



The Art of Passive Income Podcast With Mark Podolsky, AKA The Land Geek

Today's Guest: [Stuart Gethner](#)

Transcript

Mark: Hey, it's Mark Podolsky, the Land Geek, with your favorite niche-y real estate website www.TheLandGeek.com and today's guest is actually my neighbor like we probably run into each other all the time. But before we talk to our real estate guest expert I'd be remiss if I didn't properly introduce my co-host Six Sigma, you know him, you love him; 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: Pulse is still normal, respiration is fine, drinking a big coffee this morning.

Scott: The big one.

Mark: The big one. I'm not messing around highly caffeinated, very excited and I just want to remind the listeners today's podcast is sponsored by GeekPay.io – the only way to automate your payments as a lender to your borrower, notifications, straight to ACH, ACH fails get the credit card payment. It's amazing and there's no note set up fees. It is the best and

least expensive solution on the market. Learn more go to GeekPay.io, get your first note free at TheLandGeek.com/GeekPay

Let's talk to our guest, Stuart Gethner. So, if you don't know who Stuart is, he's actually in Scottsdale. He is a real estate investor, association instructor and he's been investing in real estate for 15 years and this guy has done it all. He's purchased with cash, he's done traditional financing, he's done self-financing, he's done hard money lending, he's done lease options, subject to deals, wholesaling, fix and flip and his favorite is buy and holds. Why? Because that strategy really creates wealth as opposed to just income. Stuart Gethner, how are you?

Stuart: Hey, great to be here and thanks for having me guys.

Mark: I'm really glad you could be here. So Stuart, let's just rewind the tape and that sounds like how did you get involved in real estate?

Stuart: You know it's funny in my in my previous life I'm a pharmacist and I used to own pharmacies here in town and I've always wanted to be a full-time real estate investor. Growing up I used to watch these infomercials on television Carleton Sheets, Dave Del Dotto so I'm showing my age and I was talking to one of our hospice nurses, I'm sure you guys know what hospice and she said to me, "Do you know what the number one regrets of my patients are?" I said, "Probably spending too much time at the office." She said, "Well, you think that but that's not it." I said, "Well, what is it?" She said, "They lived their life for someone else." My dad was a pharmacist, my uncle Max was a pharmacist, my grandpa was a pharmacist but I always wanted to do this real estate investing thing. So I had the opportunity to sell and I sold and I've been doing this full time and I've been loving it. It's been great for me.

Mark: Awesome. Scott Todd, is this our first pharmacist turned professional real estate investor?

Scott: I think so. I can't remember another one that was a pharmacist and turned. But you know it's crazy because you see Mark, all these people that have like these professional jobs and they all find something in real estate that they don't find in their other jobs and that's freedom. So, it's really kind of cool to see you know like do you tell your kids to go become a doctor, pharmacist? No, because they are going to end up in land anyway or real estate

Mark: Or real estate, yeah. So Stuart, for you what is your favorite thing about doing deals, investing real estate, and all the different ways that you invest in real estate like what attracts you the most?

Stuart: You know, I think Scott said, it the best and that is the freedom that it offers and it offers the flexibility. So someone might say you know what kind of investor are you, do you do short sales foreclosures? What do you focus on? Do you do fix and flip? Do you do buy and holds, land, wholesale? The answer is we do everything.

Sometimes you don't know what you're going to do with the property until you see the property or until you see what it's zoned. So from that instance being able to do creatively different things with different sellers and not having to use banks and not having to worry about insurance companies and drug companies capping your reimbursement for me that's a more pure capitalistic way to make a living and it's a lot of fun.

Mark: Wow. That is true. So as far as all the different categories of real estate investing why is buy and hold your favorite right now or is it changed?

Stuart: You know just like you it migrates. So for a while, it's buy and hold especially when the market was down. But certainly, there's a lot of opportunity in land right now especially in the Southwest, especially, as we go all over the country and the economy is booming there's a lot of developing going on. So it just depends on where we're at in the marketplace and that's something that I cannot control. I cannot control whether the market is going up or down. I can't control whether the interest rates are going up or down. All I can try is to visualize where we are in the cycle and try to be ahead of the curve as to what's coming next and position myself so that we don't lose.

Mark: I love it. Scott Todd, what are your thoughts?

Scott: What's coming next? What do you see is coming next?

