



# THE LANDGEEK

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

Today's Guest: [Brad Chandler](#)

### Transcript

**Mark:** Hey, it's Mark Podolsky, The Land Geek, with your favorite niche-y real estate website, [www.TheLandGeek.com](http://www.TheLandGeek.com) and I'm excited for today's guest. He is going to tell us all about real estate investing and all types of cool real estate investing strategies, but I'd be remiss if I didn't properly introduce my co-host. You know him, you love him; Six Sigma, Scott Todd from [ScottTodd.net](http://ScottTodd.net), [LandModo.com](http://LandModo.com) and most importantly, if you're not automating your Craigslist and your Facebook postings, [PostingDomination.com/TheLandGeek](http://PostingDomination.com/TheLandGeek). Scott Todd, how are you?

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

**Mark:** I'm great. I do want to remind the listeners today's podcast is sponsored by [TLFolio.com](http://TLFolio.com), learn the strategies of unlimited funds and sell your note at [TLFolio.com](http://TLFolio.com). Let's talk to our guest Scott Todd. Are you ready?

**Scott:** I'm ready, let's go.

**Mark:** All right. Brad Chandler from ~~BradChandler.com~~, now [ExpressHomeBuyers.com](http://ExpressHomeBuyers.com), has successfully flipped over 2,100 houses since 2003. That might be a record, Scott. He's currently the CEO of Express Home Buyers, a real estate investing empire that does more than 200 deals per year without his assistance. This sounds very familiar, Scott.

**Scott:** It does.

**Mark:** [00:01:43] [indiscernible] real estate for profits without bank loans to help others achieve their real estate investing dreams. He became passionate about real estate investing in ninth grade when he read a book about how to buy a home with no money down and Brad Chandler, this is crazy. I don't know how... I don't think we've ever had a guest in this podcast that's been so prolific in flipping homes. How are you?

**Brad:** Oh, thank you. I'm awesome. Very kind words, thank you.

**Mark:** Holy cow. Well, Brad, let's just rewind the tape and... how did you get into this?

**Brad:** Yeah, so I read that book in ninth grade and I knew that real estate was going to be what I was going to do for a living because I loved the fact of unlimited income. I didn't want to work for someone where they told me, "You can make 60 or 400,000" or whatever the number was, "And this is all you can make." So, I said, you know what, real estate is it.

So, for 15 years pretty much I studied education – I studied real estate as education and then in late 2002 an investor bought my neighbor's house in Vienna, Virginia, where I was living at the time and I went and talked to him and he said, "Yeah, I buy houses below market from distressed sellers, I fix them up, I resell them and that's my business." So, I go, "Wow, that's what I'm going to do."

I always thought you got rich from real estate by buying a piece of property, putting down 25%, getting a bank loan for 75%, renting it out and then having the tenant's rent pay off the mortgage in 30 years, maybe the property appreciated and boom, you've got an asset that's just now kicking off cash that you can either keep for cashflow or you can sell. So, no idea that you could buy assets just, you know, below market from distressed sellers. So that was in December 2002. So, I committed on that day in December that I was going to make it work.

So, every night I'd come home from my full-time job, I'd put my son who was a newborn to bed at 8 o'clock. I'd work from eight to midnight, I'd do everything you could think of: hand address, envelopes, pounded we buy houses signs, door knocks, did door hangers, hand addressed hundreds and hundreds of envelopes and each week that went by I wasn't getting any deals. But instead of giving up, I just kept saying, "If this guy can do it and she can do it, I can do it." I became more and more persistent. Every piece

of ... every dollar I put in, every second I put in, I got more and more persistent. I wasn't going to give up. And in July, I bought my first house, July 2003. In July and August, I was able to buy six houses. I quit my full-time job in October of 2003 and here we are later, you know, 15 years later and will probably do 250 deals this year, again with little, little involvement from myself.

**Mark:** Scott Todd.

**Scott:** I mean, Brad, Brad is basically saying like ... he's embracing Mark or he's like bringing to life my whole strategy of move your feet, right? He's right. You cannot let the roadblocks get in your way and the words that Brad said there, those were the things I kept echoing myself, "If this guy could do it, why can't I?" I can't tell you how many times I was driving listening to a podcast and maybe feeling down because I hadn't gotten a response or I wasn't getting there and I just would listen to the podcast of you Mark and other people, your guests. I kept saying, "If they can do it, why can't I?" And I think that if you take that approach and you have that kind of ... you tune out that head trash if you will, because your mind is going to tell you to stop. But if you just keep saying, "No, I'm going to do this" all of a sudden, you become an unstoppable machine because eventually your brain will figure out, "He's not going to stop unless I help him figure out how other people are doing it and then we're going to do this thing together."

