

Welcome to Strategic Real Estate Coach Radio, hosted by Josh Cantwell and Kyle Garifo. Strategic Real Estate Coaches, where the nation's leading real estate investors, brokers and agents turn to transform the way the real estate business is being done in neighborhoods across the nation. If you desire to make more money, do more deals, grow your passive income and build the lifestyle you've always wanted, you need Strategic Real Estate Coach. This powerhouse team is led by Josh Cantwell, a seasoned investor with nearly a decade of experience, over 700 transactions and over \$5.5 million in fundraising generated for himself and his partners. Now, sit back, listen, learn and accelerate your business with Strategic Real Estate Coach Radio.

Josh Cantwell: Good morning, Josh Cantwell, CEO of Strategic Real Estate Coach, Yellow Jacket Properties and Freelance Ventures back again with another expert interview. I'm really excited to be with all of you today and we're back again to specifically talk about acquisitions, acquisition managers and finding super buyers... finding those hyper buyers that you can do multiple transactions with a year. If this is the first interview or podcast you've been on with us, welcome. For those of you that have been with us for a long time and has been one of our subscribers or members for the last 11 years, welcome back. We're really excited to have you back.

Josh Cantwell: I have with me today Ben Sherman and RJ Nusz and they are running their business together and they have an amazing story of real estate investing and I'm excited to for them to share with you the structure of their business for buying rentals and rehabs as well as acquisitions management and wholesaling properties. Ben, I want to start with you. We were just talking before we got ready for this, about your transition from being active duty in the Air Force into being a full time real estate investor. So just kind of give us some color and some foundation of who you are and that transition from active military into being a full time real estate investor.

Ben Sherman: Okay. Yeah. Thanks Josh. So I've served a 13 years on active duty and I was averaging about 250 days a year, gone from my wife and kids and it got to the point where I just couldn't be gone that much anymore. I was discovering the, I really, really had a passion and a knack for real estate and I saw the potential for massive profits and more importantly, freedom of my time to spend with my wife and kids and a family and friends. And so, um, the decision was difficult. Took us about six months to come to it because, you know, it's, it's hard to leave that paid every two weeks kind of lifestyle, uh, where you know, that your, your paycheck's going to be there and regardless, you've got your bills covered to the, you know, and I'm gonna say, uncertain real estate world where you eat what you keep. And so the transition was a little painful. But ultimately I see the dividends on the back end. And, uh, I know RJ has got huge vision with me. So, uh, I had the confidence to go ahead and leave active duty. I'm still flying for the reserves and I'm working towards my retirement and my pension, but I'm focusing 100 percent on real estate and throwing myself headlong into it.

Josh Cantwell: Fantastic. So tell us, um, tell us about, you were talking and getting ready for this, talking about how you were in Afghanistan and you were active duty and you said that the blessing about Afghanistan was the Internet connection and you are actually branding yourself and generating leads and networking with real estate professionals back in Wichita from Afghanistan. So for those people that think this business is difficult or I can't do this or I'm too new, you started this brand new halfway around the world. So tell us, tell us that story.

Ben Sherman: Yeah. It was a on a, a 365 deployment to Afghanistan. And the Internet connection was actually really good. So I started developing my brand, my Mach 3 Investments company. You know, I had ordered business cards, I had a website built, I was able to connect with people on LinkedIn, on Facebook. And by the time I got to Wichita, because I knew when I was in Afghanistan, that was gonna be my next assignment. Uh, when I got to watch Wichita, I already had a buyers list of about 100 people. I had networked with a, at least 20 other wholesalers. Um, I, I had networked with a lot of realtors and even though they had never met me in person, we had a dialog going through email, through chat and through Facebook where when I was able to finally get to Wichita and sit down with these people. It's like we were old friends. And so being able to do that from Afghanistan really set me up for success when I got here in Wichita.

Josh Cantwell: Fantastic. So how did you and RJ connect? So, RJ, some of you already know, is one of our students, our members. He's in our highest level, a Maverick Mastermind Program now. And I met RJ in August of 2015 at one of our Flippin Fun summits and RJ's been with us now for three years and continuing to grow his business and build his portfolio. They've bought massive portfolios of rentals and they're doing fix and flips. So, RJ, welcome. Thanks for joining us. I know you're out in the field today doing something crazy. I can see your shades. You look great, man.

