



THE LAND GEEK

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

Today's Guest: [Terrie Schauer](#)

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 because she is a little different as far our guests and taking on a part of real estate that most people consider a total headache but she does it in a very mindful way. But before we talk to our guest I'd be remiss if I didn't properly introduce my cohost the 'professor', the 'brain', the Flight School Sherpa; Scott Todd from ScottTodd.net, LandModo.com and most importantly if you're not automating your Craigslist and your Facebook postings PostingsDomination.com/TheLandGeek. Scott Todd, how are you?

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

Mark: I'm great. I feel more calm actually, just being in Terrie Schauer's presence 'The Mindful Landlord'. Our guest today is Terrie Schauer, she's a real estate coach, and she is 'The Mindful Landlord'. She has a PhD in nothing to do with real estate but she's been managing rental properties half of her life. Terrie Schauer, welcome the podcast. How are you?

Terrie: Thanks so much for having me on. I'm good.

Mark: Okay. Look, when people say property management, they immediately break out a sweat, it's a headache, I'm getting a call at 2:00 in

the morning, the roof, the HVAC, the laundry machine whatever it is, my Internet's down damn it Terrie, help me. Now, how on earth do you make this a Mindful Landlord type of experience?

Terrie: Okay, well I think there are two things. I mean, so I manage properties for my clients who I guess failed at their little experiment and mindfulness. Because look, rental property like we all know, passive income is really a good way to build wealth long-term, but unfortunately that comes with tenants and then you end up with the whole kind of aspect of providing service for them and then you know, either things fail or you're working on a budget or sometimes if you are unlucky you have some unreasonable demands at unreasonable times. So, as far as like some of my clients end up calling when they basically have had enough of those kinds of problems, but I guess my goal with some of them is to bring out some of the mindfulness stuff on how you can landlord, is how you can bring a little bit more Zen into that whole process because it can be like really frustrating and can drive you nuts if you let it.

Mark: Yeah, absolutely. Let's just rewind the tape, Terrie. Kind of tell us how you started, what your PhD is in and how the heck you got into landlording.

Terrie: Yeah. So actually, when I was 19 years old, I'm from Montreal in Canada and I moved to Toronto when I was 19 to study, and luckily or unluckily for me there was no space in student's residence so I ended up in this like crazy co-op house with no manager. The manager had actually left like a week before I got there. So I came in, there was garbage piling up, you know people weren't cleaning the bathrooms. Like it was a total mess and they voted me house manager basically within a couple of days being there and so, that started me down this path of property management without me really knowing about. And then, you know, kind of from one step to the next like when I stopped studying in Toronto I thought okay, well, I'm kind of good at this, let's rent a house and set this up.

So, as I moved on to do my PhD in Vancouver I rented a house and thought okay, I'm going to set this up to help pay some of my school fees and then, after that I moved back to Montreal and thought okay, I've been doing this now for six or seven years and now I'm ready to do it for profit. I then borrowed a down payment for my first investment property and then, kind of got on the same thing and so, one thing led to another. It wasn't like really a... I didn't have a master plan when I got into it. It was kind of the thing that I just woke up one morning and I was like okay look, I'm kind of good at this, I know how to do it and let's do it full-time.

Mark: Wow, fantastic. So, what would you say is the worst advice you hear given in the landlording space?

Terrie: That's a really good question. Worst advice I mean, I think that in the real estate industry very often, people put pressure on others to acquire as much as they can with the best ROI possible and with the property management perspective like, I think what ends up happening is that people end up closing on properties in sketchy parts of town or taking on either maintenance or tenancy issues that they are not prepared for. So, I think that if you try to grow too fast or if you're a little bit too aggressive by only looking at the numbers and not looking at the human and the physical side of things, I think that's where I see a lot of people kind of get tripped up.

So definitely that and then, I mean the other thing not you know, industry advice but let's say more landlords speaking to each other. Like, sometimes people will really sweat the small stuff and I guess the number one tip of being mindful is be able to prioritize between, what's small stuff and what's not small stuff and your peace of mind is worth way more than a five, ten, fifteen bucks more in the bank. So, before you get really worried and bent out of shape over something, just get some perspective. Yes, it's frustrating, yes people aren't respectful, but what is this really costing you. So maintaining your perspective, I would say.

