



# YOU'RE JUST ONE DEAL AWAY

## How to Build Your Power Team

Host: Zack Childress

So, the big question is this, how do aspiring real estate investors like us escape from the rat race and build real wealth and freedom without access to millions of dollars in investment capital and start to live the life that we know we deserve? This is the question and this podcast will give you the answer. My name is Zack Childress and welcome to Real Estate Investing Talk Show.

So let's talk about the power team, right? So we've been talking about emerging markets. We've been talking about, you know, what I would do if I had 40,000 and I had to start over again. We've been talking about the rental markets, we've been talking about the housing economics and, and what we think's going on. We've been talking about the rise in rents and you know, and all these great topics, but none of this will do you any good if you don't understand three things to get your real estate business off the ground and running, okay?

Number one is market segmentation, which is what we've been talking about. Like are you going to be a landlord and where's the best areas to own rentals in? Look, some of you, I get it. You don't want to own a rental property outside of your driving distance and that's fine. That's your choice, you know, but you do limit yourself to market. Share your, limit yourself to competitors or you increase your competition. If you're in a highly competitive market, you might be finding rentals, but there's better returns in other markets, but that's your choice. If you want to stay local, stay local. I've never been that person. I believe in buying rental properties and investments anywhere, that makes sense because I understand the other two qualifications in these three things.

So you know, number one is obviously market segmentation. If you're going to be a landlord, then you need to understand what we refer to is emerging rental markets. Where do you get ahead of the curve?



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Where do you get the bumping rents? How do you find those areas? Or market segmentation, when it comes to fix and flips, how do you identify where the demand and the need is for moving into areas that are going to have a higher demand for housing because there might be a shortage or whatever the case may be? That's market segmentation. It falls into two categories for flipping and for renting, right? You got to understand that. Number two is you got to get your funding together, right? And number three is your power team. Those are the three cores that I tell people all tell him we're going to start the business we got to understand this, we got to know this. And they go, well, what about x, y, and z? Well, that falls under your power team, right? So what are the seven key components of your power team? Well, number one is a realtor. We always need a realtor on our team, whether that realtor is bringing us deals off the MLS. Now remember, I always say don't always depend on the MLS for all your deals because you know, there's a plethora of other ways to find deals, but we do need an agent.

An agent is very important because I need an agent who will find me deals. I need an agent who will sell my houses for me when I fix them up. I need an agent that can cross reference my ARV that I come up with through a CMA report. You know, so agents is very important on your team and you need those. And you need an investor friendly agent. I was just had a meeting yesterday over at a up and coming and rising realty office that's really kicking butt around here. I mean, they are, they've got a great model. I sat and interviewed the guy for a little while and what they're doing and the things that they're making happen and I can see how they're going to make a huge sweep through our, through our area in Northern Alabama, all the way down to Birmingham because they've got it figured out.

And they also understand content driven deliverables. And we're actually going to be teaming up to do a bunch of stuff together and so I think it's, it's great. But one of the things we talked about was the difference between a traditional agent versus an investor friendly agent and you got to understand this. I mean there is, there is a wall there that you have to break down when you're dealing with an agent that doesn't understand investors. So, be clear on that., okay? So that's number one. Number two is you got to get yourself in front of and communicating with closing attorneys or title companies depending on your market, okay? It's important that you do this and here's why. Because the last thing you want to



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do is get a deal, get ready to close, and you're going to do some creative form on it, whether it be creative financing, subject to land, installment contract, contract for whatever the case may be.

Or maybe it's just a wholesale deal, or maybe you're just using transactional funding, something that's outside the norm of a normal closing office. You better bet your sweet behind, you better have already been down to a title company or closing attorney's office and have communicated with them in which your intent is to do some types of your transactions. Because some of them will agree with what you want to do and some of them won't. Does not mean the next one down the road. We won't do it, they will, right. So you might need to work with two or three different closing attorneys in your area or you might find one like I did here in Alabama that just does it all like they do everything, but I want to be clear with that upfront. I don't want to be chasing the gun, if you know what I mean.

I don't want to get a deal under contract and then start running around trying to find somebody that will help me close that deal. I want to know it ahead of time. Preparation, right? Being prepared is better than being a reactive investor. Be prepared in your journey. Get out there and meet people, talk to people, set appointments, get out of your comfort zone. Get out from behind your computer. Get out from that desk and go out there and start shaking hands and meeting people in this industry it's called networking. And let me tell you something there's more power and networking than there ever is, and doing the business alone, you got to build them. You got to get these closing offices on your team, okay? That's number two. Number three is, is you got to get some kind of contractor, handyman you might even need both depending on your business model.

And the contractors you want to vet them. And let me take something the biggest way I've ever vetted a contractor is through referrals, number one, and number two is a list of references and I have a series of questions that I ask. I want to know their references. I want to know what it is that they do. Did they actually work for, right? Hey, did this person do work for you? Yes. Great. Was he on time, was he on schedule, did he get the job done to your satisfaction? Was he on budget? Was he clean? You know, did you have challenges with him? You know, I want to know these things, and yet can some people be in a



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way of, how do I say this, to give you referrals that they've done good for. Yeah, they can absolutely they can.

But let me say this to you guys. I know in the investing world, I hate this about the investing world, is that we only ever hear about the bad stories. Like for instance, out of 10 landlords I talked to, eight of them were going to tell me all their horror stories, right? They're going to tell me everything about the worst rental property they've ever had. And for the new person, they hear that and it puts fear in them to move forward building a portfolio. But I'm here to tell you it's not that bad. It's really not. I mean, it's not as bad as the bad stories we hear. There's more good and more positive stories out there that you just don't hear because people for some reason don't want to share the positive. They want to tell you the negative. They want to be like news stations, right? They want to tell the drama and the fake news and the Blah, blah, blah, right?