RJ Nusz: Thank you very much. So, Ben and I... I reached out to Ben because we decided that we needed a source of leads from wholesale leads. We needed to get more off market stuff. So through his efforts and marketing I thought, okay, this is a guy that it looks like he's got all his stuff together. He knows what he's doing. So we basically started connecting and talking that ultimately led to sit down and have breakfast. And then we went and looked at actually a property he had under contract that he was trying to assign at the time. Uh, that deal didn't ultimately work out for me, but just we built some pretty quick rapport and I thought, okay, this is a guy that probably fits the bill of somebody I would want to, um, hitch my wagon to. And we could, uh, you know, go and grow something.

RJ Nusz: So, uh, ultimately, you know, as we scaled this business, we started out where we were, we were basically funding all the marketing and Ben was doing basically 100 percent of the work and I have no problem saying that he was doing all the work, calling all the leads. We did have a VA that was helping us as well, a virtual assistant. She was pre qualifying the leads and then Ben would go work on, um, and then when we went to the closing table, if it was something I

wanted to take down, then obviously I got first right of refusal, which was why we started it to begin with was so that we had first right of refusal on the best off market deals. And then secondly, uh, if we didn't want it, then we would just wholesale it, which is where Ben's buyers list came in that he had developed. We'd send it out to his buyers list and if, um, we, we sold it, then we'd split that assignment fee 50/50.

RJ Nusz:

Fast forward. We changed things here at the first of the year, so January first with Ben's decision that he was going to leave active duty, like you said, uh, we pretty much decided that, you know, he just couldn't just be our acquisitions guy anymore that he actually deserved and needed to be part of the business. So we formed a third company, uh, that is Property RX and Ben's basically running the daily operations of that. There's, there's the logo on the shirt, so, uh, you know, so pretty much the same. It's just now that 100 percent of those profits go into the Property RX account, all the expenses come out of Property RX. Ben's still running the day to day operations. I'm fairly hands off, you know, uh, we'll get together a couple times in the evenings, uh, to talk about kind of strategy and, and we've developed our big rocks and what we're going to work on over the next upcoming quarter. And then, you know, we hold each other accountable to make sure stuff's getting done. But still, Ben's doing all the heavy lifting, which is really for David and I, that's what we wanted because we're busy with our day jobs and we're busy with the rehabs and the rental properties, like you mentioned that we've amassed... that's a fulltime job per se. Um, so we've just... This has worked out really well for us thus far.

Josh Cantwell:

Nice. So, Ben, you talked a little bit about your transition from active duty back to Wichita and giving up that regular paycheck. It's interesting. You know, I was talking with Joe, my acquisitions guy and we were talking about that same exact thing, but Ben, when you know that you have built in buyers and guys like RJ, David or other sort of regular recurring buyers, super buyers that are going to buy multiple properties, how much confidence or how much sort of relief does that provide for you when you know, hey, I've got guys that have money that have private money, that have a plan and now I've just got to go feed that inventory as opposed to the opposite, which is I'm going to go find properties first and then hope I find a buyer. So, you took that approach, where you were able to kind of lock down this relationship with RJ and David and you had that part of the business already kind of nailed. Now you've just got to go find the inventory. So just about that to us for a minute.

Ben Sherman:

It's a complete game changer. In fact, I can say that the last seven deals we sold, I never put out to my buyer's list. I called up a one or two people whose wheel house I knew that this deal was in. And uh, it, it, it, it never, never even saw the light of day to the rest of my buyers because these people are, are, are exactly what you said, super buyers. I've had multiple people buy multiple properties from us because they know that it's a good deal. In fact, I don't even ask one of them for earnest money anymore because I know if he says he's gonna close it, he closes. Um, I've had, uh, uh, a deal under contract at breakfast and had it assigned by a dinner. So. And that's just, what's that?

Josh Cantwell: That's a great job!

Ben Sherman: Well, it's just a confidence booster to be able to walk out, talk to a seller and say, Look, I know that I can get this property sold and we're going to buy it and you know this, this is the price that we need to be at. And so it, it, it changes the perspective from being needy to making them need me.

Josh Cantwell: Fantastic.