**Brad:** It's the difference between a growth mindset and a fixed mindset; there's a great book by Carol Dweck on mindsets it's called *Mindset* and what happens is, the people with the fixed mindset, they start out at something and they get this great added ... whatever picks their interest and then they start doing it and then they're like, "Wow, this is really tough. I'm not smart enough. I can't figure this out." That's a fixed mindset whereas you and I have the growth mindset which is, "No, I'm not the smartest person in the world and my grades and my high school GPA will prove that, but I'm smart enough to figure it out and if she can do it and he can do it, they figured it out so I'm going to figure it out too."

**Mark:** So, Brad, if I go to REA meeting, right? There are going to be 100 people in that room, some are going to be landlords, some are going to be fix and flip, some are going to be you know, let's say multi-family or mobile home park investors, maybe one person may be land but there are going to be wholesalers. I'm going to ask the question of all the different niches, why wholesale?

**Brad:** Well, it's a funny story. I don't know how funny it is, it's kind of a scary story of how we got into wholesaling. We had ... let's roll back to

December 2016 and we had 80 renovations at any given time going out spread across the DC Metro Area and traffic can be upwards of four-hour drive. So, for three years, we were doing this massive volume. We increased our business, we were renovating, and we thought we had to make money by renovating houses.

In December 2016, my partner and I around Christmas time, we're having this conversation like, how are we going to make payroll? Like after being in the business for 15 years of being known as one of the top literally flippers in the country, I'm like, how are we going to make payroll? And when we sat back and we looked at what is causing us all this stress and heartache, it was the renovation part of the business. It was killing us. We'd had three contractors in three years promise us that they could take care of all our needs and they didn't. So instead of costing 40,000 dollars to renovate a house, it cost us 60 and instead of taking four weeks it took us eight and we lost our profit. So that's what ...

So we sat back and we go, "What's the most difficult thing in our business?" It's renovating. So, if we can get rid of renovations, we'd be cruising. So, we decided in December 2016 we are stopping all renovations. We literally started selling some houses in the middle of renovation and then every purchase going forward, we didn't purchase it, we just wholesaled it and 2017 we had our best financial year of all time.

**Mark:** Interesting. So, let's talk about ... you know, the buyer comes in, right, and they say, "Look at all this work I need to do in this house." Is that something that happens or do you buy it so right that you make your money on the buy and you're just flipping at wholesale, or are you signing contracts?

**Brad:** We're signing contracts. 99.9% of the time we're signing contracts. You don't need to do these double closes. If we did double closes, we would have probably made \$200,000 to \$500,000, maybe \$200,000 to \$300,000 less last year because of the transaction fees. So, no, we actually get a property and a contract at the right price, we typically – I don't want to get too complicated here – but we typically get it at around 70% minus repairs and then we sell it for 80% minus repairs. So, the folks that we're selling to, Mark, they know that the house needs a lot of work because in the text that they get or the email that they get, it comes with a bunch of pictures. So, these are rehabbers that just love getting in a rehabbing of a house.

**Mark:** So, essentially, you've created a deal flow machine and the game you're playing then is, are we buying it right? It's a due diligence game and

then it's a relationship game assigning the contractor with your other relationships to the retailers, is that right?

**Brad:** That's absolutely right. So, what do you have to be good at? You've got to be good at marketing and find motivated sellers. You've got to be good at knowing how to talk to them and how to close them. You need to know how to be really good at estimating repairs and assessing the after-repair value of the house. So those four critical things are the critical things that are needed to be successful in the wholesaling business.

**Mark:** Scott Todd, why doesn't everybody do this?

**Scott:** Well, Mark, okay. So Brad, do I have to go out there and come up with the repair cost because it's going to be wrong, right? I don't know. How do I know what it's going to cost me to repair this house?

**Brad:** So, Scott, I hear that all the time. It's one of those things that ... and including and assessing the after-repair value, people think it's really difficult. It's not really difficult. It's not as difficult as you think. So, I have a program and I teach this; I teach on the phone when you're giving them a ballpark offer, you're going to know the size of the house because you've talked to them, you've looked at the land records, you've asked them some questions. So, you're going to give a ballpark range in your head and then when you get there, all you do is you fill out a spreadsheet that has all the costs. So, oh, it needs six windows, boom. Oh, it's got this many cabins you plug that in. Oh, it's 2,000 square feet, we'll put that in and the painting cost is going to be x. So, it's not nearly as hard as people would think it would be.