Stuart: Well, you know, we've had a lot of appreciation of land and a lot of appreciation of real estate in general and for the all accounts of recorded history after things go up for a while you know what they do? They tend to go down and then they go down for a little bit and then you know what they do? They tend to go up. Everything goes in a cycle. So, we've been at a high in our cycle for a very long time.

When it's going to start going down? Honestly, I have no idea but the economy seems to be thriving. I mean, unemployment is below 4 percent. I don't think it's ever been below 4 percent in my lifetime. So jobs are good, the economy is good and so I see things staying steady for the time to come. You know as interest rates go up housing become less affordable so we'll see what happens. The Fed did not rise this last quarter, but we'll see what happens over the long term. But as far as what's next looking at opportunities in land being in the path of progress I think you can't go wrong.

Mark: So, you know, as far as a healthy market, right? You know, Scott and I a lot of times talk about equilibrium. So sometimes in the cycle, it's really easy to buy it's tougher to sell and then sometimes it's really hard to buy because sellers are waiting for that top dollar price. They don't need the money because things are going well and the economy is soaring and then it's tougher to buy, but it's super easy to sell because investors have money, they feel flushed. Where would you say we're at right now in the cycle?

Stuart: From my opinion, I think that it depends where you are in the country. If you take a look at where we are, we are in Arizona I think that it's a seller's market right here in the price point of maybe 400,000 and below. So there is an opportunity for sellers to try to get top dollar because the economy is good. The weather here is fantastic. People keep moving here. Other parts of the country you know for example in Indianapolis, in Alabama, certainly others still is a good opportunity to buy because if you're going to do a buy and hold your rents far exceed the 1 to 2 percent rule.

Mark: Okay. Then for our listeners can you explain the one to two percent rule.

Stuart: So it's a rule that's not really a rule because it doesn't really work all the time. What it is if you buy something for a 100,000 you like to rent it for a 1000 bucks a month? If you buy it for 120,000 you like to rent it for 1,200 a month. However, it doesn't always work like that especially when you get up to the higher price points. So you need some diversification in your portfolio and that's exactly what we have as well to kind of balance out and make sure that you don't get stuck too high or too low.

Mark: Interesting. Stuart, how do you get your deal flow? What's your favorite method of acquisition?

Stuart: For us, we do a lot of direct mail. We drop about 10000 pieces a month, and then as an instructor I give a lot of presentations not just to the local REA in Arizona, I teach online for the National REA and I'm also on staff

here in Phoenix at the commercial real estate institute. So having that exposure really gives me an opportunity to find not just deals, but investors as well because at some point as I'm sure you can appreciate self-funding kind of wears itself out.

Mark: No, absolutely. The old saying in real estate is always OPM - Other People's Money, and how you get that is you know you can be ... I mean, that's really one of the huge advantages of real estate is how creative you can be. So Stuart, as we look at creativity and you know if you're a listener and you want to do like let's say, your first fix and flip how would you recommend somebody going in securing aid or financing for the deal?

Stuart: So every deal, you know, whether you like it Mark, and I'm sure Scott as well every deal doesn't matter what you're talking about whether it's buying a business or negotiating with whomever always hinges on financing. Financing is the most important piece of any transaction. So with a fix and flip opportunity, you're probably going to have your best success with what we would call a hard money lender. Someone who's an asset-based lender who's going to lend on the asset as opposed to your credit or as opposed to your experience or your job, how much money you have in the bank, they're going to lend on the assets. So a true asset-based lender would be a place where somebody who wants to start fix and flipping would start.

I'll add this though, if they're just starting fixing and flipping, or they're starting anything they probably don't want to go at it alone. They probably want the help of someone that has some experience, a little gray hair, some wisdom because trust me you're going to make plenty of mistakes. You don't need to make the same mistakes I've made or that you've made because you'll probably tease them don't make this mistake. So there's not enough time to make all the mistakes there are so probably having someone hold your hand a little bit of mentor, an advisor, would be the right place to start. It will save you a lot of money and take years off your learning experience.

Mark: Yeah. I mean, Scott Todd, why doesn't everybody hire a Sherpa in real estate? What do you think stopping people?

Scott: I think a lot of times the money stops people from doing stuff. Like it's amazing, Mark because in Flight School I talk a lot about like, you know, building a VA team or going and doing something like you don't have to do this yourself. I even show them like when I got started, one of the things that I did was like I didn't want to spend the money. I would do the screen-scraping the data scraping, data mining off websites, and then one day I'm

like, "This is ridiculous. I'm not doing this anymore." It took me 21 days to come to that point.

