tier three is rehabbing, and that is putting a team together, securing properties at a discount so that you can buy them, do some work on them and make them have a higher value. When you are finished, you can sell them for retail price. Tier four is moving into the cash flow model, and that could be buying single families for rentals.

It could be a commercial building, warehouse space, mobile home parks. All of that could be under tier four cash flow. So, inside each tier, you can have different streams, but if you are still stuck as a one trick pony, you will miss out on lots of deals.

This was the advice from one of the investors I interviewed.

“Zack, one of my biggest mistakes was I was a one trick pony, and I was missing out on a lot of deals, and that was because I was only trained and only learned one way to do deal structuring.”

So, to make this thing become what it needs to be for you, you have to embrace the term becoming a transactional engineer so that you can learn how to not only wholesale deals but also do creative financing deals, fix and flip and buy and hold.

Also, you need to be in a position to build a team to rehab the deals that have bigger profits in them, and also being in the cashflow game as well. That gives you multiple ways to build your wealth: multiple avenues, multiple cash flow streams. And then each side of those tiers, you have multiple streams in each one of those like wholesaling.

There are multiple ways to structure a rehabbing deal. You could be a specialist like a low-end rehab where you pay up to 80 percent on newer homes that can't sell and put a little bit of work into them and put them right back on the market. Or you could go into light rehabbing, which is just finding things that need carpet, paint and some updating.

You could also go in and start specializing on deals that most people don't even want to deal with. The ones that need major work, foundation work, burnouts, all of those are different income streams inside of the different ways to rehab and then naturally cash flow. There is a plethora of streams through all these.

All these in itself helps break down the one trick pony, and so it would behoove you to not just learn one strategy but invest in yourself and learn all the strategy so that you will get back your money you invested in your education. If you invest in yourself and learn wholesaling and you apply your knowledge, and you apply your time to do it, you'll make that money back that you invested tenfold.

If you've invested in yourself and learn how to do creative financing and learn how to do rehabs and you apply that to the deals that you're getting, you will get back tenfold, and then you can actually start to use the term or the statement that I am a property solutions provider. It is a massive title for yourself as a real estate investor.

I can provide solutions on about every type of property out there and when you understand how to do them all, and you have put the team around you to support you, then you can get there faster by getting somebody on your team like a mentor or coach. Coaches and Mentors can guide you down the path of success much faster than you could on your own. With a Coach or Mentor, you will be able to look at all deals, and you'll be able to become a transactional engineer and structure deals in many different ways and ultimately leads you into becoming a property solution provider.

Chapter 9

Staying Only In One Market

This chapter hits home with me because it was something that I learned as I moved into virtual markets. I moved into virtual markets early on in my career as a real estate investor, but it maximized my potential and my ability to grow much quicker and get better deals.

This was something that a lot of investors I interviewed would repeatedly say over and over again. They advised on the power of having multiple markets to work in. Once they started getting brave enough or reaching out for help to learn how to move into other markets, they could see how their business would double, triple, quadruple. Because they can duplicate their model and can move across into other markets. They could find better markets but understand market segmentation because some of these investors that I spoke to were in some robust markets like Phoenix and LA and San Francisco and New Jersey and New York and Seattle and Tampa and Miami and these markets are very hard to invest in.

Some of them were in these very competitive markets, and they have hard times competing when you have a lot of investors all chasing the same deals. This was something that they had to learn the hard way. One of the biggest mistakes is merely because they realized that they spent so many years trying to compete, in the marketplace that was overrun with competition.

However, no matter what someone says to you, competition is here. It will always be here in all parts of your life. And if you don't learn how to work either against that competition or around that competition, then you will not grow in a market where there's heavy competition. Sometimes, we like to think that we can all work together and, in some cases we can. But be very clear in business competition is there and most are not here to play nice.

Most people have a naive why of thinking and want everyone to work together, I wish this was true. It would be nice if everyone did work together but it just isn't true. You must remember the person in business next to you has goal to build a better life for their family and if you are getting in the way of that then you will get ran over.

The same thing applies to a highly competitive market. They are in the business to win, and they are in the business to grow their businesses. And if you're there, it might be hard for you, just like some of these investors I interviewed and so they were forced to go and start looking at other markets that were easier to invest in that didn't have the level of competition.

I'll give you an example. There is a market just north of me, which is Nashville TN and there are investors in Nashville that have identified this and have realized it has gotten very tough for them there. So, they are now moving down into our market and starting to come into the Huntsville, the Madison, the Athens and Decatur area. It is all about looking for better deals because they see it as a less competitive market. Now I don't like this because it means more competition in my market

You might ask, why should I be looking at other markets? Well, there are lots of reasons, firstly, because even if you're in a market that doesn't have a lot of competition, then you will be leading the pack. But the competition will eventually come.

I'll give you another example. About four years ago, even almost three years ago, there was hardly anyone here buying real estate and we were getting deals like crazy and no competition, you could buy whatever you want right off the MLS, getting cheap stuff, buying fourplexes for between \$60,000 and \$100,000 and then we were renting them out with a gross rent at \$2,000 a month. That was just an incredible deal. But fast forward to today; everybody wants to buy here. Everyone is coming out of the woodwork now. Everybody wants to jump on and start becoming a real estate investor, and I'm all for that, but what it also does is put competition in the market, which means prices are going to rise, which means there will be fewer deals; this can lead to lack of good deals on the MLS and so that is why you would move into another market; which means you don't have to stay in just one market but move to other markets too.

For example, those same fourplexes I was buying for less than \$100,000, just three years ago are now selling for \$280,000 in some areas and some other areas, \$350,000. So, it's always good to keep your eye on other markets, even if you're in

a market that hasn't reached that level of competition, keep your eyes open for other markets.