**Scott:** Yeah. So, you can build formulas around this stuff or you've already done it. And so essentially all I've got to do is plug and play and then can I send someone out to do it on my behalf? Like you know, they'd go out there and they'd look at it on my behalf or do I need to be the one going out there and doing it?

**Brad:** I mean, no. Some of my students have employees that go out and do it. You don't actually have to be the one to do it. And here's a really critical part – you're not buying the house Scott, so guess what, if you're off on the renovations, is it a huge deal? No, because what's going to happen is, your buyers and going to say, "Hey, you're off on your renovations and you may make a little less money." But you're not going to be stuck with the house that you're going to lose \$10,000, \$20,000, \$100,000 on.

**Mark:** Wow, Scott Todd.

**Scott:** I like it.

**Mark:** Yeah, yeah. So, Brad, what's some of the worst advice given your area of expertise?

**Brad:** Oh, I mean, I hear a lot of it. But the worst advice I hear that just drives me crazy is ... it's one of the reasons that got me in the coaching business and I know you guys are the good guys in the coaching space and there are a lot of good people out there but there are a lot of shysters out there; in our business, in our home-buying business and in the coaching business, a lot of shysters which I do not like and it drives me crazy and I hate ... I get coaching student after coaching student who has spent tens of thousands of dollars with these so-called gurus and they don't have anything to show for it.

So, I could go on and on about that but here's the one piece of advice I hear over and over again, "Oh, as a wholesaler, you can only make a five to \$10,000 fee. That's what I've been taught." And I say, no, that's not what ... you can make a lot more than that. Our average last year was \$37,000. We've made some well into the ... we've made some in the six figures. I've got friends across the country in smaller markets that have made it into the six figures. So, the worst piece of advice I've ever heard is, it's who you're selling to. If you were selling to me two years ago, guess what, as a rehabber, I was trying to buy at 70%. So, it's really tough get it underneath that and so when you sold to me you probably would only make \$5,000 or \$10,000. But what you need to go do, you need to go find the investors who are willing to pay a lot more and then your spreads get way, way more.

**Mark:** Why would investors pay more?

**Brad:** So, investors would pay more because they have to number one because these investors aren't good at marketing. They don't know what you and I know about how to find motivated sellers, so they can still buy at 80 or 82 cents on the dollar and still make money or hold it as a long-term investment. I think a lot of these buyers are actually just, you know, having cash preservation. They don't want to stick in the stock market and then have it go poof, go away.

**Mark:** Ah, I see. So, Brad, when it comes to real estate marketing, what are some of the areas you see where people are just wasting their money?

**Brad:** Wow. I think direct mail, targeting the wrong list. I think some ... you know, just having your bread and butter message that is being sent to, you

know a lot of the gurus are teaching you to mail the probates which means the person has died and their house is in probate or their estate is in probate or they're telling them to market to absentee owners which means the owner of the house doesn't actually live in the house which you think might create some more motivations. So, I think the biggest mistake is just targeting those lists with a ho-hum marketing message and seeing their results because everyone else is targeting that same list.

**Mark:** So, it's like a red ocean.

**Brad:** Absolutely.

**Mark:** So, if you look at blue ocean strategy, you don't want to be where the competition is. You want to create your own sort of niche which is completely different. Brad, but I would think logically and Scott Todd, would you agree that probate lists and people that don't live in the home that don't have that emotional attachment to it would be great, right? So how do you refine your messaging in a way that makes you different in a blue ocean?

**Brad:** It's a couple of things. So, I'm not saying those lists are bad. They're good but just make sure that your message is different, which means your message speaks to their internal conflict or internal pain. So, everyone has an external pain and an internal pain. And to use an example, I need my lawn cut. I really don't, but let's just say I need my lawn cut. That's my external problem. I'm not going to pick up the phone and call a lawn mowing company because I need my lawn cut. I'm going to cut it because I'm embarrassed what my neighbors are going to say or I'm having dinner guests over this Friday and I'm scared of the potential embarrassment.

So, if I'm marketing to someone who needs their lawn cut, I'm not going to speak about how we cut the lawn great, I'm going to speak about the pride and the stress that it's going to avoid having their lawn looking perfect every week if their neighbors come over. So, I just speak to their internal problem both in the marketing and in the sales. You've got to not speak about how great you are but what can you do to solve that person's problem and get rid of their stress.

