



The Ins and Outs of Seller Financing & Lease Option Investing

Host: Josh Cantwell

Guest: John Jackson

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:

Hey, what's going on everybody, welcome back. This is Josh Cantwell, CEO at StrategicRealEstateCoach.com and Freeland Real Estate Private Equity. Welcome back to the Strategic Real Estate Coach podcast, an interview series. I am really excited to be with you today to deliver some amazing information and training with our guests, who is an absolute expert at seller financing and lease option strategies. His name is Jack John Jackson. I keep getting that mixed up, Jack and John, John Jackson and John has done over 600, check it out, 600 seller financing and lease option closings, just an amazing amount over the last 10 years or so. And he is one of the nation's leading experts on lease option investing. And so a lot of my students and my audience, John, they like to kind of wholesale and rehab for today's cash, but they always have an eye on massive passive cashflow, right? And building up their cashflow position. And one of the strategies that I teach is to rehab to sell on rent to own or lease option. So just give us a little bit more of foundation or background, John, about you, about how you fell in love with lease options, and a little bit how you got started with real estate. And then tell us a little bit more about your focus today. What are you focused on today and what's allowed you to be successful in today's market?

John Jackson:

Sure, thanks Josh and hello everybody. I'm John Jackson. I'm one of the nation's premier educators on lease options, having done well over 600. I'm specifically known as the Texas lease option guy. I don't know how know how new some of you all to real estate, but there's a lot of rumors still out there that you can't do lease options in Texas, which is completely bogus. But guess what it gives me a



niche within a niche. So I'm the only one that teaches lease options in Texas. And so we, when I got started in real estate, I looked at many different avenues and ways to get started in real estate and found that lease options were just a great way for me to get started because involved no risk and no money. I didn't have to take down the house and I was working with nice houses and nice areas.

John Jackson: I didn't have to go estimate repairs because I got to be honest with you, Josh. I couldn't tell you how much it cost to fix the foundation. I have no clue. I don't know how they do it. They take a walk or I don't even know how they do it defies physics to me, but those lease options, there was no risk, no money involved at all. And uh, you work with nice houses and nice areas. Matter of fact, Josh, most of the houses that we've done with Leasing To Buy, which is my real estate company, I never even saw most of the houses. I didn't have to go look at them because I know what a house looks like. And there were normally, in most cases there were pictures of the houses on the internet so I could go up that's the house that will work there you go.

John Jackson: So, uh, so that's really what we focused on since 2003. And I was, I don't know how many we've done well over \$600. I stopped counting for sure, but that's really what we focus on. We do some wholesaling as well. I've never done fix and flip, just, it just wasn't my, in my wheelhouse. And I think for people starting off in real estate, they have to avoid that shiny object syndrome. And know what are they comfortable with, what is their comfort level, what's the risk, what's their comfort level with risk because, you know, if someone's just starting off and doing a rehab, that's their first thing I've ever done. Well, it only takes one bad rehab to really take you under, you know. And so, I always suggest to people that if you're going to learn real estate, learn where it's free and there's no risk of wholesaling, lease options. Two totally different beast. But that's where I recommend, yeah.

Josh Cantwell: Fantastic. Fantastic. So first John just explain what a lease option is because know new investors that, listen to this, I also have very, very experienced investors that own thousands of units of apartments that will listen to this and everybody in between. And when somebody says lease options, sometimes people have different ideas of what that can be based on their market. So just to find that for us, tell us about the logistics of how it works. And then tell us specifically about this rumor in Texas because I have heard that rumor before as well.

John Jackson: Well, not to take this, uh, too lengthy, but there's three different types of lease options and I'll try to get us very concise and short. The first, the first type of lease options, just a straight lease option. So if Josh, you owned a house and you were considering renting it out where you've got your typical tenant and they're going to pay a deposit, they have to refund and all that kind of garbage and



you're responsible for all the repairs. If you decide that you wanted to get a nonrefundable money towards the purchase and some just were fundable money as a deposit, you do a lease option. So we're going to get a lot more money down if you will get a lot more money towards the property that's nonrefundable. They're going to take very good care of the property. And ideally, they're going cash you out if that's what your goal is. But it's totally different mindset than just renting the house out. Then there's a sandwich lease option, which some people are familiar with. That is where you're the middleman between the seller and the buyer and you have three profit centers there.