Ben Sherman: When a seller senses neediness, it's like blood in the water for sharks. They're, they're gonna, they're gonna walk all over you. And then when you go in with an attitude of, hey, you need to sell, I don't need to buy and you know, if I am going to buy, it's going to be at this price because this is where I know that my partners will, will pay. Um, every now and again I'll have to push it up a little bit and then renegotiate afterwards. Like, Look, I talked to my partner and it's exactly what I said. He's not going to be able to invest at this level. Let's go ahead and see if we can drop this down a little bit. You win, we win. You know, everybody wins across the board. That usually works.

Josh Cantwell: That's great. Yeah. That sense of confidence and the ability to execute. When a seller can sense that and they know that you know what you're doing, you have the proper offer, your firm on your offer, you have the cash or the buyers to close. That's a big piece of the puzzle. It's not just about price, right, because there's a lot of people that maybe will negotiate a higher price that can't execute. It's about price. Actually, a friend of mine just bought an apartment building. Same concept. The seller was asking \$2.8 million. He was able to acquire it for \$1.9 million. It was 76 units of apartments and the reason why he was able to get it for \$800,000 or \$900,000 off the initial price was because he kept going back to the seller and saying, I can execute. I can close. This is the proper offer. This is the right number. As soon as we can agree, I can get my due diligence done and I will close and just made the seller feel like I'm not going to waste my time anymore. This guy knows what he's doing. He's got to get to the closing table. That is very important and probably equally as important as price, right? As equally important as price.

Ben Sherman: In fact, one of the methods of lead generation is I kind of stalk other deals and you'll see people put out deals on, on Facebook and I'm on every wholesaler's buyer's list for this reason because I look at deals and people put them under contract at too high a price and I guarantee you about 75 percent of the time they're not going to be able to close. So I'll go back to the seller and say, look, you know, I understand that you've been burned by people before. I'm not a wholesaler. I'm a buyer because I close and it's exactly like that. Uh, and, and they're willing to drop their price to where it actually needs to be when I prove that I can close.

Josh Cantwell: Yeah, that's great. RJ, how about for you still had a day job that pays you very well, but you also have a large, large, large rental portfolio and your other partner's also a physician, surgeon. He's very busy with that and connecting

with Ben has been a big deal. It's been really a... each are bringing various value to the table and it's really working out well for all of you. But RJ, for you, your biggest real challenge was the time to find a deal. So how much has that helped you in your business knowing that you had a system now, a marketing system for leads and a sales system with Ben to consistently bring this inventory in?

RJ Nusz:

Absolutely. It's huge. Everything automatic. Just the systems and processes that we built into place, stuff that goes out every Thursday, mailings go out, it's just very automatic. Very hands off in regards to that, you know, we've, we're starting now to scrub and layer multiple lists on top of each other just to amplify our deal flow. Um, it's interesting though too because, and Ben can attest to this, the market's changing. Um, you know, people are paying good money for wholesale deals. Um, it's making them a little bit harder to find. I think sellers are wising up to the fact that they can maybe get a little more money than they were in the past and so where they may not fit our formula for flipping, this gives us an opportunity to ultimately kind of passively still make some money on being involved in deals. So that's been big too. And like Ben said, the last seven deals, uh, I don't think I bought one of those because they didn't fit my criteria, but the hyper-buyer lists that he has includes other buyers and that's fine. It works for them and that'll work. I mean, I'm okay with that. I don't have to have every deal, uh, as we know, if it doesn't fit the formula, just don't do it. It's just four walls and a roof. It doesn't matter. Move to the next.

Josh Cantwell:

Yeah, I tell people, real estate is 6th grade math. I don't mean to say that arrogantly, it just really is. You take your after repair value and there's multiple ways to sort that out, whether it's price per square foot or a specific comps down the road, multiply times about 70 percent of the after repaired value, subtract your repairs, and that's your strike price. That's your maximum offer price. And uh, other investors, know, sometimes we can wholesale to a retail buyer, somebody that wants to move into it and they're going to play pretty close to after repair value minus the repairs, uh, or maybe they want to buy it ninety cents on the dollar as opposed to seventy cents on the dollar or there's other investors that want to buy for rental.

Josh Cantwell:

And you know, that's the kind of market that we're in now. Whereas five years ago buyers were tougher and getting discounts was even easier. Um, so Ben, give us an idea for you. Give us, since you're doing this eight hours a day, you're really enjoying it. You're finding a lot of deals. You're wholesaling now with RJ and David or they're buying. Give us, give us some sense then for you that transition, that first month or so of leaving active duty military, pretty much a full time job to doing this. How did you ease your fear and what do you do every day to kind of keep yourself moving and keep yourself motivated?

