



The Art of Passive Income Podcast
With Mark Podolsky and Scott Todd

Today's Guest: [Brett Snodgrass](#)

Transcript

Mark: Hey, it's Mark Podolsky, the Land Geek, with your favorite nichey real estate website www.TheLandGeek.com. And I'm really excited for today's guest. We are going to be learning about an interesting real estate niche that Scott and I don't talk a lot about. But before I discuss our guest, I would be remiss if I didn't properly introduce my co-host, Scott Todd from ScottTodd.net, LandModo.com and most importantly if you're not automating your Craigslist and your Facebook postings, PostingDomination.com/TheLandGeek. Scott Todd, how are you?

Scott: Mark, I'm great. How are you?

Mark: I'm great. I'm great. Are you ready for our guest?

Scott: I cannot wait to learn more about this topic.

Mark: I can't either and I just want to remind all the listeners that today's podcast is sponsored generously by LandModo.com. They are destroying the Land sites by the way. Land and Farms is calling me in a panic, Lands of America calling me in a panic. "Please put your ads up. Please put your ads up." I'm like, "No, no we are getting sales on LandModo.com at a fraction of the cost." So, go to LandModo.com and start listing your properties. Let's talk to Bret Snodgrass at SimpleWholesaling.com. If you don't know about

Brett, he has been wholesaling as a full-time guy, like a full-time investor for 10 years now and he is the CEO of SimpleWholesaling.com. They had yours truly on their podcast which was really fun. Brett Snodgrass, how are you?

Brett: Hey, what's up, Mark and Scott? So excited to be here to talk about land and wholesaling and we do a little bit of that as well so I'm so excited to be with a couple of geeks like yourself. I'm just kidding.

Scott: Good.

Mark: No, it's all good. Look if you said 'nerd', I would feel that disparaging.

Brett: That would be really offensive, right?

Mark: Yeah, that would be offensive, but we will take geek for sure.

Scott: My wife didn't marry a nerd.

Mark: Yeah, exactly, exactly. Brett, let's rewind the tape; let's go back 10 years. What were you doing before you were wholesaling houses and what got you into wholesaling? And then a third question. I'm going to overwhelm with questions; this is just those like on a shotgun rapid fire. Why wholesaling? Why not fix and flips? Why not multifamily? Why not land? What's so special about wholesaling? So, let's start, rewind the tape first, how you got into it and then why you got into it.

Brett: Yeah, awesome, Mark. Thanks for asking and I can answer all those questions to my knowledge and very well. So, basically I will just start back up. I have always been an entrepreneur, just always had a heart for entrepreneurship. I remember even when I was a kid I would count my quarters in my piggy banks and just see how much money I had. When you put a dollar amount to something, I always was interested in Math, always interested in numbers. In elementary school, I used to buy and sell candy and buy and sell gum during lunch. That was my very first business. I would buy a pack of gum for a dollar and sell a piece for... Actually, I would buy a pack of gum for 25 cents I would sell a piece for 25 cents. So, that was my first profit.

So, kind of moving forward I just always had that knack, always wanted to be an entrepreneur. I went to college and studied on business, but I never wanted to climb the corporate ladder, never wanted to do any of that. So, I only was in business school for about a year and I decided, "Well, you know I didn't have to go to business school to own my own business." So, I ended up getting a bachelor's degree in teaching because my parents are both

teachers and that's just kind of what I did. So, I got out of college, I taught for about for four months and I realized, "Man, this is really hard." I taught an inner-city geometry class, and this was very difficult. I remember the kids didn't want to be there; I really did want to be there and it just wasn't for me.

So, I kind of moved home and I was about 25, 26 years old and I just started studying how to be an entrepreneur. Got a couple of books, got *Rich Dad Poor Dad*, by Robert Kiyosaki, read *The Millionaire Next door*, I read *The Millionaire Real Estate Investor* and I knew that I wanted to do real estate. A lot of these guys had built their wealth with real estate. So, I said, "I got to get in this. I don't know how but I'm going to do it." So, my dad introduced me to a land developer. So, you guys are going to love this, from the Land Geek podcast. A land developer and what he did was he would buy these large pieces of land, I'm talking 50 acres, 100 acres, 200 acres, in Southern Indiana and he would want bird -dogs basically to help him find pieces of land for him to buy. He would basically pay us 10% of how much he bought them for.