Mark: Scott Todd, what are your thoughts?

Scott: Oh I have many thoughts. Like, I like the idea, the thought of tenants does scare me. I don't know, I don't want them, I see nothing good from tenants at all. In fact, I had rental a home and it worked out okay, but at the same time the tenants just seemed like they just were a pain in the butt. Like everything, Mark says like, oh this went wrong, or that went wrong and I'm just like, I don't like it but it's obviously, if you're going to do homes or in that space you're going to have to deal with them. So, I think you do need a strategy in order to do that.

Mark: Yeah. I mean Terrie, how do you sort of vet a good tenant from a bad tenant? Because you've been doing this long enough, you probably can just look at somebody and be like no you pass.

Terrie: Well, that's actually a great question and it's one that as I'm coaching people like into starting out as investors, I feel like you can't overstate the importance of choosing your tenants carefully because you're really choosing your quality of life when you let someone into one of your units, and I don't know. You know, it's not the same really across all markets, but I know that here in Montréal, like there's kind of this old-school

mentality of, let's just settle on a handshake and people kind of don't always do their due diligence and so my recommendation would be really take the time, fill out a proper application.

If I can look at just one data point, I like to look at credit history because I find that independent of references from employers or previous landlords or whatever it is like, those important data points but the credit is really just going to give me a neutral look at how that person is handling their responsibilities. And you know, I've seen people who ruin their credit for like your \$200 collections bill from a cell phone company and when I see that it's basically telling me like, how is this person handling their affairs and if they're willing to ruin their credit for 200 bucks for a cell phone bill, they didn't take care of what it's going to be like when they're in one of my units or one of my client units.

So, I really like the credit score as a data point, and then the other thing is that as I'm going through the application process, I really treat that a little bit like dating you know. That the person's from a human point of view is going to be trying to show you their best foot forward and if somehow that process isn't seamless, if they're not returning phone calls, if they're trying to negotiate weird things or like being unreliable, even in the application process once they're in my unit it's not going to get any better. So, I would say those two things definitely like, how they are humanly handling the application process and then, just the hard data of a credit score.

Mark: Yeah, absolutely. Scott Todd, you're kind of shaking your head.

Scott: Okay. So look, I agree the credit score is a big thing. How would you handle this situation? Like, I'm going to go run someone. I tell somebody listen, I'm going to run your credit check he's like, "Wo, wo, wo hold on, hold on before you go do that, can I please provide you with a copy of my credit report and the reason is because I had a bankruptcy two years ago from my business failing. I had a bankruptcy and every time you pull a credit it lowers my score and I'm trying to get my score back up." What would you say? You're already shaking your head no, but like it sounds like you're like no.

Terrie: No. That's actually a good question. There are many third-party sites. So, the way credit works is that if someone else is pulling your credit score it will affect it in a negative way, but if you pull your own credit score it's actually not going to affect it.

Scott: Right, and that's what he was saying. That's what he was saying.

Terrie: Yeah, but what I don't like about that is, there's no way I'm going to let someone else provide me even less with a paper copy of their credit score because I mean you know, with Photoshop now like anybody can do anything. But they exist for this third-party sites that allow the person to order their own credit, therefore not affecting it and share it to you on the third-party site.

So, actually on my... I wrote a blog article about this a little while ago with a link on my website to one of those specific agencies that does that and when I have people who give me that kind of excuse I'm like, okay. And you know we actually explain to people in the application process if we run your credit it's going to dock you a couple of points so, you can pay for your own credit score and share it with us and we're totally okay with that. So, I think I've found a good solution to that kind of weird answer and then if the guy has like falsified his own credit score well, he's just going to disappear on his own.

Scott: Right. Okay, so now that I get his credit score, what's the magic number? Because I'm looking at the credit score the guy filed bankruptcy. Does that mean he's a dead beat, he shouldn't be in my house or am I looking for the fact that okay he owns his own company, he's got some money coming in, I can see it, I can see the money or am I only looking at the credit score and if so, what's the magic number?

Terrie: Yeah, you know again good question. So, I'll tell you we've had this situation come up a couple of times. Obviously, it depends on how competitive the rental market is. Like, if I have 10 people to choose from and Mr. Bankruptcy is number nine sorry, but I'm going to go with the best person who's on the list. If it's a unit for which there is less competition, and I've had actually happen twice. That somebody who has bankruptcy that showed up on their credit score.