Ben Sherman:

Okay. So the transition was actually a lot harder than I thought it was gonna be a, you've got to understand for the past 13 years I've been told where to go, when to go, how to do it, how high to jump. And there really was no thinking involved. I mean, yeah, I had to work whatever problem I was assigned, but I was, my, my day was pretty structured, you know, in the office at 7:30 work,

you know, work all day, go home about 5:30 pay day's every two weeks. Transitioning to this entrepreneurial mindset was a massive paradigm shift for me. The first week I absolutely failed epically. I did a lot of busy work and accomplished nothing. Luckily I have a really good business coach that I was able to call and say, hey look, Mary, uh, I'm, I'm flailing here. I need some help.

Ben Sherman: And we actually sat down and worked on time blocking and prioritizing. And so now, every night before I go to bed as part of my nightly routine is I strategically plan out my day, like I booked from 10 to 11 for this call and I'm not focusing on anything else, actually turned off my phone. And, and you know, this has my full and undivided attention. In fact, I turned my phone on very rarely during the day except when I'm making seller calls. So having that regimented structure for me was what allowed me to really accelerate. Now, going back to your other question, is to what drives me, what gets me out of bed every morning is I have a wall in my office of all of my leads that I have not closed yet. And I say it that way because they're in various stages of negotiation.

Ben Sherman: Either we're setting up an appointment to go view the property or I viewed the property and now I'm a, you know, renegotiating with them or they're just not 100 percent motivated yet. Um, and then ultimately on my far wall, I have my metrics. I have my glide path for where I want to be a at the end of June and uh, you know, right now we're a little bit below it, so that means I gotta step up my game. I got to go out and find more deals. I got to get more deals wholesale or more deals closed with RJ. The other thing that I see is my competition in town, uh, there's another wholesaler out there that's doing massive things just like we are. And I, every time I see one of his deals come up on Facebook, uh, it's like, okay, time to get to work and hustle. And every time, every day when I feel like I, I really don't want to make a seller call, I just don't want to hear their sob stories anymore. I look at my metrics, I look at my glidepath then I'm like, nope. Time to time you get to work.

Josh Cantwell: That's great. Gotta have that thing that brings you back. RJ?

RJ Nusz: Hey. I was going say too, I think the thing that Ben needs to be applauded for is we have a very high close rate. We don't have a high turn back rate and I think, you know, I see those deals come out as well and they're hustling and they're bustling and getting lots of deals under contract, but I think that for a lot of them, that's where it ends: They're getting them under contract, but they may not be able to, uh, liquidate them. And Ben and I said, I made a decision early on that that's not really the way we want to operate. If we say we're going to close on something and we enter something under contract, we want it to be a good deal and we're not just putting things under contract to try to keep score. So I applaud Ben for that. Is that a fair assessment, Ben?

Ben Sherman: Yeah. We've only actually backed out of two contracts and they were for different reasons. Um, the first contract, the home assessment came back with a lot more in repairs than what we originally thought once we dug into the property and really did our due diligence. Our IRV was too high and the rehab

estimate was too low initially and uh, they wouldn't, they wouldn't renegotiate to where it was a win win for everybody, so we had to turn that one back and then most recently another one in Eldorado that, uh, just didn't sell because it's not a market that people that my buyers are buying in and I couldn't get it moved. So I did feel bad about that one and um, but sometimes that's the way it goes. But yeah, two out of 30 or 40 deals that we've put under contract.

Josh Cantwell: Nice. Nice. Any final sort of, for those people maybe that watch this interview, maybe they're getting started, maybe they were former military. They, uh, you know, just kind of want to make the same transition that you mad. RJ is in, you know, in a different situation. I'm in a different situation. So Ben, you're the most recent one who's kind of quit the job, moved on. What do you, what kind of advice would you give to somebody? What are some things, either mindset or scheduling or time blocking or just motivationally? What would you pass along the next guy?