So, that's what I did. I worked straight commission for him. I remember I was getting ready to help him buy, it was about 100 acres and me and my dad were both partnering on this deal and the commission was \$14,000 and I have never seen \$14,000. I was going to get seven. Dad was going to get seven. I remember my dad telling me, he was a teacher for 33 years before this, he said he had never had a time in his life that he had more than \$5000 in his bank account. That really resonated with me. So here I am, dad is getting ready to make seven, more money than he has ever had before in his life, I'm getting ready to make seven grand more money than I have ever had in my life to get this land commission. We did the commission, we did that deal and here I am on way, I got seven grand, dad had seven grand. I spent a little bit of it but I wanted to do it on my own.

So, I was scouring internet one night looking for houses to buy. This was back in 2007 and I found this house in Youngstown, Ohio. I have never been to Youngstown Ohio. I don't know anything about Youngstown, Ohio but all I know was this house was only \$9000. I decided, "Dad, we got this big commission check, I got about five grand left; you've got about five grand left. Let's buy this house in Youngstown, Ohio. It sounds like a great idea, nine grand." He's like "Yeah, let's do it." So, we bought this house for 9,000. I drove all the way to Youngstown, Ohio, about six hours and I cleaned up the house.

We didn't have any money to fix it up after that. You know I had already spent five, dad had spent his five and we didn't have any more money left.

So, we decided to market it. We marketed it on all the websites, online, wherever we could market it. We put up signs, do whatever we could to sell this house and we sold it for 15 grand and we made about 6 grand, split it between us and I knew, "Wow, I have a business here. If we could do this with one, could we do it with 10, could we do with 100 or 1000?" That's when it started about 10 years ago. And a couple of years later, we did 150 deals in one year and that was kind of how it all started to date.

Mark: Scott Todd, what do you think of that?

Scott: Well, I mean I like it. So, let's fast forward to today, right? So, Brett, here I am—I've got some cash, what do I do and what kind of margin am I going to look at? Do I just drive around looking for houses for sale? Do I mail? Do I go to realtors? I mean what am I doing and then where am I connecting the next piece?

Brett: Yeah. So, we teach a local real estate meetup to new wholesalers. So, we teach a lot of the education piece of what wholesaling is and how we go about doing it. So, the market has changed a lot. Back in 2007, 2008, 2009, we would basically put in REO offers online through local brokers, put in a couple of 100 offers, we'd get deals. That didn't last too long. It lasted about a few years and then we had to kind of reinvent ourselves. Let me take you through my journey a little bit after that. So, I was watching HGTV shows and we decided, "You know what? This wholesaling thing really isn't working anymore because we can't buy anymore bank owned properties so let's just start fixing them up and flipping them," and that's exactly what we did, me and my dad.

He was a shop teacher, he could do a lot of handyman types of things and I was just kind of managing everything and we did it about three years. Mark, you asked me why we don't flip and it's because I actually did it for three years and it was really hard. It was a job. I made money but nothing to really brag about. We kind of made a living and that was about it. But it had a lot of headaches, a lot of stress, a lot of sleepless nights dealing with contractors, dealing with loans, dealing with FHA loans and all that.

So, about three years ago I decided, "I'm going to do wholesaling, I'm going to do it big, I'm going to do it really well." That's when we started figuring out exactly how to do it. A gentleman introduced me to direct mail marketing. Never heard of it before but I guess obviously they said: "You write these letters or postcards and you mail them out and people call you and you negotiate and you buy their houses." I said, "That sounds like the stupidest idea I've ever heard of but I want to do it and other people are doing it so let's try it."

So, we sent out about 1000 letters and we got a deal from it. So, we spent about 1000 bucks to send out 1000 letters and we made a deal and I believe we made about 10 grand on that deal. So, I said, "What if we send out 2000 letters? What if we send out 5000 letters?"

That's just kind of brings out today. We send about 25,000 to 30,000 pieces to mail a month. We have been doing that for about a year now. We have a couple of other things that we do. So we do Pay Per Click and Google AdWords. So, we have basically a lead generation website that we pay for people to... What they search "Need to sell my house fast in Indianapolis," we pay for it. Our website pops up, they click on it, we pay for that and then we get about two to three deals a month that way.

But a huge one right now is Facebook. We have been doing that for about six months. So, what we do is the same thing as Pay Per Click. We put ads on Facebook. We can really target our ads because Facebook has it super dialed in. They have data on everybody so can we find it. If I want to find, "Hey, I want to send this ad out to someone who enjoys rock music and likes to play golf and they don't have a very good credit score," I can target them on Facebook and that's what we do. So, we've been getting a few deals a month through Facebook. Those are our three probably top lead generation sources. If someone was just getting started, our number one is still direct mail to this day. So, I would get a list, mail to it. You talked about driving around. We call that driving for dollars. That's the best way to get started so you can really target your list and find out who you really want to mail to. That's a few of the things that we do to build leads.