I started like I'm like, "Okay, I'm going to go find somebody to do this," but then it scared me because I didn't want to spend the money. Then I realized, I'm talking about \$9 here \$9 to get me 100 names. 100 names going to produce one deal. I'm going to make thousands on that one deal and it's going to cost me \$9. That's kind of insane right. So I think that a lot of people they stop they stop to pick up the pennies and they're not seeing the flow of the dollars that just by spending a little bit of dollars will bring back to them. So I think it all comes down to a mindset issue of money.

Mark: Stuart, how do you help people look at money which is what it all it is simply a tool and get their emotional sort of baggage with money and that parental whisper out of their head about, "Hey, money doesn't grow on trees?"

Stuart: That's a great question, and I think that everybody has some issue when they start out with money and their mindset. Many a times when we start out our mindset is in scarcity mode because at some point whether we were in college or we left high school and took a job we were in scarcity. We were eating Top Ramen or finding the deals at Circle K, or Burger King, or what have you and as we've accumulated over time we don't have anyone teaching us how to change our mindset. So mindset is so important and your attitude is so important. So when you say to me how do we teach someone, how we coach someone from that perspective to change we start with where they're at now and we take a look back to where they have been and most folks have come to some distance from where they've been.

So as we head down that path we want to educate them, and this is a tough one for some people and I just learned a little while ago myself that there's enough for everybody. In order for me to have more does not mean that someone else has to have less. So since this world is full of abundance it's just a change in mindset and catch those weeds though that self-talk when you hear that little devil speak out, "Oh, you can't do this, or you're not worthy, or you're not good enough." We have to pull those weeds and be mindful that we have those thoughts and to flush them and to keep the positive and prosperous thoughts in our mind. I appreciate it's not easy but once you do something for a period of time it becomes a habit and then the proof is in the pudding when the results come that's when people start relaxing and embracing that abundance mindset.

Mark: Can you describe a time Stuart, when you didn't have abundance mindset and you were able to make that transition and how did you make it?

Stuart: That's a great question. You know, when I owned pharmacies and being an independent pharmacist in a world of the Walgreens and the CBS's the fries of the world I didn't realize there was enough for everybody and I was very aggressive and assertive in my marketing probably almost to the point of being abrasive. I'm from Chicago and I don't find that abrasive, I find that aggressive and assertive but certainly here in the valley, it was found to be abrasive and it was more of a turn off than it was embracing. But I did notice that and then I had a business coach that helped me create the awareness of the mindset and the shift. When I made the shift I said, "You know what? What do you have to lose? You might as well try it maybe things aren't working perfectly the way that they are." So when I tried it and relaxed and took the load off a little bit and slowed down and try to get to know people more and build more intimate relationships that was the proof for me because that's really where the abundance started to occur.

Mark: Yeah, that's a great story. Scott Todd, do you remember any time like how you sort of were able to shift from scarcity mentality to abundance mentality? It's always such a league weekend in Newport.

Scott: I'm trying to think like you know I think it ... I don't think that there was like this one snap. I think it came over time. I think what happened was like I was put in a position that made me like that challenged that. I mean like, I'll never forget Mark, like we had a coaching student I was coaching him.

We had a coaching student and a very nice guy I really liked him a lot and I went on a coaching call with him and he said, "Hey, listen, I've mailed to this one area and I got some accepted offers out of that." He starts to explain to me and he tells me the area and I broke out into a sweat on the call I break out into a sweat because that was like my little secret area like it was mine. I felt uncomfortable and I'm like, "Okay, man." You know like and I just told myself like, "It's all going to be okay. It's all going to be okay." You know what? It was. So like that was that was a pivotal moment.

Another pivotal moment for me was at the first boot camp that I went to and you told me you said, "Hey, I just recorded a podcast with Jay Massey." I'm like, "Jay Massey is huge." I'm like, "Oh my gosh. The secret's going to get out." You told me that I'm like breaking down to sweat like, is this too late? Am I too late? You know is it over? I remember looking at the Facebook Mastermind group with the 35 people in that group wondering like, "Is this too late?" Today that Mastermind my group has like 300 people and there are more and you know what's happened to my business? Its like blown up like I can't explain it right? I think that once you start to just accept the fact

that there's more than enough more than enough for all of us and that's a transformation that took me a while to make but it was one that I did by just seeing the results that you know it's okay, it's going to be okay. It will always be okay.