If I have a choice between somebody who ruined their credit for 200 bucks to a cell phone company and somebody who had whatever a \$200,000 bankruptcy because they had a problem in business. I'd almost rather deal with the person who had a big problem, because first of all, they were creditworthy at one point and then in that kind of case like, look if he's the only person and I haven't had another application for a month I'm going to then look at other data points, which would be like: you know, previous owner, his current employment history and then also you can get a cosigner. So, if you have somebody else who's on the hook and usually someone who is like not an awesome credit situation they will be able to provide you with someone else who's going to like guarantee lease and in that case if they have payment problems I have someone with solid credit that I can go after.

Scott: Got you, got you okay, good.

Mark: Very good. So Terrie, is there something that you believe is normal or wise or cool that other people think it's just absolutely crazy?

Terrie: Like in general or in landlording specifically?

Mark: Landlording, in general.

Terrie: I don't know. I wouldn't say that I have super crazy view on things generally, I don't know. I mean, maybe one of the unusual views or unusual ways of looking at things. It's like, I'm a big fan of incremental progress and I think that the world right now does us a really big disservice with this whole idea of overnight success and I think that applies to investing.

Obviously like, I have a sports background as well and when I look at you know, sort of the talent myth where people are kind of saying that or if you're not the best rookie at whatever, or if you don't do a hundred deals in your first year or first two years, oh just give it up, there's no point. I think that's really a big kind of a big lie and it's a disservice to people. I'm really a big fan of incremental learning and I feel like that's not necessarily super fashionable right now but if I had to take a wild and crazy view I don't know, it's not too wild and crazy about.

Mark: All right, I love it. So, if I was going to get into the landlording or Scott was going to get into landlording and we can only have one book to read prior to going into it. Which book would recommend?

Terrie: Can I recommend my own book?

Mark: Of course.

Terrie: Yeah, okay. So, I have a book called the *Mindful Landlord*, coming out on June 1st and so I would say half the book is really the nuts and bolts of you know, managing tenants and handling property issues and then the other half is about mindset. So, be it from overcoming the fear that stops a lot of people from getting into investing, to then after once you start succeeding knowing when enough is enough. I think those are some kind of issues that often any other investing materials, they kind of get left on the wayside. So, that's what I would recommend.

Mark: All right, great.

Scott: All right. What is your tip to help someone who's having fear overcome them like, to just go do it? What's your tip? What's your process?

Terrie: Well, I'd hate to be a little bit morbid, but I think the first thing is to take a deep breath and realize that we're all here for a limited time and that whatever fear you have, be it fear of looking stupid or fear of not knowing your finance math or fear of going out and talking to people, whatever it is when you put that into perspective of the fact that you only have one chance at this. So, just you know, it's going to sound like a Nike commercial but just do it. You know you've got to just realize, and there's actually one chapter on this in *Mindful Landlord*. So, if I have to give one tip that's what it would be. Of course I could talk for much longer about it but yeah.

Mark: Yeah. I have the same philosophy by the way. I feel like every moment is so precious. Like are you going to really ruin your day because one out of the 7 billion people on earth said something that upset you, like seriously?

Terrie: Yep, yeah.

Scott: It's funny because you know ultimately, I think that what happens is there are a lot of people that think like what you said. Like, are you fearful of what someone might think of what you said and it's so funny because you know you go through your life and you worry about what other people think, or remember and you know what, the reality is they don't remember anything because they are so focused on themselves and their own lives. They really don't care about you.

I don't mean to hate. I mean we care about you, but like honestly people don't care about you. Like they don't care, like it's over with this, it's done, they've forgotten it and moved on with their lives because guess what, they're going to worry about what they're going to eat for dinner tonight or whatever. So I do like that. I think that whatever you're struggling with just freaking go do it, because then you know you can say I did it man as opposed to, oh I surely wish I would have done this when I was younger. No just go do it now, have fun with and if you fail who cares, fail big. Terrie will still rent you a place.

Terrie: Exactly, better to fail big than to fail small.

Scott: Yeah, don't fail over a cell phone bill. Argh, argh.

Mark: Yeah. I mean Terrie, can we get geeky for a second?

Terrie: Yep.