Scott: So, am I mailing to out of state owners? Am I mailing to non-owner occupied? Who am I mailing to?

Brett: I think you've got to ask yourself who is going to be motivated to sell you a house? So, we target basically motivated sellers. So, when I think about who is actually motivated to sell their house? I think number one is people that are delinquent on their taxes. Why are they not paying their taxes? If they are not paying their taxes, eventually it's going to go to tax sale so they are probably pretty motivated to sell their house. So, that's our top list people that are delinquent on their taxes especially ones that are \$1000 or \$2000 delinquent. That's number one.

Code enforcement violation, so the city puts code enforcement violation on certain properties. If you don't mow your grass for some reason, the city comes and they put a weed violation on that house. If you are not mowing your grass, why are you not mowing your grass? You are probably pretty motivated to sell that home so that's one that we target. So, that's the

second top one. Absentee owners are top. So, someone who lives in Utah, owns a house in Indianapolis, I don't know their story but a lot of them have bought a house may be from a turn key company. The tenant doesn't work out, they have to evict the tenant and they trash the house so they are probably pretty motivated. That brings up eviction. If you look at the evictions and go to the local courts, look at all the evictions, people that are evicting tenants are probably pretty motivated to sell their homes. So, those are probably the three or four that we mail to.

Mark: What about probate deals? Mom and dad both pass, kids inherit the house, they got to get rid of the house.

Brett: Yeah. That's another one top on. We actually have a special list company that's called Postal Impact that they help us. That's just what they do. We only use them to mail to probates. We update it every other month and we mail to the probates.

There is another website called Successor and you guys might know it. A lot of my acquisition team deal with this but SuccessorData.com I believe is another one that you can get people that have inherited a home. But yeah we buy a lot of homes from people that mom or dad just passed and they don't know what to do with it and they would rather have a check than the house and they want to sell it fast and they don't want to deal with it. So, that's another motivator list.

Mark: So what was it that Successor.com.

Scott: SuccessorData.com.

Mark: SuccessorData.com.

Brett: Yes.

Mark: Scott, have you been on that site?

Mark: You know what's funny, Brett, is your model is very similar to our land model except that you are doing houses.

Brett: Yeah.

Mark: But you are not actually buying the house, correct? You are just assigning the contract and that's where the wholesaling magic shapes, is that correct?

Brett: Well, I think every industry has a wholesaling component to it whether you are buying and selling fruits, food, cell phones, car, whatever it is; there is wholesaling in every industry. So, there is different types of wholesaling. There is get on the contract, assign the contract and that is a form of wholesaling. A lot of new wholesalers do that strategy because they don't have to have a lot of their own money and skin in the game to do that.

We have done that yes, but now with our business, I believe that to run a business with... Not saying assigning contracts isn't running it with integrity, but I believe it can be messy. When you are building a business if you are doing one or two deals a month, doing it that way, you can probably do that no big deal.

But as soon as you start scaling and you are getting up to 10 deals, 20 deals a month, 30 deals a month; it can get really messy because you have to explain the seller, "You know, I want to put a lock box in the house before own it." "Why?" "So people can see it. I want to market your house." Well, you are going to have to explain that and it can just get really messy you have to explain it 20 or 30 times a month. So, we choose to actually buy the house like you guys do on the land and then we own the house free and clear, we can market it, we can put signs in the yard, we can put it on Craigslist, we can even put it on the MLS if we wanted because we own it. That's how we choose to do it today. But going back when I first got started, yes, assigning contracts was a good strategy that we used.

Mark: I love it. I love it, very cool. I mean have you heard of the term 'wholetailing'?

Brett: I have heard the term wholetailing and I guess wholetailing people would say yeah, you buy the house and you put it on the MLS. I guess my version of wholetailing is you buy the house, you don't fix it up all the way, maybe you paint it, maybe you mow the grass, maybe you cut some trees down, maybe you do a little bit to improve the property but not a \$20,000 or \$30,000 rehab. You do a \$2000 rehab and then you list. So, we don't really do that. I guess I don't know all the terms but I call ours simple wholesaling because we buy the house, we don't fix it up at all and then we sell the house. I think that is kind of a wholesale type of deal.

Mark: Scott Todd, what do you think of this model? Why don't we do these for houses?

Scott: Well, I'm thinking about it right now. I'm pulling some data right now, Mark. You are interviewing; I'm like taking action back here, man.