There are three markets that you should always be looking in. The first market is where you live. The second market is going to be a market that is just pure cash flow. Wholesaling to landlords is easy in these cash flow markets also. Investors from all over the country might be wanting to buy there because the cash flow, the rate of return is higher than where they are at, and it just makes a great little market to build a rental portfolio in.

The third market is going to be some form of emerging market. A market that is great for flipping. There's massive growth in these markets and the population is on a climb by three percent or higher and foreclosures are down, low days on the market. These are all some signs of how to start identifying some of these markets that you want to be in and being ahead of everybody else and flip during the growth process. Also, you want to keep your eyes on all the indicators, so you know when to get out of these markets.

But staying with three markets is the key to building market share, I've learned this over the years with the mentors I have hired to teach me the things I do in real estate; from segmenting to finding markets and how to scale up my business. My mentors showed me a lot about the business and how it works and how to move money and how to find markets and how to invest wisely.

He helped me pick three markets, and those were the three types of markets he told me to stay in, and I have done so ever since. What that will do for you is that it will build market share for growth. It will allow you to keep growing. It creates multiple streams of deal flow. So, if the market you're currently in is slow one month, the other two markets might be producing at a higher level, but instead of having one market that you're in, you're now able to spread the risk out over three markets so that you can always stay on a growth pattern.

So, building market share is the crucial action for your business when it comes to not making the mistake of being in only one market.

Chapter 10

Quitting Your Job Too Early

You wouldn't think that this would be a big mistake, but the reality is, it was more common than I expected it to be when I heard it over and over again as I was interviewing investors. And a lot of it was because of emotion and among the fact that, you could tell they were just Emotionally unhappy at where they were working, and so when they jumped into real estate, that emotion made them see things a little bit different over on the investing side. They started playing tricks with themselves and making themselves believe they could go ahead and quit, and it made them feel they needed more time on the investing side. And that was just something that they all agreed that they did too soon in most cases.

And I agree with this statement; I am not one of these coaches or educators that run around and tell everybody to go quit your job. I don't believe that this is a smart idea. I think that if someone is telling you to do this it is terrible advice, and I don't think it's very sound advice. Here's the big one; why would you cut off one stream of income? It just doesn't make sense. I would never cut that stream of income off until I had already built an income to the level of that stream and more then I would cut it off because now I've proven the model. Now I've executed the model, and I have shown that it works, and I can sit there, and I can say, 'this model works.' It is making me money, and I can grow it more if I put more time into it.

That is removing the emotion and looking at it logically and being very clear about knowing, that this is when I'm going to execute my plan, but a lot of people don't do that and when they don't do it, they go out get excited and then quit their job and now they are even more stressed out. But they don't understand the pressure that will come on them when they don't have that paycheck coming in and the business isn't making money yet. The other problem is that when the business does make some money, they want to pay themselves first because they have to instead of knowing you must reinvest a lot of those profits back into the business to keep it moving forward and keep it growing so that you can build it into something that will pay you for life.

I don't care how emotional you want to be about it or how much you dislike your job. It is still a stream of income, and you've also got to remember there's that benefit to it. There is a benefit to keeping that job. If you go all the way back to the other chapter where we talked about not asking or raising money soon enough or faster, this is part of what you need. You're going to want to walk into a bank and say, oh yeah, I have a job, and I'm making money, and I'm paying my bills, and I want to borrow money from you to make investments.

When you quit your job too early; that you go out and try to walk into a bank, the bank will tell you that you don't generate any income anymore. They will look at your debt-to-income ratio and when you don't have that income anymore you are killing your chance with the bank.

But you may be forced on hard money and asset-based lending, and we know they don't look at your job history or income. You need to think about it promptly if this is what you are going to lean on. But remember why would you cut off one stream of income...? Remove the emotional state and get clear like; this is something I'm going to leave, but not until I have proven the model that I'm going after in this real estate investing world.

Then the question arises, when is the right time to quit? I touched on it earlier. The right time to quit is when you have gotten to a point where the business is generating revenue equal to or higher than the revenue you're earning at your employment, putting in 40 hours a week. So, if you're putting in 40 hours a week in your employment, and then you're putting in another 20 hours a week in your investment business; that's 60 hours a week, and that means you're going to have to work a lot on building this business, and that's how anything great has ever been created.

The time you put in is how you build it.

Now you've got 20 hours in the investment company every week and 40 hours a week at the JOB making the same amount, 20 hours in your investment company, 40 hours in the JOB, making you the same amount of money; when this pivotal moment strikes, that is when you can start to identify the shift being made, but only if the market that you're in and the strategies you're doing is making results and not just speculation on the market.

What do I mean by that?

This is what I mean.

If you're in the rehab business and you're rehabbing deals and your average six months earnings are equal to your average six months earnings from your job, then in that scenario you would know that this is the time to make the transition. But then it depends; if you're in the rehabbing business, is the market still going well?

How much longer do I have in this good market? When will it turn, or is it going to turn? So that's why I say it's a risk factor, but if you are doing some rehabs and you're buying rentals in your business and the rental income is equal to the income you're earning with your JOB then you have a clear sign.

Now you have a stabilized income on the business which is rental income; so, then that could be a logical transition or if you just built rental income equal to the income of your JOB this would be very logical. As long as you are learning how to run a rental portfolio and how to run your numbers and identify vacancies and maintenance, reserve accounts and you're right, but that's how you have to look at it.

Not just I made a \$100,000 this year in my job, and I just did three deals and I made \$100,000 so I am going to quit my JOB... That's not logical. Those three deals could have been a windfall. Logic says, do I have stabilized income over here that is guaranteed when I make the decision to quit. Think about it, understand it, and be logical about the decisions that you're making when you're making a move from dropping one income stream and going full time into your business. Be logical. Don't be emotional.