Mark: All right. Is there a way, do you automate collecting your rental payments? Do you use any kind of property management software that you'd recommend? How do you actually manage the day-to-day of this thing?

Terrie: Yeah. So, we've been using a property management software for I guess, three or four years before that, we kind of tried to do everything with Excel and Google Docs, and I mean I don't know. I feel like there's been such a big explosion in the kind of software technologies that are available to us. I think by all means it's a great timesaver.

We use the software called Buildium, which of what's out there I found for what's available, at what price I found it, it's pretty good. You know the value for your money is pretty decent and it has like, for property managers these great functions of the tenants have a portal. So, when they have a maintenance request they can just snap some photos of like the toilet or the faucet that's leaking, put in the request and then, I can just forward it to whatever maintenance person is necessary. So, that saves us all kinds of time and it also allows you just to email people. There's an app that's connected to the phone so you're never without phone number. Like it's just, I don't even know how we worked before having a decent software.

As far as like automating the other stuff, I was actually talking to another investor who has his whole application process, like streamlined and you know his application form is online and then, it like automatically pulls the credit and then he's actually got another app. I'm not going to remember the name of the app but it integrates all the other apps. So for example, when I receive a credit score, it's then going to say, okay you now need to put that in this Dropbox and email this person and this person and this person. I think it's called Zapier, actually that's the name of the app and so this...

Mark: We love Zapier.

Terrie: There you go. So, like I'm not the most technology - like cutting-edge on technology, but I'm definitely going to start looking into Zapier, because if you can map your workflows once, then you kind of go through and you're just saving so much time. You know, the other thing is like now that we have all these tools and these apps that do individual tasks for us the real challenge is how do you get them talking to each other and you end up then being the interface between all of these apps that if there was just a way like, mastermind the apps then you could really automate everything.

Mark: All right, fantastic. Scott Todd, any final question before we go to our tip of the week?

Scott: I don't think so, Mark. I think this is good and Zapier man who doesn't love that website.

Mark: I know.

Scott: Once Terrie gets through it she's going to be like, this is nerdy and why have I been doing this all the time.

Mark: You know like Terrie, can I streamline the whole maintenance headache process? Just giving my tenant say, look, I've got a home warranty here, he's the number of the company, when they come out you just pay 50 bucks and they'll come and fix it. Like, don't bother me with it. It's on you.

Terrie: I mean if you have like a real... I don't know what kind of guarantees. Like, you know, let's say new constructions here in Québec, when you purchase something like a new property, I think there's either like a five or 10 year guarantee on stuff. So, for sure if you can. I feel like whenever you can empower tenants to like, handle anything themselves you should do it and they're actually going to be happy about that.

We do that with some of the units that we manage in condo properties. So, if I can put the tenant directly in contact with the person who is in the condo association who is taking care of maintenance, as long as they're not like incurring expenses to my client as they want to, like by all means, I try to empower them as much as possible and then like, the manager or the owner you seize being the bottleneck for the solution and their frustration gets directed at the person who deserves the frustration. So, be it the Internet provider or the guy who didn't cut the lawn or whatever it is they can directly communicate their frustrations to them and that's his frustration that's not falling on you. So by all means, yeah delegate.

Mark: All right, great. Well I feel a lot calmer about the idea of landlording. What about you Scott?

Scott: I'm ready to try it. Not really, but I'll give it a try. Not really.

Mark: Not now. Yeah, I mean I think you've got to have a certain personality; like I just lit some incense and I've got some Tantric music

playing in the background. I still feel very anxious about the idea of a tenant [00:22:20] [indiscernible] that's me.

Scott: I mean, look, I know that we put a lot of strain on it and a lot of drain, drain and strain, you know like stress strain, and all these other stuff because there are people that do it. There are people that hate it, but there are people that have it figured out too. Like, what you just said with the home warranty like, that's a great little hack there. Look, listen, there's is a home warranty, you know you are responsible for any deductibles that take place because it's on your watch. Now, if they know that going in, well that's the way that it is and they have agreed to that and so be it. You know I think if you tried to change it downstream or whatever.