John Jackson:

You are getting a an option fee from the end buyer and the end buyers paying you monthly payments every month, but you're paying the owner monthly payments every month, so your cash flowing every month that spread and that buyer paid you an option fee that you get to keep and if they end up cashing them out, you get the equity that's left in that property between what the owner owes or what you owe the owner and what the buyer purchased the property for. Well, we really specialize in. What I teach mainly to people especially starting off is what's called lease option assignments. My dear friend Joe McCall, calls the is wholesaler lease options, but what that is essentially you're just, you're locking up a property with a lease option contract, offer the owner full price, not negotiating, and you're assigning that contract to the end buyer who for whatever reason, can't quite get qualified right now, but you as the investor get your assignment fee, which is four, maybe five percent of the price of the house and it's nonfundable. You had nothing at risk, no money at risk, um, and you've got four to five percent and you're helping the seller and you're helping the buyer. That's the lease option assignment. That's what we really focus on with the leasing.

Josh Cantwell:

Nice. So that strategy is great because most people probably can, common sense would tell them most houses in United States are not in foreclosure. Most houses, properties United States are not distressed. Most companies in the United States, you know, about two thirds to 70 percent though, have a mortgage, right? Lots and lots of people who don't have tons of equity, right? We only got five percent, 10 percent, 20 percent equity and they want to sell. But as investors, we're always thinking about, I want to be all in at 65 to seventy cents on the dollar. This strategy of lease option allows you to acquire properties maybe at full retail price or maybe just five or 10 or 20 percent off of the retail price and somebody might have double payments. They might've been relocated out of the area, they might have trouble selling their house, maybe they're going through a divorce, there's lots of different reasons where people would want to sell and they just can't sell it or they just, they have a cash flow problem and need somebody to take over their payments. So, John, I know



there's a lot of different reasons, but why would somebody really entertain a lease option as opposed to just hiring a realtor?

John Jackson: Yeah. So, there's different levels of motivation that I teach in my two-day bootcamp. There's different seller, different levels of seller motivation, if you will. And we fit into the, like the top four levels of motivational desperation, if you will. And so, when we're looking to at least purchase or why a seller would look to do a lease purchase is they're looking for a plan b. Plan a was typically for sale by owner, okay. Or maybe to put with the MLS, okay. And then we're going to have to eat six percent commissions, right? That didn't work. So now they're looking, they think plan b is just stick a tenant in it, rent it out, but they don't want to be landlords, you know, they don't want to be a landlord, especially if they're moving out of state. So then we come along and say, let us take care of this we can get you full price for it. No negotiating, your payment's going to be covered. You're going to cash flow each month. And with our program, we actually structure it Josh, so that our buyers are going to get financed within 12 months. So it's very hands off with the seller, the buyer actually gets a home warranty. The owner's cash flowing no commission that saves them six percent. So on a \$400,000 house, uh, your average seller is going to make about \$24,000 more utilizing leasing to buy then if they were listed with an agent that's a, that's a car, that's a brand new car.

Josh Cantwell: You can actually, I was just looking this up the other day, you could actually go on a two week long trip a taking a charter yacht in the Caribbean for about 30 grand. So you're just shy of that.

John Jackson: Yeah. You go to the Caribbean on a charter yacht for what I'm making them.

Josh Cantwell: Yeah, absolutely. There you go. So you mentioned this thing in Texas help us understand that.

John Jackson: Yeah. So Texas, this is back in 2005 and I go into great detail or my training or my two day event, but to keep it short here in 2005 Texas head laws about contract for deed, conveyances that they didn't have legislation or laws about lease options. And so there was a few bad apples down in south Texas using lease options to take care of a few, you know, take advantage of some people. But obviously this didn't just happen in Texas. It just so happened that Texas was the first state to say we're going to do something about this. So what happened was they drafted legislation about lease options. That was absolutely horrible. And so, all the investors in Texas got on board to fight this. They completely changed the legislation before it passed. And at the end of the day, the final legislation was totally doable. We can totally live with it. We just had to make a lot of changes in our contracts and a few other things. So, we just kept



moving along you know, I paid about \$30,000 just for my contracts over the years.