Chapter 11

Chasing The White Elephant

Is there such a thing as a white elephant? Maybe an albino one since most of them are gray, but you could use the same analogy as base hits; win the game, shooting for home runs are exciting, but they don't win the game. They can get the blood going, but logically base hits win the game first base, moving them to second base and getting them on third scores. It's the same thing in business.

In this analogy, I take this phrase from a guy I interviewed by the name of Brian, and he said one of his biggest mistakes that he made was chasing the white elephant threw me off, and I was somewhat curious honestly. I was like, what are you talking about? I didn't know if he did safaris. I was taken back and remember this was years ago when I did a lot of these interviews, I said to him, man, what's the white elephant?

And that's when he shared with me what it meant. It was like chasing something that is like a mystical thing that if you achieved it and got it, that everything would be okay. And that's like how most new investors chase the big deal.

When new investors start, they have to get very realistic with their dreams and their goals because, chasing the white elephant WILL not get you paid. You're dreaming about just dreaming of what it would be like to do the big deal, but what you're doing is you're not taking the time to slow down and think out the process of what will get you paid now. What is realistic for me right now? Best question to ask yourself is, what do I have to work with? What is my knowledge base? How much knowledge do I have? What kind of access to resources do I have and how much time do I have available? These questions will help you understand what you need to do to get started.

Sometimes I've seen people make huge mistakes wanting to chase the Big Deal too fast. They start their investing journey and a couple of months later or maybe four or five months later, and they're like, I'm going to go out and do big apartments. I'm going to go do 150, 200-unit apartment building. But they have no resources to do these deals, their network is all the wrong people, their knowledge base is all wrong. What does that mean? Why did I throw that out there? Well, it should be

about education and taking a long hard look at what you are working with when it comes to yourself.

It should be about knowledge, resources, time and network, and I'll explain what those four are because if you're starting and you want to start doing big commercial deals, right? Do you have the education, the knowledge?

Have you invested in yourself enough to give you the ability to identify commercial buildings, speak the language; know what you're doing when you're going after it, without looking like an idiot and a newbie?

Have you done that? Let's see. Check that box if you have put the time in to get educated. Number two is this, do you have the resources to go after the big deal? Do you have the funds, or do you have access to the funds or can you get the funds to be able to do those deals and then the next one would be time? Do you have the time needed to be able to execute and do the things you want to do?

One of the other things I hear all the time, someone will say, oh, my goal is to do a million dollars my first year out. Look, that sounds great, but we must get real, right? Like are you chasing the white elephant here that you were never going to find and you're going to get discouraged or you're going to feel let down, let's create measurable goals for success?

And so that's why we talk about time. What kind of time do you have? Do you have time to commit to your education? Do you have time to commit to the growth? Do you have time to commit to the business and the network? What does your network look like? Who's in your network? Do you know People who know people that can connect you and get you to where you want to be to accomplish the goals that you have set out?

Educate resources, time, and network this is how you identify what you should be going after. And it's not a bad thing. Don't take your eye off the prize, but start setting small, measurable goals. Like I want to get to commercial, but here's what my education has given me, my resources I have available to me, my time and my network and this is where I think I can get to in the next six to 12 months and then there I can start to measure what I'm working with and then I can set another year's worth of goals to keep moving to where I want to be.

Small, measurable goals, small wins, equal big wins. This is why I bring this up, this whole chapter is about getting really clear on what you want and how you are going to get it, because I think that a lot of people don't get real with their goals. Like you can't say, I want to make a million dollars this year.

Your working Sixty hours a week, have no resources, minimal time. You don't get out and socialize, so you don't have a network, and your education is a few books that you read because you won't invest in yourself to get the education that you need, but yet you want to go out and make a million dollars this year. We all want to do it that way. But that's not reality.

You must put the time in, you have to put the work in, you're going to have to build resources, you're going to have to network, and you're going to have to get the education by investing money into yourself. There's just no way around it. Or you'll chase the white elephant that will never show up. And in a year from now, two years from now, you'll get discouraged. You'll get let down. You'll wonder why you didn't succeed! The answer will be because you didn't get real with your goals and real with yourself.

Chapter 12

Not Taking The First Offer

This chapter hit home with me on a few reasons; One, I've made these mistakes, but I also have a hard time with what we're supposed to do in some people's eyes and definition, because not only do I have a problem with this and even till this day, 19 years later.

I tend to want to hold out and in some occasions, but I saw that this was something that some of the people I interviewed were very passionate about by thinking more logically, and not emotionally and removing greed from the equation.

Just moving all that out of the equation. And they would say, I learned the hard way. They go ahead and take the first offer when it comes instead of waiting on a second offer because you don't know if it is coming or when it is coming.

I've experience this also, where I've had an offer on a property, and I thought, Oh man, we can get more than what this buyer as offered. And then I wait, and I don't take it. The next thing is that I'm waiting for another two, three months on a deal to get another offer, so it's bitten me in the butt too, but it's a hard to overcome because it's emotionally tricky.

It's financially tricky. It taps into our ego and our greed in these types of scenarios because we think, oh, I'm not going to take that offer and I'll wait for a bigger one, but there's the emotional side of, as our property is worth more than that, the greed side of us says I want more. The Ego side says, oh; let's see if they'll come up some more.

We'll see who could wait out the longest. And so, it touches all three of them, and it's a tough one. And you can tell probably by reading this, that I have a hard time with it, but fair to say it was one of our common mistakes that were brought up.