I know that there's people that have run rental homes where they are like, listen I never, ever, ever, ever have to deal with my tenant at all because I use a realtor to do it and the realtor collects everything, and the realtor handles all the maintenance and all the other stuff. Great, I mean I'm sure that's a great way of doing it. Obviously, there is a cost component associated with that, I think like 10% okay. So, you know if that's a concern of yours I know there's ways to shortcut it. I do like that little niche out there where you can have kind of the same thing but never any tenants, toilets or termites. Man, if there's some way you can just sell land - vacant land that would be great.

Mark: Yeah, but think of this there are people like Terrie Schauer, that love it, teach it and because raw land is not for everybody and I think this is really a valuable resource for a lot of people. So good on you, Terrie.

Terrie: Great.

Mark: But we're at that point now where we're at our tip of the week: a website, a resource, a book something else actionable where the Art of Passive Income listeners can go improve their businesses, improve their lives. What have you got?

Terrie: Okay. So, I would say for my tip of the week a little bit of something is better than a lot of nothing. So, if you're ever sitting there and thinking you know I don't have time to run 5K or I don't have time to learn this piece of real estate knowledge, I don't have time to read this book do whatever you can and if those little five-minute things that you do will add up and they will put you further ahead over a long period of time than if you do nothing. So, that's for sure and there's a great...

Mark: You're preaching to the choir here.

Terrie: Yeah and there's actually my favorite book on this topic is called, *Incremental Change*, and that I think encapsulates really this idea very nicely that if you work at something consistently. Like, let's say you eat a hundred calories less a day, you're not even going to necessarily feel that pinch but the pounds are going to add up over time and if you make the mistake of doing the opposite choice and eat an extra hundred calories a day, you're going to see the negative effects of that as well. I think that applies for sure to investing or to any kind of like you know financial or learning endeavor in the same way.

Mark: Fantastic. Yeah, one of my newest favorite books is *Atomic Habits* by James Clear. It's kind of a similar idea that just this 1% incremental improvement in your habits, will make such a huge difference in the long-term. Scott Todd, what's your tip of the week?

Scott: Well, just to build on that just one last thought on that piece is that I actually had a boss once who told me I never have to like be a rock star, I just have to be one person better than anybody that I'm going against. So just 1% better wins the race; that's all that it is, right?

But Mark, my tip of the week for you, it's for you and it's for other people too, but I'm sure you'll love this. It's what if there was an equation that was like a miracle made all of your decision-making and goals possible. Like wouldn't that be cool if there was an equation?

Mark: Yes.

Scott: So, check out this book you're going to love it *The Miracle Equation* by Hal Elrod. Yes, you know the guy. You love the guy, Mark.

Mark: I do love the guy.

Scott: Now, you have a new book that can go buy right now and start with your miracle equation.

Mark: *The Two Decisions That Move Your Biggest Goals from Possible, to Probable, to Inevitable*. I love it. Holy, there are so many good books out there right now, aren't there?

Terrie: Yeah, it's a struggle to find the time to read as much as we could be.

Mark: Yeah, it really is wow. All right, done and done. Well, my tip of the week is learn more about Terrie Schauer and 'The Mindful Landlord', at of

course TerrieSchauer.com. Nobody can spell it so don't worry about it, I'm going to have a link to it in the show notes and you just click on the link and go to her site.

Also, I just want to remind everybody today's podcast is sponsored by Flight School to learn more just go to TheLandGeek.com/Training. Start executing with the Land Geek Sherpa himself Scott Todd in real time in Flight School Live, get it done in three days where you start mailing, you start marketing, you might even sell a property in three days learn more TheLandGeek.com/Training.

Also, if you're getting value from this podcast help us out: send it out to a friend, email to a friend, throw it out there on social media "I'm loving this podcast, I'm learning so much". Also the three things you can really do to help us is simply subscribe, rate and 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* course. Terrie Schauer, are we good?

Terrie: Yes, thank you.

Mark: Thank you. Scott Todd, are we good?

Scott: We're good, Mark.

Mark: All right. You're ready to do this?

Scott: So here we go.

Mark & Scott: One, two, three.

Scott: Let...

Mark: Freedom...

Scott: Ring.

Mark: Thanks everybody. Terrie is like, man these guys are geeky.

Terrie: It's so hardcore.

Scott: We said that we would alternate but we didn't say who is going to go first so...

Mark: That is true.

Scott: Make it better.

Mark: All right, thanks everybody.

[End of Transcript]