But it's well worth it because this is my baby. But after that, still even to this day in 2019 people still think that you can't do lease options in Texas. And the reason for that is either they didn't never read the law or it's based on rumors or they go to, we won't mention any online forums, but they'll go to an online real estate forum and get misinformation by people that have never read the law. And so, and so what I teach this in detail at our boot camps, but what I tell people is that if your state or if your state has legislation drafting legislation about whether it's, doesn't matter if it's a wholesaling lease options, it doesn't matter what it's about.

Speaker 3: If it's real estate rated, that's going to affect you. Don't be the last place you want to go to an online forum, you also don't want to play the rumor game. You want to go read that property code and say, okay, what does it say? That's what I did. I went line by line by line. But what's happening in Texas is it's the old kindergarten rumor game. I don't know what the name of it is, where the teacher whispers in little Bobby's ear something like you. I have red shoes and Bobby, pass it down, pass it down. By the time, by the time it comes around to little Timmy, the teachers guys, okay what I say Timmy and Timmy says, I'm your mother never loved you like it. It had nothing to do with the red shoes. You know, and so that's what's happened, you know, some of the rumors I've heard, I was just like bizarre, you know, just crazy. But yeah, we've kept going and kept going and had no issues whatsoever.

Josh Cantwell: That's great. So John, you've mentioned a couple times like not having shiny object syndrome. It's been your big reason for your success and focused on lease options is big reason for your success. Now. Help us understand what makes you different or allow you to have success with that strategy you know, whether it's your marketing, whether it's you get referrals from realtors, what are some of the actual logistical things that you do different that allows you to have success with lease options? Is it maybe you have a specific marketing campaign or a little ticker, a little hack that allows you to do things differently to be successful?

John Jackson: Yeah good question Jose. First of all, there's almost no competition, okay. Almost no competition at all, which means we can actually work with other investors in our area, particularly wholesalers. People are spending a lot of money on marketing. All the leads come in and if they don't fit into this little perfect square this perfect formula. They don't know what to do with it, right? If they can't make it work 70 percent ARV minus repairs, minus their fee, they don't know what to do with it and they've just thrown that lead away so I can actually buy those leads from them and turn those into lease options. So that's



one thing is that there's no competition. We work with a seller clientele, if you will, that most investors have no clue how to work with them. We work with as far as the marketing, we do a few different types of marketing specifically. One of our top ways to market is RVA actually pulls over 60 DOM days on market every two weeks. Pull the list, cross it to tax records, scrub it, and then we upload it. Boom send them a very specific, a trifold. It's a trifold brochure. As it stands, it pops out. It's not some little dinky little yellow postcard, so I want to buy your house it's a very specific mailing piece.

We send those to over 60 days on the market properties, so we're bay, we're targeting listed houses because years and years ago, when I was trying to get this going, there was no, I don't even know if Craigslist was around and there was no book or handbook on how to market for houses and real estate.

Josh Cantwell: Classified ads like in a real newspaper.

John Jackson: That was it, yeah. Or go to the green sheet or the newspaper and find people to, you know, and you'd have to call these people out of the newspaper and finally, decide you, what, who wants to sell their house, who really wants to sell their house? And it finally clicked, oh my gosh, I know who wants to sell their house? People that are selling their house. I was like, this is genius.

Josh Cantwell: Who have already sort of raised their hand and said, I want to sell. Let's go after them.

John Jackson: Exactly, so bam. And that is where things made a dramatic, dramatic turnaround. And suddenly I was doing so many deals, it's just me. I was doing so many deals that I would stop marketing for like three months because I had so much inventory that I just, I couldn't even handle it. This is back before, I think even VA's were around before I knew anything about VA's. It was just me working out of the house and when you've got, you know, 30 or 40 properties a month that your marketing and doing all this stuff with and applications, all that stuff, it's just overwhelming. So, I wouldn't mark it for three months because I had so much inventory, but that's how we got it. It was a direct mail to elicit houses.