And so let's understand what some of the feedback that I got was and how I processed that information to help you and me move forward with this first offer. You see when we wait, we never know the outcome of waiting. We might assume, we might believe we might think but that's all scenarios of the unknown.

When an offer is right in front of us, it's there. It's an offer. It's a good offer. As long as you're not listing for \$200,000 and you get an offer for \$140,000, right? You're not going to take that.

But let's say you've listed your property for \$200,000 and you got an offer for \$197,000 then that is very close to your offer, and you should take it. The cost of holding it longer and never know how long you might have to hold it could cost you the same amount. This is when you have to think about the cost of money and what you can do with the money that you can get out of the property now!

So, the question is do you pass on the \$197,000 offer? Or do you take it? This is where the emotional side makes it tricky, right? Because you think you should wait. You think you should negotiate, wait it out and see what happens. We'll see what happens is the voice in your head. There will be more to come, but the reality, you've got to think about it. It's there. It's there now if it's reasonable, don't wait.

Don't wait for an extra \$3,000, \$4,000, or \$8,000 when you don't have to, because it boils down to is, what is the cost of the time, what's the cost of the lost revenue from not having access to the funds tied up in the deal.

Because if I don't, if you dismissed that offer, and you wait and you have to pay another two months of payments, taxes, and insurance while you are losing already, and so, it costs you more and more time that you hold that property and so that's a significant measurement we have to understand, and I also have to understand at times because I still do this to this very day, and my ego gets in the way and I will have a tendency to wait, and it still will burn me.

The other side of it is, I know that if I can get that money back from the deal, I can reinvest it. So it's not just time that the money is on the market costing you, but the faster I can get it back, the faster I can move it into another investment, and I can turn that money again, and the more times I can turn that money, this is the key, the faster I can make a more significant rate of return on my money or someone else's money, but I'm not saying this one's going to be an easy mistake for you to overcome because especially if you're in a market that seems to be hot, you never know where that other offers coming from or when it's coming in.

So be careful with this one. Keep yourself in check and think about the cost of the money and the cost of the time. If you don't take the first offer, it goes back to the old saying, right? A bird in the hand is better than two on the fence. If you can close your deal, cash your check, and make money, don't wait for a few extra thousand dollars. Take the deal, close it, take the money, and go reinvest it.

Chapter 13

Hiring The Cheapest Contractor

So, when you're first starting, before you have established relationships and before you've built connections and learned how to work with a contractor that you're happy with you will have to find one. When it comes to finding a great contractor there is a process of finding them. This is where the real question comes into this chapter, picking the cheapest contractor isn't the right choice. As I was talking with a group of investors and interviewing them about their flipping business, most of them were from Phoenix.

One was out of Riverside, California and one was in Dallas, Texas. And they do a lot of flips right now, anywhere from a couple of hundred deals a year to 500 deals a year.

But before they got to that level in their business they started just like you and I, 1 deal at a time and before they had their contractors picked, had their team together, really had dialed in their system, dialed in the process of how to run a rehab business model and who is supposed to be responsible for what and how do you set boundaries and processes and checkpoints, they made these same mistakes. They all said they learned the hard way, but now they know how to pick them and work with them as a team member.

But they all said when they were first starting, it was a killer mistake that they were making because they were thinking they were going to save money, and so they picked the cheapest contractor, and when the bids would come, one would be for \$15,000, another for \$18,000 and one for \$20,000. They would go with the \$15,000 bid and then try to negotiate the bid down. The problem with this is so many issues are going to arise from that.

And the biggest issue is you're not saving money. I repeat... You are not saving money. And the question is, why am I not saving if I picked the lowest bid? What do you have to think about is, the contractors themselves and keep their years of experience in mind as well; I've also made this mistake thinking that I was saving money and I learned the hard way as well, and you think you're saving money, but you're not, and it's all about the contractor you're picking.

So if you have a contractor who's going to be the cheapest bid on a job that should be \$20,000 or maybe \$18,000, and he's bid it at \$15,000, that's because he needs the work and if he needs the work really bad, then that means he's not really doing the things he needs to do in his business and probably in his personal life to be able to run that company effectively.

Which means in return to provide a service to you in your business will not be what you want it to be. Especially when your project is based on time and money and budgets, and if he can't do that in his own business, what's to say he/she could do that on a job for you? Well, the reality is most of the low bids can't.

And that's a huge problem because now what you have is somebody who's come to bid your job super cheap to get it, barely making any money on it, which means if he can't get in and out of that job super-fast, then he's/she's lost money on that job. So, what do they have to do? Well, they now have to get another job and another job and another job because now bills are starting to add up and the payroll is due now, now they're pressing you for money.

And then the worst-case scenario is when they started saying, oh, it's going to cost more money, and it's going to cost more money. The other case scenario is they're going to hound you for early pay and work order changes and argue with you on pricing. And then they will start saying things like "I didn't say I would do that" this becomes a word game with them to try and make something off the job.

So, if you didn't have a contract in place, then obviously that's a, he said, she said, which is a huge mistake, and it just becomes a nightmare. It's Because of the money crunch, the contractors in trying to figure out how to get you to come up on the \$15,000 bid playing guilt trips, mind games with you, all kinds of things. And on top of that, it becomes a time issue because now they are prolonging the job because they need money. So now they've had to start another job just to keep up with the bills.

Now you don't have them on your job anymore, and you're wondering what's going on, and they're lying to you and telling you stories why they can't be on the job. We don't want to deal with that, and we don't have to.

So don't pick the cheapest contractor and don't go with the most expensive contractor. I would say the middle bid is going to be your best choice, you will pay a little more, but you will start to move into a guy who really understands. They are bidding from the view of "if I'm going to be able to do this job and stay on this job and give this client and customer of mine the attention that they need, I'm going to have to make some money to make me want to stay on that job".