So I'm here to tell you, contractors can be one of the biggest components of your business and building that relationship wisely and setting boundaries early and expectations early and controlling how they're paid is going to give you a huge benefit in that. And some of you have been to my bus tour here in Huntsville where, you know, I take 15 to 20 people and I show them how I do my rehab business. I take you through my rehabs. Some of you just have my Rehab Made Easy Course From Home. There's a ton in there about how we work with contractors and you got to have some form of handyman, so if you're a landlord, you don't need a contractor to go in and clean up a building and you know, maybe paint some walls and change out some lights and things like that. That's where a handyman comes in or your property management company so.

Alright, that takes me to the next part. Number four is your property management company. You need to have a solid property management company on your team and you probably need to have several because here's why. Some of them will manage properties in some areas and some class of buildings and others won't manage, so you know, like I hold a strong portfolio of some buildings that are in c type neighborhoods and some management companies don't want to deal with those while others specialize



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in those buildings and so you need to get out there, communicate with property management companies, but here's the other reason that is the big win with property management, okay. Is that they have a list of landlords and they know which ones are active and they know which ones are burned out that don't want to fix anything, don't want to deal with it, don't want to return phone calls, right?

Well, that's why you want that relationship. Number one, if you're a wholesaler and you get a deal under contract and it's cashflow well why don't you take it to a property management company and let them know you have a contract for sale and one of their landlords might want to buy that and gives them another building to manage. Number two is you want to be on the phone with them and say, look, you got any buildings that you're managing from landlords that just aren't taking care of the building and it's making it harder for you and would they be interested in selling it and if I buy it, I'll let you manage it. That's what they're in the business to do, so it's a huge win. Now, number five is buyers, and this is more for the people who are building a power team for wholesaling, but you've got to get your buyers in play, right?

Not just cash buyers, but you got to get your tenant buyers. You got to get you financed buyers. You got to get your co wholesaling buyers in place. Remember, we teach four ways of wholesaling. Not traditionally. I mean, we teach traditional, but we don't say that's the only way to wholesale because that's not the only way to wholesale. There's multiple buyers you can work with like you can, you can do what's called an option control wholesale where you only need tenant buyers and you're wholesaling the option right to the tenant buyer. You have cash buyers, which is traditional. You're going to wholesale your contract, right to that cash buyer. You've got financed buyers where you're actually going to get paid out of escrow through either some form of demand of funds letter or even maybe through transactional funding and you've got co wholesalers. Where are you going to use like a flex option or co marketing agreement or a service provider agreement or something of that nature.

And these buyers are out there. I mean, cash buyers are, have an abundance. I mean there are more buyers in today's market than we've seen in five years. I mean, look at it. I mean, we were just sitting



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around talking just two years ago. I felt like I was the kingpin around here. Like I was like on top of my market heavily and in the last year and a half to two years, man, people have been popping up everywhere, okay. They've been popping up everywhere. Everybody's a buyer right now. Everybody wants to be in the real estate market. Everybody's in this thing and so these, they're out there. You just got to keep marketing to them. You got to keep using advertisement to get to them. You've got to post in groups and meetups and you got to go to your local REIA's.

Real Estate Investing Association. Yeah there's other little clubs out there too, but a Real Estate Investing Association is much different like they are. They are accredited by the National Investor Association, which means they have a code of conduct and things like an agent has to follow where clubs can just pop up everywhere and do what they want to do. Most of these clubs that pop up though, they don't stay around. They'll pop up, they'll go away and it's over where it as they've been around forever, so just know that. So you got to get that buyer's rocking and rolling for yourself on top of that, you got to get some private lenders guys. And let me help you understand this real quick with private lenders. Yeah. Do you all want the well? Of course you want the well everybody wants the well. You know, the guy sitting on four, five, six, \$8,000,000, but the well doesn't happen every month.

The well may not even happen every year, but there are a lot of people out there sitting on 15, 20, \$30,000 and you can use that. You can use that in like a second lien position on properties, which was the example I was talking about when Ryan asked me the question earlier. What would I do if I started over again and had \$40,000, right? Well that's the same thing as finding a private investor that only has 20, 30, \$40,000, right? Yeah it's not enough to go out and do a whole deal. But if you put your stuff together and which is number seven of our power team, which is funders, and you put yourself together and you can get out there and you start talking to asset based lenders, hard money lenders, you know, banks that want to fund the purchase but don't want to fund anything else then you need these little private lenders. You need these 20, 30, \$40,000 private lenders and you need them on your team because they're the ones they're going to let you do the deal. And here's the best part. You don't got no money in it. Now you make \$20,000 off that deal you go buy rental property, now they got cash flow coming in and now you go get that, another property use that same private lender. You do another deal



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and take that profit, go buy another rental property. And it's how you build the wealth. It's how you build the business. You have to be thinking about how do I move money to make money, right? How do I move money to make money? So I want to be clear on that with you guys so you know, let's go over them again, right?

Number one is number two is a closing attorney or title company. Number three is a contractor number four is a property management company. Number five is buyers. Number six is some small private lenders to help you grow. And number seven is your initial funding partners. Now is there a whole world of power team? Yes, of course there is. But really guys, this is the seven and this is what's gonna get you out there and get you started quickly and when you start thinking like, who do I need on my team, who do I need on my team?

You've been listening to the Real Estate Investing Talk Show. I'm Zack Childress and I'm on a mission to create 10,000 real estate bosses over the next year. Will you be one of them? Head over to my website, [ReiSuccessAcademy.com/webclass](http://ReiSuccessAcademy.com/webclass), and register for my free web class, where you'll discover how to escape from the nine to five grind and become your own boss in real estate. See you there.