Josh Cantwell: Got It, yeah. We've done a number of lease options too and it seems like, you know, properties that are expired where people are like that on selling their house with a realtor, they sign up a six-month listing agreement. That's a good one. I've got a woman who's a good friend of mine, a former student of mine. Her name is Catherine Schimmel and she's out of the Pittsburgh Pennsylvania market. She mails expired's. She, on the day after they expire, she gets about a third, she sends up a just a traditional yellow letter like I want to buy your house at Xyz address, but she sends it only to expired listings gets about a 30 to 35



percent response rate. And then she pivots those into lease options or at least option assignments.

She loves that market because she's the only one are already motivated seller that's already raised their hand. She's not convincing someone they need to sell, they already convinced themselves they want to sell and the market or the realtor, the MLS has convinced that seller that they can't sell for the price they want. So these sellers are kind of desperate to sell and motivated to drop their price or just get out from underneath the payments. So Catherine has been really successful with that. It's been fun watching her success as well. So John, let me ask you if, you know, looking at all your success you're having today and all the people that you're teaching and coaching, if you look back though to where you got started, tell us a little bit more about that. I'm always interested to hear from a successful investor and learn when they got started, what were, what were they doing? What, how old were they? Why were they pursuing real estate? When did they catch the real estate bug? And secondly, why, like what were they trying to pursue where they broke, busted and disgusted and just sick of the past or were they looking at real estate as a real wealth builder? What were your reasons for pursuing it?

John Jackson:

Yeah, so when so I was a stay at home day trader for about two years. So I was a got into real estate probably when I was 34, I guess when I was about 31 or so I guess, I was working for a big company and I remember my wife telling me that she was pregnant. So I did the most reasonable thing you could do and I quit my job, right. That's a, that seems responsible. What you're pregnant here, let me quit my job. And you go, you go back to work? No, I quit my job because I didn't want to work to pay somebody to watch my newborn baby, right. I didn't want to work at a place I hated so I can pay somebody to watch my baby when I was at work, I became a self-taught day trader. I worked out of the house and then I started trading options on the stock market and that was about two years and I wanted to get into real estate. I had a friend of mine, had a couple of rentals and he thought he was you know, Donald Trump at the time because he had two little rentals that were, I think he was profiting a 120 bucks a month or something.

John Jackson:

So I looked at real estate and looked at all kinds of different avenues in real estate. And what I found is that real estate, just like the stock market, in other words, with the stock market, there are so many different ways to make money, but you've got to find your niche, right? Just as I was trying to teach myself day trading that's very, it's a very vague statement, you know, day trading or making money in the stock market, you've got to find your niche. And so with real estate, I wanted to find my niche. And at the time I felt like making, you know, getting a loan, buying a house, renting it out, making 125 bucks a month. I thought that's really not a lot of. So I didn't like that. I went to different avenues

that didn't like the risk of a fix and flip. I did a rehab the first place I lived and I totally rehabbed it.

Speaker 3: That was just a nightmare to me because I did it myself. But I kept hearing these little snippets about lease options. But there wasn't a whole lot out there about lease options at the time. Like there is now. And but I really liked the idea of the lease option because involved no risk and no money and I was very familiar with options because the option market so that, well, this, I can do this, I understand this and I envisioned this way that it would actually help the seller and the buyer at the time, the only thing out there about lease options is basically how to get somebody into a house that will never be able to qualify, that are going to kick out in two years. You're going to put a sign back in the yard and just put a revolving door on the, on the house.

John Jackson: And it's basically how to rip people off, you know. And I was like, I don't like that, but if you take the structure of it and put the right pieces in place, so it's a win, win, win situation well now you have a business. And that's where it started. So I was probably 34 at the time. I wasn't, I did want more money because the day trading was, it was okay, but it wasn't, you know, it wouldn't making me wealthy, you know, and so I wasn't desperate if you will, down and out, but I just knew I wanted something different. And with real estate, especially having to develop this on my own, it really juiced my creativity, you know, and I talk about creativity, how important creativity is in business, especially in real estate. But that's how I got started in real estate in 03. And within three months I did my first lease option. I found it driving for dollars, it was half a mile from my house. The second house I did right after that was six blocks over, it was a Home Vestor house. And that opened the door with myself and my relationship with Home Vestors where they started sending me spreadsheets of houses to do as they rehabbed them, you know, and that was just fantastic. That really just exploded our momentum from that point. But yeah, so that's pretty much how I got started with, with real estate. And got the real estate bug.