I'm not saying pick the most expensive, but at least pick one right in the middle of the bids. So, you have a better chance of getting and building a relationship with somebody who really might be in the direction of understanding what it takes to stay on your job. Let's face it you think you are saving money BUT you're not saving money when picking the cheapest contractor.

This will be a nightmare. And ultimately the biggest key to this is when you're first starting, get three bids, have some conversations with them, talk about what they do, how they do it, some other jobs they've done some referrals from them and look at the three bids and make sure that they're building the same things.

And so that's another mistake that we see in bids too that could offset them is one contractor might have bid something where another contractor's not. Make sure you look at all three bids, make sure they're all bidding the same thing using the same material types.

And then usually the one in the middle and the higher end I pulled together and say, okay, these are the two I'm going to work on, and I make sure those two bids are identical, they're bidding all the same stuff.

And then I call it each one of them up, and I say, look, I've narrowed it down to two bids. I want to know is this the best price that we can do on this job? What you will see is the contractor who turned in a bid at \$18,00, will say, "this is where I'm at". And then the \$20,000 bid from the other contractor will come back and says we could probably go down to \$19,000.

I got two solid bids now. It's really about referrals at this point to see which one has the best work history. So, you will need to start calling their references. I mean you have to validate who they are and what kind of work they've done. And then

the second thing that helps me validate a contractor when picking the right one is, I call them both back if they both have excellent references.

And I say, look, I don't want to negotiate the price down anymore with you and I'm not trying to take money out of your pocket.

But what I would like to do at this point is look at the material list in your bid and see if there's something in there that we could change to something different or use a different material or anything that can be altered in that material list that will help me be able to make up, \$2,000 or \$3,000 more dollars. Doing it this way will show them that you're working with them and not trying to beat them up and take profits away from their bottom line.

Now they see that you've got good intention and you are thinking about them also.

Buy saying I know that's the best price you can do. But let's look at the material list and where in there can I save money? You show them you want to work together to get the job done. They will both go back and start looking at the material list and see what they can come up with to help out on the job. Whoever's giving you the best price, then you pick them and congratulate them for winning the job. Doing it this way hopefully will help you have a long relationship with them. But this mistake is a big mistake that most new investors make because they just haven't done enough flips yet to really see the true numbers.

Chapter 14

Over-Improving A Property

Have you ever watched any of the house flipping shows on TV? Those shows that are on HGTV or A&E, and you have the husband and the wife, the guy or girl who they film as they go into a property and then buy it, and then they fix it up super fancy, and then they sell it for top dollar.

Well in most cases, not all those TV shows are accurate, and a lot of the times, they stage a lot of things that happen on those shows. One of the things that they always do, they refer to it as the HGTV style house when the house has been completely remodeled, and it looks fantastic, well that's great, and it's on tv, but what we have to be careful about, which we all kind of fall into, this is what we always see on that isn't always real. You also need to remember that what they are doing on those shows doesn't always work in the market or even your market.

A lot of times we're influenced by that, and we see that we want that too. The emotional side kicks in and we want it to look like a showcase home and yes it could be done if you bought it at the right price, but it all comes back down to budgeting.

And so, I was having a conversation, with some investors in the Riverside area, one in Phoenix and one in Dallas and we were kind of going through some stories about how when we first started out and we were buying houses and fixing them up, we always were looking for that showcase type house when we were finished.

The problem with that was, is that it would eat into our budget so quick. This happens when you are first starting out and you're on your first property, and you want it to look all fancy, and you're in the Home Depot, and you're looking at the different colored charts and the different floor pads, and you've got the tile laid out, and you're like, yeah, but this one look better. You think you are an interior designer because you watched a few TV shows.

So, you're in that new feeling and that new mindset, that euphoria of you've got your first house, that euphoria will go away very, very quickly when you realize that decision that you're making to buy that more expensive tile that more

expensive paint and you want to just start redoing all kinds of things in the house and things like ripping the cabinets out when they didn't need to be ripped out anyway, and let's pay \$15 for knobs instead of a couple of dollars for now. Let's go with these high-end detail lamps and lighting and switch cover plates, and the reality is you probably don't need all of that. Look at sold comps in the area and see what they did to the property to sell it quickly.

That's the TV show not real world. The trick is the emotions when they set in and you start looking at the job as you want it to look like something you would live in. That's the euphoria of doing your first rehab. The problem with that is it starts to creep its way into your budget by a \$100 here, \$500 here, \$1,200 here, \$2,000 here, \$3,000 here, \$7,00 here, and all of those little things that you're doing to try to get it to that HGTV style type home is really, really eating up your budget and you haven't even gotten through the project yet.

That's where the stress comes. That's where the, Oh, I don't want to do this anymore comes when rehabbing isn't that difficult. When you have discipline, and you have systems, and you have processes, and you put the time in to learn and get to a point where you understand what needs to happen to the property for it to sell and not just look at buying a house is a cool thing and how pretty I can make it, but you get to start looking at it as this is a very logical decision and this is a business that I need to manage correctly.

When you look at it from this way you will start to see every dollar you spend takes money away from your ability to gain financial rewards from this, and I need to have discipline in the process of what I'm doing. These are my numbers. This is what I will stick to. If it starts getting over budget, I don't sacrifice my profits because that's what will end up being sacrificed. I go back and say, what can I change in the materials or what can I take away from this bid to finish the job like I needed to be finished and still leave my profits intact.

It's why we don't over improve a property even though emotionally we want to. It's not an emotional business. This is a logical number driven business models that you're either in, or you're embarking upon and so the other thing you have to be aware of is you have to stay with what the market demands when it comes to improving the property, and that really is all about looking not just at sold

properties to really identify what your property has the potential to sell for, which is known as an ARV (after repaired value), but you also want to look at those sold properties to see what did they do to those properties.