**Mark:** Scott Todd, what do you think?

**Scott:** All about the benefits, man, right? It's always about the benefits.

**Mark:** Yeah, it really is. What's that radio station, WIIFM, what's in it for me baby?

**Scott:** Yeah.

**Brad:** And the companies that are really good at speaking to that, like the Apples of the world, look how good they are. Geico, I'm going to save you – it's not about how great our insurance is, it's what are we going to do for you? And too many companies are... and we were this way for way too many years until we came across a company called StoryBrand. We were all about why is Brad Chandler's Express Home Buyers so great? And then we woke up and were like, they don't care why we're so great – they care about, can we solve their freaking problem?

**Mark:** Right. And in copyrighting 101, the one thing you want to know about is, what is going to keep your customer up at two in the morning and address that. I think that's really solid advice. Growing a scaling business like you've done Brad is really, really hard. What are some of the actionable tips that you would give the listeners to grow a business that you've done and do that amount of volume?

**Brad:** I think there's one thing, Mark, that trumps everything else by a hundred-fold. When I look at my coaching students and when I sit in these Masterminds and I'm in a number of them around the country, it is so obvious that the number one problem people have in their business – forget scaling, but it also isn't scaling – is people; people, people, people. Business owners don't put enough emphasis on hiring the right people. So, you say scaling is tough, and absolutely it's tough but guess what, it's a hell of a lot easier when you've got the right person in the right seat.

So, I was just talking to Mastermind last week in Oregon and I was telling this group of investors who wanted to scale to my level and I said, "Guys, number one, you don't put enough emphasis on hiring. You've got all of this stuff on an everyday basis that's got to get done and I know you've got people on your team that shouldn't be there, but you're like, I don't have time to deal with it. So, they just continue to be there. You've got to literally spend 10s, 20, 30, 40, 50 hours finding that right candidate and so few people do.

Here's what they do, they run an ad on Craigslist or one of the big job sites... I think Monster whatever they are. They get 10 applicants, they narrow down to three, they have an interview with the three people and they pick the best one. Not necessarily the best fit, but the best one they interviewed and that's just a recipe for disaster. So, if you want to scale any business, I don't care if you're selling snow cones or Lexus, you've got to have good people and you've got to just take the time to attract, retain and lead and



manage these people in a way that they're going to stick around if they're good.

**Mark:** I love it. I love it. So, Brad, you brought up Carol Dweck and *Mindset*. If I could only read three books that would literally change my life, what three books would you recommend? What would be those three transformative books?

**Brad:** Brandon Burchard's new book *High Performance Habits, Think and Grow Rich* and probably Gary Keller's, *The One Thing*.

**Mark:** Yeah, we love *The One Thing*. Yeah. Great suggestions there. Scott, I just lost you Scott. Are you still there? Okay, we lost Scott for some—

**Scott:** Yeah, I'm here.

**Mark:** All right. So, Brad, what's the one thing that you think causes most businesses to fail?

**Brad:** Lack of cash. Yeah, they don't teach you that in business school as much as they should. They talk about profitability and reading the financials and yada, yada, yada but you can have a profitable business that goes out of business because they don't have enough cash. That would be a big one and then I just think... you know, follow-up has got to be right there too. You guys have all been there, you've called a landscape company, and you've called a contractor. It doesn't matter who you call. The follow-up is so, so bad. In Express Home Buyers, our follow up is so good. That's really one of the things that sets us apart from all these other investors out there that are trying to scale. They just can't follow up properly or don't follow up properly.

**Mark:** Scott Todd, what do you think?

**Scott:** Man, there are so many thoughts and I didn't even go back to the hiring piece because there are so many bad habits but hiring wrong, retaining the wrong people for too long a time and follow up. Follow up absolutely kills me because, Mark, it's amazing because I see customers who go on [LandModo.com](http://LandModo.com), they put in their email address, "I want more information on this property" and then we don't ever see the responses back but you what we see is when they reply back again and say, "Did you get my email? I want to buy this property. What gives?" And it's not just one time, it's to the same person over and over and over again and you're like, dude, this is a golden lead. This person is being better than everybody else because they're following up with you. They shouldn't have to follow up with you to buy something, sell them something; respond to them.

**Mark:** Scott, this isn't Frontier Properties, is it?

**Scott:** No.

**Mark:** Okay, good. All right, good. Good. So, Brad, I think your mentorship has been tremendous to this podcast but I want to ask you one more question. What is your tip of the week - a website, a resource, a book, something actionable where the Art of Passive Income listeners can go improve their businesses, improve their lives - what have you got?