Mark: Yeah. You know fighting for that abundance mentality it's like a like a daily sort of battle for a lot of people. You know what? I go through to sometimes you know tough month like, "Oh, what can I cut?" Like cut that's not the right way to think about it.

Scott: I think what happens is along the way people get they get ... I mean, maybe you want to call a shiny object syndrome and we think of shiny object syndrome as like oh look ATM investing right? So let me go there. But I think that this happens at another broad level that we don't really think about and that's like oh someone ... It's like the fishing story. Like you're out there fishing, you're fishing, you're fishing and like you're not catching anything or maybe one or two and then you see these guys over here on the boat they're like, "Yeah, we got another one and they are bigger." You are like "I just want to go over there by them." So then what do you do? You pick up the anchor or you move over and like you're still throwing out and you're like, "I'm not getting anything now or I'm getting less or I'm still not getting the big ones like they are why them and not me?" What that comes down to is like just you may not have the right tools or like you may not have the right bait to get the big fish. It's not the spot. It's like the whole thing and that's what you got to like look at and figure out like why are they getting the big fish?

Mark: You know that leads me to Stuart a good question for you especially, being an instructor in the REAs right? What's some of the worst advice you hear given in your area of expertise? Because I can imagine you've got a lot of speakers come in and you hear a lot of it.

Stuart: You bet. Another great question and here's one that I hear all the time. Well, the market is too competitive there's not enough deals. There are too many people marketing for the same thing I'm looking for. Just like Scott was saying how he's got someone who had started marketing in his backyard, in his sandbox, they were playing in his sandbox and it's his sandbox. So, oh it's too competitive there's not any deals.

I've got to be honest with you we are slammed. I hired an intern to come in to help me evaluate some property to help evaluate some offers because we're just not getting to them all. So there's always distressed property, there's always distressed situations, there is always distressed sellers. But some people just have this mindset and I agree with Scott they get

distracted, they get discouraged, because they're not seeing results with what they're trying to do at hand. So they look to the next new shiny thing as maybe that's the opportunity. But that's the worst advice I ever heard is that it's too competitive there's not enough.

Mark: Yeah. We were talking before the podcast and you're like this sort of continual learner and grower and you're constantly educating yourself and you listen to other people's podcasts and you know like just constantly learning and growing. So, if you could have let's say a dinner party in Scottsdale and you could invite three mentors to dinner whom would you invite and what's the one question you would ask them?

Stuart: Another great question. I would invite... God, what a great question. I would invite there's a gentleman here in town his name is Summers White. He's the youngest senator. He was the youngest bank president in the country. He's a professional speaker, spoken on all six continents. He would be one person that I would absolutely want a mentor with and learn from. So Summers White, the gentleman who started Tesla I would embrace him as well and invite him to come on to dinner with me and probably the gentleman that ... Could they be living or dead?

Mark: Living.

Stuart: They have to be living okay.

Mark: I'm coming over too since you're down the block.

Stuart: I would probably invite the NFL commissioner the commissioner of the National Football League because he has a lot of wisdom and experience as well in startups, in markets in marketing, in people management. The one question I would probably ask them or would have liked to have insight of is how they learned how to scale what they did. How they learned how to scale their banking, how they learned how to scale their automotive, how they learned how to scale and how they funded for their different needs and competition and such.

Because I think when we start out we do everything ourselves in our own business. We answer the phone. We take out the garbage. We raise the capital. We find the property. We do everything ourselves and as we grow we're supposed to learn to lean on others and sometimes that's tough for people to do. But at some point in time we grow so much that we really need to have a different business model of scaling and that's where I would probably go with that and you would absolutely be invited, Mark and Scott, as well. You are both welcome to attend.

Mark: Thank you. I got to ask Elon Musk for sure. So Stuart, we are at that point now in the podcast where we're going to put you on the spot and ask you for 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've you got?

Stuart: So for the tip of the week, Mark and Scott, I would say for most people they need to be consistent. They try something for a little bit it doesn't work and they don't tweak, they don't realize that in the scope of the business model the business in and of itself has a cycle just like any product has a cycle. When I was a kid growing up there were candy bars that aren't around today because they just fizzled out in their cycle tab. There is a drink that's no longer around or not as popular.