What kind of materials? Did they change the carpet or not? Did they leave carpet in the living room? Did they use granite in the kitchen, did the cabinets look like they'd been replaced with new or is it original just sanded and stained or painted, what type of doors did they use, or do they have a new lighting package?

You're starting to look at things and say, what do I need to do and what do I not need to do? And that's the key when you're not over improving a property. Also, remember rentals are rentals, they're not flipped. If you're renting in a C type neighborhood or a B- type neighborhood, there is no reason for you to go in and turn your rental property into a flip property that you're just going to rent.

It's a rental, and it needs the basics. It needs to be cleaned; it needs good carpet. It needs clean painted walls. You need tile or vinyl in the wet area, carpets in the bedrooms, but you don't have to go into them and start, putting all brand-new stuff in them like cabinets.

And some people say, yeah, but the cabinets were kind of old, there were doors that were hanging off and they were cracked or busted. I say OK, but all we need to do is replace the cabinet doors because the boxes are still good. So, think about that. This is something that you can control. It's referred to as discipline on the project. So that's how you stop making a mistake when it comes to over improving properties.

Chapter 15

Overthinking A Deal

Have you ever heard of the statement analysis of paralysis? That's a real thing in everyday life, especially in real estate investing and another common mistake that a lot of the investors I interviewed had spoken about was just the overthinking of things or the over-analyzing of things or just analyzing it to the point that either they didn't have a deal anymore, or they nitpicked it all the way to where they just got caught up in their head over the deal.

Analyzing a deal, too much is a huge mistake. It's like you have to understand the basics of what you do when you run your numbers. You must get to a point where you start to look at everything from a rate of return, like if I am going to buy this piece of real estate and I'm going to invest money into it, what's my rate of return on my money?

If I am going to invest in stocks, what's my rate of return? If I'm going to invest in bonds, what's my rate of return? Same thing with analyzing a deal. It is all about the rate of return on your money. You should know how to run your numbers. One of the most important things you can do is get clear on how you run your numbers, but there's an entire process to this also.

Like you've got to get good at understanding ARV (after repaired value). You've got to get good at understanding what things cost to fix up a house. You've got to understand what closing fees are going to be in your area and resale fees are going to be in your area and holding time. Cost is going to be different based on which closing office you use and based on your area.

You must look at it and say, what are the expenses that I'm going to be responsible to pay?

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You see most people get stuck in the analyzing phase because they are not comfortable with finding the ARV or truly knowing what all the expenses are going to be on the deal. And the expenses can change based on the deal you are looking at. Like, are you looking at a rental and is there a maintenance expense you need to be aware of? Or are there other types of hold cost in a flip due to you

borrowing 2nd position money? What type of debt service payment expenses are you going to pay? Do I calculate a reserve accounting expense? That's all inside running the numbers, but you can overthink that. The key is knowing the numbers and stick to the formula to running the numbers.

If you don't know how these numbers work, then you need to go and build confidence in that by educating yourself. This is a big thing that quite a few people would bring up about over thinking the deal and it would get bought by someone else or they would talk themselves out of it. The main issue was they weren't very confident with it because they had never done it before.

So, they didn't believe in what they were coming up with when they would run the numbers. The other thing they would bring up is that so many people teach different ways to run numbers and it can be very confusing. You need to find one process and stay with that.

This is a fact when it comes to running your numbers and trusting the numbers. The investors I interviewed would say "I was using too many different platforms to run numbers". That's another mistake that I run into with my students, in general. When students would reach out to me for help and we would start talking I would find out that they are using this spreadsheet and this spreadsheet and this spreadsheet, or they'll listen to how this guy runs numbers versus this guy runs numbers or how this lady taught them how to run numbers. But never just pick one and stay with it.

In this situation, what happens is, they don't ever pick one and believe in it and have confidence in it and move forward with it. Overthinking the deal too long will kill you. It will kill the deal. It will make you wish that you would move faster. It all starts with building confidence and building that confidence in running your numbers, has everything to do with finding one strategy of running your numbers and staying with it.

Learning this process of running your numbers is one of the most important parts of the business, learn it! Also staying with one person is a huge factor in the learning process. Because if I'm learning from X, Y, and Z company over here and they're teaching me how to run numbers this way, but then I'm meeting with

someone that I know, trust and respect, and they're teaching me how to run numbers another way.

Then the challenge is in which one's right? Or could they both be right in their own way? So, what it boils down to is you've got to find one way to run numbers and be confident in it and know that that's the numbers you're going to run every single time. And when that happens, you start to build the confidence, and you start to trust the numbers, and you start to trust your ability to run those numbers.

And then at that moment is when you can start acting quicker on deals. And so I'll repeat it, overthinking is the killer of all good things, even opportunities for yourself. I mean, I know many times where I've had the opportunity to buy a business or take a jump in on something that's about to take off and I lost that opportunity because I overanalyzed it.

I'm not going to say that I haven't been able to react and take advantage of opportunities, but it's because I've learned to move quicker instead of not trusting myself, I trusted the training that I've received, I trust my mentor's and the processes they taught me. So, I don't over think it anymore and I move fast on deals. Overthinking anything is going to give you time to talk yourself out of a good thing, just like investing in ourselves, right? It's the most significant return we will ever make in our lives, but we hesitate when it comes time to invest in ourselves, when it's the best place to invest our money.

You can't buy a business and make the same type of returns that you will get from investing in yourself. The longevity that you will get from investing in yourself is something you can pass on to your children's, children.