Mark: Scott's mailing right now by the way because he's already got the list. We are so automated we can just upload a list and the mailings will go out.

Scott: I think that when you think about that one piece and essentially, Mark, there are houses I think in every city that are very, very affordable. So, I just did a quick scan in my area, there is houses you can buy for \$20,000, \$30,000. They may not be the best condition, flip it handyman special or something else and man you are in business.

Brett: Yeah, I mean houses, yeah. I live in Indianapolis, so Indianapolis our bread and butter is \$20,000 to \$50,000 houses. It's not LA. It's not out west. It's not in the sand states. But that's what we do. We buy for 20; we sell for 28 all day and that's pretty much, you know. We will do, I don't talk a lot of numbers so we will probably do a few hundred deals like that this year and it's awesome. But the grass is always greener. We actually started doing land and listened to your guy's show a little bit, listened to some other land shows and we got into that. Because land is very attractive just from the fact that you don't have to worry about it burning down. People can't really mess up land.

Like for example, quick story, we bought a house for \$52,000 last week, I sent my property manager over there and they had a tenant in it and they had moved out. So, I said, "Hey, I want you to go to this property and just check it out." So, he goes to this property and somebody had literally stolen all the exterior doors to the property. So, we have a house that has no doors. They didn't steal anything else, but they just stole the exterior doors, which is kind of weird but we just had a mess with that. Now I had to hire someone else to go put a door on and just kind of crazy. So, you don't have to deal with that in land, but yes you can buy 20,000, 30,000, 50,000 and the good thing about it you can build up a buyers' list. So, we do about 25 to 30 houses a month, our top buyer probably buys 10 of those every month. So, you can really get a good scalable business because you can feed him. He's paying the bills and then we've got a couple of other people like that and it's a huge business.

Mark: So, besides the physical aspect of the business which isn't the best what about the money side of it because you're going to need if you are getting 25 houses that 25 x 20,000, we are taking 500 grand a month that you've got to deploy and you've got to have the speed of closing fast. So, where does that 500,000 a month come from?

Brett: Well, obviously I have been doing this for ten years and I'm a very simple man. I own a lot nicer houses on the investment side than I actually live in. I live in about a \$90,000-\$100,000 home and drive used cars. So, I

don't really spend a lot on myself so a lot of the money that we do make we put it back in the business. Take 20 grand a month, 30 grand a month times the last five, six, seven, eight years and just count it. So, we use a lot of owner resources number one.

Then number two, I have a lot of private investors through the years just kind of word of mouth, I go to local REA meetings I tell people what we are doing. I said "Hey, I'm looking for private individuals that want to invest. These aren't traditional banks. These are mom and pop just investors that have a 100 grand, 200 grand, 500 grand, sitting in IRA, sitting in a checking account. For example, one of our top private investors is a doctor and I don't know how much he has but seems like it's unlimited. But I use him as private investment money and he charges a rate and we pay him interest upon that. So, our own money mixed with private investors. That's how we come up with the resources. But again if I was just getting started and I didn't have those resources, I would partner with somebody that has those resources or assign contracts until you can get those resources.

Mark: I love it. I love it. Scott Todd, anything else before we get to the tip of the week?

Scott: No, live below your means and man, it's amazing. You can create freedom any way you want if your expenses are low enough.

Mark: Yeah, absolutely. It's so funny when you get off that hedonic treadmill how life becomes so much simpler, so much more stress-free and you kind of get back to what's really important in your life and usually it's... I would say usually it's pretty much 99.9% of the time not more stuff, right? It's going to be experiences and all that type of stuff. So, not to digress but I'm really getting into stoicism and philosophy about this so it's really interesting.

Brett: Yeah, a quick book I was going to kind of mention this, a book that really changed my life. The most expensive car I have ever owned is actually when I was completely dead broke. I just wanted to look rich basically and there is a book out there called *The Millionaire Next Door*. Read that when I was about 26 years old, absolutely changed my life. I sold that car and I bought a \$700 Ford Festiva I think it was. I drove around that for a couple of years and just kind of just lived about that because the book really talks about the average millionaire is not the guy driving a brand new Benz, brand new BMW, living a mansion. Those guys are actually acting rich and they are in a lot of debt. The real millionaires are the guys living next door that you would never have a clue they are millionaires. I just kind of live that philosophy. I think it's being just my life. I have to remind myself that every

day because when you are making 20 grand 30 or 50 or whatever it is and like, "Man I can go out and buy whatever." But it's not going to bring that to me. So, I would rather just pour into helping people and all that stuff.