**Brad:** I don't think I did it justice explaining how wholesaling works. Wholesaling is when you get a property under contract, you go to a buyer who wants to renovate the property or hold the property long-term and you essentially assign that contract, they actually bring the money to close. So just say I get the property under contract for \$100,000 and I go to you Mark and I go, "I want to sell this for \$120,000." You look at the numbers. Let's just say it needs \$50,000 on rehab and would sell for like \$250,000 you're like, "Sounds like a good deal to me. I'll buy it for \$120,000." I go, "Great. Fill out this assignment agreement and send me a deposit."

So, I'm closing, you actually come to the title company with \$120,000, the seller gets the \$100,000 just like I promised in my contract. Where does the other \$20,000 go? It goes to me in form of an assignment agreement. So, I literally can make money flipping contracts, flipping houses, whatever you want to call it, without needing money to buy the house or renovate them and I know someone's listening to this right now saying, "That sounds too good to be true. How is that possible?"

Well, I thought the same thing years ago and so what did I do, I took months to put together an incredible training - it's a report on how we did it on this house in Chintillia... a townhouse just a couple of months ago where we made \$33,750 and let me tell you how detailed it is - I walk you through every step from the recorded phone calls through the postcards that we sent, through how we targeted the person, through... all the way even to the recorded conversation at the house. The information is absolutely incredible and after watching this, Mark, there's not one listener I don't think that will say, "Huh, that's too good to be true" because I spell it all out. So, that is my free training which I'm going to give to your listeners. Just go to [BradChandler.com/ArtofPassiveIncome](http://BradChandler.com/ArtofPassiveIncome) and you'll see a link to that free report on how I made \$33,750 on a house without buying it or doing a single renovation.

**Mark:** I love it. All right. Thank you. That's really generous and we'll have a link to that site as well. Scott Todd, what's your tip of the week?

**Scott:** Mark, look this tip I will tell you, this tip is for a very small portion of our audience but to those of you that will get this, you will thank me. Check out [SheetBase.net](#), [SheetBase.net](#), okay? We have some software engineers, really geeky people in our community and they're doing stuff with, you know, SQL Server and MySQL and all this other stuff and if you look at [SheetBase.net](#), guess what, you can use Google Sheets as the basis for your database and code around it all through [SheetBase.net](#). Geeky, small group, you guys, you know this is a good tip.

**Mark:** This is a really good tip, but is it better than Airtable?

**Scott:** Well, no. Well, it depends on the audience.

**Mark:** I guess if you're a developer.

**Scott:** Airtable's great and they are working to bring some new enhancements to Airtable. This is kind of cool because this is in Google Sheets and there's a lot of stuff that ties directly into Google Sheets.

**Mark:** Very cool, [SheetBase.net](#). All right. Well, my tip of the week is, learn more about Brad Chandler. Go to Brad... and of course, get that free training at [BradChandler.com/ArtofPassiveIncome](#) (no longer a valid link). Is that right, Brad?

**Brad:** You got it.

**Mark:** All right. Fantastic. And I want to thank the listeners and just remind you, look, the only way, the only way we're going to get the quality of guests like Brad Chandler, who's freely sharing with you basically how to create all this cashflow with none of your own money essentially, is if you do us three little favors: you've got to subscribe, you've got to rate, you've got to review the podcast. Send us a screenshot of that review to [Support@TheLandGeek.com](mailto:Support@TheLandGeek.com) we are going to send you for free the \$97 *Passive Income Launch Kit* course for free as well as the eBook, *Dirt Rich*. So please do that and Brad, were there any questions that we should have asked you that we didn't ask you?

**Brad:** I don't think so. I just think that there are so many folks out there who are living a life that isn't the one they dreamed of as a child and it's never ever too late. You've got to take action, you've got to take the first step and then once you commit to it, then you've got to take massive action.

So, if you're sitting, if you're listening to the three of us talk and again you're saying, "It sounds too good to be true" or "I can't do this" you can do it. It all comes down to do you want to do it? And if you really want it and you have a burning desire, why, and you have that big why inside of you, then you can do it, but just create the life that you want for yourself. It doesn't matter if you're 25 years old or literally 70 years old. It's never too late to create the life that you've always wanted.

**Mark:** I love it, all right. So, I just want to thank the listeners. Scott Todd, are we good?

**Scott:** We're good, Mark.

**Mark:** All right. Let...

**Scott:** ...Freedom...

**Mark:** ...Ring. Thanks everybody.

*[End of Transcript]*