The other thing that happens with new investors is while they are running numbers on a deal and asking the question, is it a good deal? And if it's a good deal, then it must be too good to be true, or it may not be right. We get into this mindset where we don't believe that we found something that we deserve, or can it really be true? Did I find it? It's too good to be true; that's the way our mind starts to think. That's the shift that happens because of the way that we've been taught.

We've been raised this way to think it can only happen for other people, but here's the thing, it's not always like that. If it's a good deal, move on it because if you

don't move on it, I promise you somebody else, will move on it. So, in the moment of decision making, we have a five-second rule. We will talk ourselves out of making any decision within five seconds. So, we look at it, we say, oh yes, this is what I want to do. But then we start thinking maybe it isn't going to work out? So, we don't take action especially when it requires us to invest capital into our business or invest in ourselves like putting money into marketing that's investing in the business.

Getting someone to help you and educate you and getting training materials that can help you grow this is all investing in yourself, but we will hesitate. We talk ourselves out of it.

When in reality we should be doing those things. We should be educating. We should be investing in ourselves. We should be investing in our business for marketing. But we hesitate in those moments of choice because we don't want to make the wrong choice. We've put so much weight on this idea that making the wrong choice is worse than just moving forward with a choice. And so at least you can say, I tried and failed, but I try. Don't live with regret because you wouldn't make a decision.

I didn't sit back and question and wonder what if, I just moved forward with everything I had, because I didn't want to have regret? And so, it comes down to that. You've got to be ready to choose because someone else is going to make that choice. Someone else is going to take that deal. Someone else is going to buy that property before you do. Someone else is going to move quicker on that property.

Someone else is going to step up. Someone else may take that opportunity from you to get educated in an opportunity that may be limited access. Someone else will always take that choice. You, my friend, have to be prepared to do that.

The question is how much time has to go by before you build that confidence, when you could be making choices right now, to invest in yourself and build that confidence by getting the training, the education, the mentoring that you need to build confidence. I share this with you, so you know overthinking on a deal was a colossal mistake. But in life in general, analysis of paralysis is a colossal mistake. Take action in your business and in your life. Stop sitting on the fence and get in the game and play full out.

Chapter 16

Not Getting The Education You Need

This must be the number one mistake, hands down, across board. Out of all my travels and all the people I've spoken to from east coast to west coast investing all over the US, this has to be the number one mistake that I came across from all the years of interviewing investors.

They would say; I wish I had educated myself sooner. I wish I had gotten started sooner. I wish I had done this. I wish I had done that. I wish I had learned this. I wish I had learned that. I wish I had studied this. I wish I had studied that. Number one mistake is not getting the education that they needed to keep growing.

Some people get some education to start. Then they don't get education to keep growing. You've got to constantly be doing this. The other side of it was that some people that I talked to were just getting the education and getting started and I asked them what took them so long?

They would say, well, we didn't start because we didn't think the investment was smart; we didn't think the investment was right - they're referring to investing in themselves. Really, I mean whether you're buying some form of training that cost five bucks or a \$100 or a thousand dollars or even more; it's not the amount you're spending that really matters, it's what you will gain. When you're looking at it as an expense and not an investment, you will never see the true value in it.

It's an investment in you. It's an investment in your time. It's an investment in your energy and your knowledge base, in your skills and your generational wealth process. So, what it comes down to, is that we don't understand the value of education. We started trying to do it on our own - thinking we can figure it out.

Then what happens is we learn very quickly that we are just bouncing back and forth and not getting anywhere and then we say I need to get some education. I need to get some help. I need to get trained in my local market. I've helped lots of people with this process - I've helped them one on one; I've helped them in group

environments, and they've gone off and done deals and become successful and do it full time.

I have seen students that I work with that understand education to the point that they got the education and were already out there doing deals, but then recognized that they're stuck on a plateau. They haven't really put the systems or time or energy into it to grow to the next level to scale it up. But these students understand the value of education and they will come to me and say, look, I need some help and some directions. They're at a point that they understand investing in themselves has gotten them into that business and has gotten them to where they are and they understand investing in themselves again, will grow their business even more.

Once you truly understand the power of getting the education that you need and getting the support, however that support may be, it's the power of understanding the value in it. It is an investment into your personal bank of knowledge that has the best return that you'll ever have and also remembering that you don't just get some education and get started, you're always staying in the knowledge stream.

You're always educating yourself. You're always sharpening your tools. You're always staying sharp and what's coming next and what's happening and you're staying in it.

There are many ways that you can start to gain that information that you seek.

One of them is staying in the knowledge stream, always be educating.

Those that keep seeking education are the ones that win. I have seen some new investors come to me and get help and now they are full time investors. I have seen some come to and say well I think about it, then I check back in with them a few months later and they have stop and then we never hear about them again.

So, this tells me when new investors keep coming to our meetings and get trained, they will succeed. I also know this business is duplicatable. If you can follow a process that someone else has already laid out for others, then you can have the same results as they have. You have to understand that not getting that education

will cost you more in the long run than you will ever believe – let this sink into you.

If I did it all over again, I would have found myself a mentor that was willing to help that had been investing for more than 10 years and I would find a way to work with him. Because when I first started out, I knew I needed some type of coaching, but I didn't know enough about how coaching worked because I had never gotten it before. So, I started like most hiring someone that did not have the years of experience that was needed to truly help me.

They gave me a clear understanding, but my business did not really explode or grow until I found a mentor that had the years of investing under their belt to really help me, someone that was specialized in the area of building wealth and he had been doing it a long time. I would have to say, that was probably the best decision I've ever made. It will be good to mention that he didn't work with me right away. I had to wait, but it was still one of the best decisions that I ever made.