Mark: I love it. I love it. Well, Brett, we are at that time of the podcast now. You already gave a great tip but I'm going to ask you for another tip of the week: a website, a resource, another book maybe that our Art of Passive Income Podcast listeners can go right now—improve their businesses; improve their lives. What have you got?

Brett: Yeah, definitely. I just learned about this resource about four months ago. A lot of you listeners probably use Gmail and this is basically an extension of Gmail. This company has been coming out with a lot of great extensions for Gmail. It's called [CloudHQ.net](https://cloudhq.net), [CloudHQ.net](https://cloudhq.net). One thing that I have used this for, for example, is I gave a presentation about a couple of days about how to personalize your business. So, one extension that [CloudHQ.net](https://cloudhq.net) has it puts something in your Gmail so right next to my send button I have a little camera. I click on that camera and it actually pulls up on my laptop the video and I can create a video to that person and kind of talk to them. Now you can do this with a lot of different softwares I know but when you do this, it takes that video and embeds it right into the email.

So, I don't know about you guys but I hate writing long emails. I'm kind of a four-sentence type of guy. I don't really like reading long emails but if I can do a quick one minute video, number one, it's more personal; number two, it's so much faster; and number three, I don't have to click here, do the video here, upload it to Google Drive, upload it, embed the link in here. It does it all for you. So, for example, we were having a tough time getting reviews. Google reviews, Facebook reviews, better business bureau reviews, and we are trying to build up our reviews. I would email everybody links, everybody would say, "Yeah, we had an awesome experience with your company; it's been great." I said, "Great, leave me a review," crickets, nothing.

So, I started implementing this video thing. So, now I say, "Hey, I hate leaving reviews. I know you do, too, but this really helps our business," and I am able to talk to them for one minute. It brings my personality out, it's more personal and last week I tried this. I sent five video emails to people that we bought a house from or sold a house to and we got five out of five reviews, 100%. So, number one, it's so more personal and it's so much easier.

Cloud HQ has other resources too. So like they have the video extension, they have a screen share. So if you have a VA or you have an assistant that

is not in your office, let's say they have a quick question about your list saying, "Hey, I don't really know how to do list." You can again do a screencast share so it's going to record your screen, you tell them how to do it really quick and then it embeds it right into the email. So, again I know there is other softwares out there but you have to get the software and it's going to take you 10, 15, 20 minutes to do everything. This you can do in one minute. So I think that's my tip, [CloudHQ.net](https://cloudhq.net). They've got other resources as well but those are the two that really help us.

Mark: I love it. I love it. I use Cloud HQ and I also love the video thing. But if you want to do audio, Brett, sometimes it's quicker even just to do audio. Let's say you look like me right now, you haven't showered and you don't want to do a video CLYP, C-L-Y-P is a great app on the phone. Record a quick video, email it out, it's real personal, it sounds great so that's a great tip. Scott Todd, what's your tip of the week? Wait, Scott, you are on mute.

Scott: Man, sorry about that. I would like for our listeners to go check out this book. It is on Amazon. It's available in Audible as well. If you are struggling, I know a lot of people—they struggle and it comes really... To me it comes down to their self-confidence, right? The book is called *You Are A Bad Ass: How To Stop Doubting Your Greatness And Start Living An Awesome Life*. Sometimes we just need that motivational speech and who is there to give it to you? It's not me all the time or Mark all the time. Listen to this book. It will help you.

Mark: Wow, I love that. You know I've read some of the book and I'm a huge Brené Brown fan. She loves Jen Sincero and talks about that book as well. So, my tip of the week is learn more about wholesaling at SimpleWholesaling.com. We will have a link to it, SimpleWholesaling.com. Brett Snodgrass, I've got to tell you man the generosity of the information that you gave on this podcast was really refreshing. Because Scott, would you agree we get a lot of people come on and they will give you more high-level stuff, you really dug deep, it was almost like going on our own webinar on wholesaling.

Scott: He did, yeah. I agree.

Mark: So phenomenal, phenomenal. I want to thank the listeners and remind them the only way we are going to get the quality of guests like a Brett Snodgrass from SimpleWholesaling.com is if you do three little favors and just like Brett said I know you don't want to do it but it's going to really help. You've got to subscribe, you've got to rate, you've got to review the podcast. Send a screenshot using Cloud HQ to Support@TheLandGeek.com we are going to send you for free the \$97 *Passive Income Launch Kit*. So

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Scott: Freedom....

Mark and Scott: Ring.

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