So be consistent with passion. You have to be passionate about what you're doing and really being able to put the time effort and energy into it. So I'm reminded of a story about a girl that hired me as a coach because I do real estate as you know and she was actually a realtor and she said to me, "I need to make X number of dollars by the end of this year." I said to her, "Okay, what's the motivation?" She said, "Because I hate what I do and as soon as I make that money I can quit and go do something else." So for her, her passion is not in the right neighborhood. So consistency with passion is what I would say my tip of the week is. Favorite book I've got a couple one is going to be *The Four Agreements*.

Mark: Oh, I love that book.

Stuart: Yeah, that's a great book. We do them as Monday morning staff meeting we get little flashcards and we talk about oh we're doing our best and not taking anything personally and sometimes it's very hard to do. I also love another book called *Illusions* by Richard Bach and it's called *Illusions: The Adventures of a Reluctant Messiah* and for me that was a game changer for me. It's an older book, but I think you get a chance to read it that you get a lot of good tips and perspective and life and on business as well.

Mark: Awesome, great tips. Scott Todd, what's your tip of the week?

Scott: All right. Mark, do you know what an OKR is?

Mark: OKR.

Scott: Do you know what that is?

Mark: No idea.

Scott: All right. An OKR is objectives and key results and it has taken like these techs companies that a lot or may not have heard of and grown them into like monsters like a little website that you may have heard of called Google. Google implemented. OKRs and the guy that brought them to these tech companies is a venture capitalist. His name is John Doerr and guess what?

Mark: I know John Doerr really well. I don't him personally, but Ori my mentor worked with John Doerr worked with John Doerr at [Indiscernible][00:09:59].

Scott: Yeah. So he wrote a book and it's called *Measure What Matters: How Google, Bono, and Gates Foundations Rock the World* with OKRs. Check it out.

Mark: Wow. I mean, this guy is a billionaire.

Scott: Yeah. Let's see...

Mark: He's one of the biggest guys well not the biggest in Silicon Valley.

Scott: Yeah, he's like the real deal man. You know to me it's always amazing like especially when you look at a book or look at the reviews right and then the people like it. It's so easy to like, I mean like, I work for a big company and like people bring their stuff to the big company you're like garbage right? You know like this garbage. But then when someone actually goes into the review and they write out the fact that, "Hey, I worked at Google for 11 years and I've seen firsthand the impact OKRs had on our company and this is the guy responsible for it." You know this is going to be a good book.

Mark: Yeah, you know what's interesting? It must have just come out. There's like 10 reviews on Amazon. They are all five star

Scott: We are recording it's within a few weeks by the time this come out.

Mark: Has it not come out yet?

Scott: No. It's out now, but by the time our podcast comes out.

Mark: Oh, yeah.

Stuart: With Scott's endorsement, it will probably be a national bestseller shortly.

Scott: I don't know about that. I don't know.

Mark: It's already a bestseller.

Scott: Yeah, it doesn't need me.

Mark: Yeah, it's a New York Times at its best and Larry Page from Google wrote the forward. This guy is good.

Scott: I'm sure that I'm sure that this is handed out to like every Google employee at this point.

Mark: Yeah, wow. OKRs all right I'm buying it now, fantastic. I want to just thank the listeners and remind them the only way we're going to get the quality of guests like a Stuart Gethner is if you do us a little favor you've got to subscribe, you've got a rate, you've got to review the podcast. Send us a screenshot of that review to Support@TheLandGeek.com we're going to send you for free the \$97 *Passive Income Launch Kit* and by the way not to one-up you know Stuart and Scott but my tip of the week is learn more about Stuart Gethner at the very clever ContactStuart.com. ContactStuart.com and learn all about what he's got going on as far as real estate investing and teaching and coaching and lots of good stuff. So, you can go to StuartGethner.com or ContactStuart.com. I will have the links to both and yeah I thought this is great. Scott, are we good?

Scott: We're good, Mark.

Mark: Stuart, are we good?

Stuart: It's been a pleasure to be on your podcast. One of the more educational informative ones on iTunes so thank you for having me as your guest this is really appreciated, you guys.

Mark: Thank you, and again listeners please check out GeekPay.io – the only set it and forget it system. Scott, are we just going to?

Scott: Mark, we're done.

Mark: We're done with it, all right. Thanks, listeners and we'll see everybody next week.

[End of Transcript]