Ultimately what it really boils down to is that you will never grow your business yourself, your financial stability, and your freedom if you don't put in time to get the education that you need - the investment in yourself to achieve that. That's why this is the number one mistake people make. They don't really treat it like it needs to be.

It's a business, it needs information. It needs to be guided in the right direction. You need to know how to maneuver and how to win and how to create what the business needs to become a leader in it. You have to get educated. You're the captain of that ship and you have to educate yourself on how to be the best captain you can be. Honestly, it will be the best investment you ever make in your life. It absolutely will be. It will be better than stocks. It will be better than bonds. It will be better than buying a piece of real estate. It will be better than all of that or even gold, silver, bitcoin, you name it. It will be better. And here's why. You will never get the same return that you will get from investing in yourself and your knowledge tank, because all that you invest in yourself will duplicate and make tens of hundreds of thousands of dollars during your life.

Remember, you're becoming an entrepreneur in real estate investing. You have to think into the future and where you're going with things because planting the seed doesn't just grow a tree overnight.

You've got to water it.

You've got to spend time making sure it's protected - it is your business. You've got to make sure you're feeding you the right knowledge to know how to grow it. You've got to get the information. You've got to get the knowledge. You've got to get the skill sets to be able to run that business correctly, and that requires you to constantly be getting new knowledge to grow the business.

Your knowledge base brought you where you are today. Whether you're already in real estate and you're at a certain point where you're not getting any further, or it's just in your life and you're just starting out, you haven't even really started doing a bunch of real estate.

Your knowledge base has gotten you to this point, how are you are going to get to that next level. You have to gain more knowledge and actionable information. Reading books is great, but it's not going to get you where you need to be. You need to overcome your fears, you've got to create confidence, you've got to know how to be safe about it, and that requires you to be educating yourself, working with mentors, working with coaches, working with something or someone that's leading you forward with accountability, and when you have that accountability, you're now held accountable, you're being pushed, it cuts years off the learning curve and it really saves time, mistakes, aggravation, and money.

So, at the end of the day, you've really got to start thinking about some things in your business. Are you doing well? Awesome. Could you be doing better? Yes. Why are you not doing better? You don't have the information to do better.

If you're just starting out, could you already be doing it? Yes.

Could you be moving forward and working on a business plan for your real estate business that's going to help you build wealth? Yes. Why are you not? Well, if you're brand new, it's probably a confidence issue. It's fear. And how do you

overcome fear? You overcome fear with knowledge. How do you build confidence? You work with someone that can help guide you and lead you through that process and that really is specialized knowledge. It comes from experts that know your where you are trying to go and can help you. That is another reason you should be at our REI Community meetings. If you are part of our REI Community, you're going to find lots of education there and you'll be able to take action on your journey by gathering that information from the training. And I'm just happy to be able to be part of the www.REI-Community.com where we do provide this education at a very high level, and we do it consistently - we've been doing it consistently for more than 17 years.

I get the honor of being the president of it and it's something that just continues to grow. Our information is always current and up to date with things that are going on in the market. We have a very large reach with our connections and venders to help you and that's where you're going to start finding specialized knowledge.

So, I encourage you to come be part of the REI Community. You can find us at www.REI-Community.com. We've got lots of great things in our Group for you: what we're doing, what's coming up or it's where our members log in to their training centers and learning centers and get all their past meetings that have been recorded. It's where they really have their entire learning center and it's also a place to come and actually get the information you need to grow your business.

So check out our website, www.REI-Community.com. Looking forward to having you come to one of our virtual meetings and share some of what you're trying to do in your real estate business.

My Final Thoughts:

So, to my final thoughts.

You must always be learning. That's the one thing that I can say that I've put together through this entire book of interviews and discussions - you always have to keep growing. You always have to keep investing in yourself. You always have to keep educating yourself. And I've told this to hundreds of people all over the country that I've personally mentored. If you want to get to the level, you need to invest in yourself. I found that out for myself, that what it ultimately boils down to is that you have to get dialed in on specialized knowledge for this business.

To get this specialized knowledge you can go read books and you can go to seminars, and you can meet with this person or that person, but you're still going to have to find someone that can give you specialized knowledge in the direction that you want to go because all the meetings and all the books will not give you that.

Educate yourself, invest in you. Get the help that you need so that you don't lose money in this business or get caught up not knowing and that will cause you to slow down, and don't take too long to get the education you need so you can get to where you want to be. Don't quit because you're not really clear on how to move forward or because you don't have anyone helping you, hence make sure that you have someone holding you accountable.

And that is what I'll leave you with.

I appreciate you taking time to read this E-Book, and I want you to come to one of our virtual monthly meetings at the REI Community. If you haven't been to one of my meetings you can go to www.REI-Community.com There's just so much that you can do with us and the REI Community.

We have all kinds of ways to help you; from our events, from our monthly meetings where we meet once a month and have a topic to talk about to our one day boot camps for beginners, we have two day bootcamps for wholesaling and rehabbing and Creative Financing. We have 3-Day Workshops on how to build the 4 Pillars To Success Process and what you need to be doing in your business right

now to be successful.. Just Visit www.JoinOur3DayWorkshop.com and we have other ways that we can help you too.

It's not just from coming and learning, but if you need specialized help, we offer one on one mentoring. We offer group coaching and deal consulting and that might be something that you're interested in as well. If this interest you, then please let us know. You can always go to our group and reach out to us there or call us or email us.. our contact info is listed below.

This is Zack Childress. Looking forward to meeting you one day If we have not met. I wish you all the best in your journey as a real estate investor and all that it has to offer you.

Thanks,

A handwritten signature in black ink that reads "Zack Childress". The signature is written in a cursive style with a large, looping initial "Z".

Zack Childress

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