Ben Sherman: So this, uh, that this is a business, you can't treat it like a hobby, you know, and I understand the time constraints of working two full time jobs to try and make this happen and you do the best you can. But if you, if you treat this like a hobby, you're going to make hobby wages and I've never known a hobby to make somebody money. Um, if you treat it like a business and try and systematize as much as you can, uh, to free up your time, you're going to make business profits. And then the last thing I would say is that this whole business is relationship based. Nobody can go out and do it alone and you've got to, uh, I would actually start out by building up relationships with realtors, with attorneys, with the movers and shakers in your community, who's buying deals. Talk to realtors and see if you can find who's actually paying cash for properties because it realtors know everybody. And, and that's... I would actually start with realtors, they'll be able to point you in the right direction and then just work up a business relationship. Don't make any promises, don't say, look, I'm going to, you know, always come to you first—let the relationship build and then you've got that in-house built-in buyer and then maybe down the road, broach the subject of, hey, if you want to go 50/50 on marketing, I will bring you deals.

Josh Cantwell: Fantastic, great advice. RJ, how about you? You've built a business now around this lifestyle that you're creating for you and Karissa and your family and uh, you know, you've been able to kind of be outside the business and above the business and kind of put the different pieces in place. So you have access to capital, rehabs, rentals, wholesale deals, marketing, and kind of putting the whole machine together. So similar question, what kind of advice would you give the next guy going forward?

RJ Nusz: The first thing that comes to mind is something that one of your coaches said to me to begin with, and when we first started millen, he says, once you've got a system of revenue or a stream coming on or turned on, never turned it off, that that was a mistake. Once you get deal flow coming in, don't freak out because you've got too many deals. You've got to figure out alternative ways to exit those deals. So that's resonated with me over and over again that once we've

got it turned on, we'll never turn it off. Um, unless something forces us to turn it off, uh, which I don't see happening. Uh, you know, we'll, we'll do that. I think the other thing I would echo and hearken to that Ben mentioned too, is the value that a mentor-ship and a business coach has brought to the business for Ben specifically. Um, you know, we're, we're following the EOS system, the entrepreneurial operating system in the business and you know, that's where our business coach comes from in that. And that's just been, I think, critical to keeping us on target and on task to what we're trying to get accomplished.

Josh Cantwell: That's fantastic.

RJ Nusz: So get mentors, get mentored. That's the big deal. Get mentored.

Josh Cantwell: Absolutely. Yeah. I, you know, we mentioned a lot of people I've mentored, the guys are here today with us as many others, but I still invest in mentoring and mastermind and other working with, you know, just elite entrepreneurs all the time and a very, very important to make sure that's a constant investment. The biggest leverage point in your business folks is you, if you get better then your business is better. If you become more knowledgeable or smarter, faster, more efficient, your business becomes all of those things at the same time. And so as a business owner, it might be the one big idea or it might be one system, but really it's about you developing that idea or developing that system. So it's all about you. So make sure you invest in some sort of a mastermind mentoring, um, to take yourself to the next level.

Josh Cantwell: So, guys, fantastic job today. Thanks for thanks for jumping on the interview. What we're going to do, guys will have this interview posted in I'm sure multiple places. If you're listening and you've caught this interview, you've enjoyed it, leave us a comment or where there's a rating or a review, leave us a comment and a question. We'll answer that. My team will get to it. We'll make sure it gets responded to. So guys, just fantastic job. Look forward to seeing so much more success coming out of you guys, so thanks for being on today.

Ben Sherman: Thanks for having us.

Josh Cantwell: Absolutely guys, take care. We'll talk to you soon. Thanks for being here. Bye.

Josh Cantwell: You were just listening to Strategic Real Estate Coach Radio, hosted by Josh Cantwell and Kyle Garifo. Leave a comment on our iTunes channel and let us know what you want to learn next, who you would like us to interview, or if you just want to share some of your success stories in real estate and maybe we'll talk about it on our next show. While you're there, give us a five star rating and make sure you subscribe so you can be the first to hear new episodes every Wednesday. Follow Josh Cantwell and Strategic Real Estate Coach on Facebook and Twitter. Check out all our awesome free training videos at [YouTube.com/srecvideo](https://www.youtube.com/srecvideo). If you want to find out 55 simple and powerful ways to find killer real estate investments, go to [55SimpleWays.Com/podcast](https://www.55SimpleWays.com/podcast) right now

to download our free report and get a ton of free resources on finding properties and funding properties in. Stay up to date on what's happening right now in the real estate industry. That's [55SimpleWays.Com/podcast](https://55SimpleWays.com/podcast). Thanks for listening.