Josh Cantwell: Nice. Nice. Yeah. Home Vestors has made a nice comeback. You know, they started in the early two thousand. Matter of fact, I quit my job as a financial planner. I was standing on the corner on Madison Avenue right in front of our local Home Vestor franchisee. His name was Ted Cohen. I met with him I was still managing money as a financial planner at that time. This is in October of 2003. I met with Ted networking with him about real estate, kind of sick and tired of my job again. Similar to you. I wasn't like down and out. I wasn't broke, busted and disgusted, but just didn't really enjoy what I was doing. I was looking for something where I can be creative and resourceful. And I met with Ted, walked out. I was talking to my buddy, my old business partner on Madison Avenue. And I said, dude, I quit. I quit my job on the spot just because I liked all



the momentum and the ju ju, the juice of real estate, the creativity, the resourcefulness about it, as opposed to like similar to you were day trading. I was a financial planner, but I was printing these reports and presenting them to clients and I was wearing a suit and tie and I told the story about how I used to get porched where I would, I would drive to somebody's house at like 8:00 at night and have a financial planning appointment and they would know show and I would be standing on their porch, right? It would rain coming down or snow. And I was there at night and you know, just kind of just sick and tired of the same old, same old. And that's, that's where I caught the real estate bug.

Josh Cantwell: And then that was in 2003 by 2006. I was actually the keynote speaker at the annual Home Vestors franchise conference in Dallas, Texas speaking about short sales and pre foreclosures. So it's just, it's just funny how things evolve over time. But when you make the commitment to do something, you jump in the world has a funny way of kind of, you know, giving you opportunities and you kind of make your own luck. But there's, I guess what I'm trying to say is I'm trying to encourage your audience, my audience. You've got to eventually make that decision to just jump in and do it. Similar to what John did, you know, even though his wife was pregnant, he was day trading. Like I'm out, I want to do real estate. I did the same thing. I look back as, you know, probably one of the best decisions I ever made in my entire life.

Josh Cantwell: You know, thinking about for you, you've done over 600 deals. You stopped counting. Obviously, you know, as an entrepreneur you can do what you want when you want, you coach people. I'm always curious to see what people's big future looks like. What are their big audacious goals or sort of embarrassing goals to continue to build on what they've started? So what do you see for yourself? What do you see? What the real estate in your own goals for yourself and your family?

John Jackson: Well, my first goal is to have hair is thick as yours. You know what I've done single family for so long. It's what I do with lease options, I've got it down to such a cookie cutter process it doesn't challenge me anymore. I'm going to keep doing it, but it's on autopilot and it's just okay there you go and it's done, right? So that'll continue doing its thing, but it's time for me to. It's past time for me to move on to other things and over the last year or so I've been really intrigued by multifamily, which I have not done multifamily before. So I'm going to dig heavy into multifamily. And what's interesting is last year as I started researching multifamily and know, okay, this is what I want to do. It was interesting because now the mentor is about to become a student so now it's a different mindset because I can already see the subconscious triggers going off that are trying to hold me back. And I'm like, oh, stop that crap, stop that crap. This is what your students say all the time. And you always, you know, snap them back to reality. Let's get this thing going. And so a multifamily will be the next thing, but it'll be



such an intriguing and interesting process as I go from mentor to students. And because I don't want to be one of those students that just, you know, flails and does nothing. You know, I want to I want to crush this thing.

Josh Cantwell:

Well, you know, honestly, John, I love that. I love that you're willing to just say that. Just put that out there to the world because man, the only way to keep life exciting is really the uncertainty of learning something new. Like Tony Robbins talks about this and as events I've been to a number of them, he talks about how God created us, where we love certainty. We love security. We love knowing that the same house and the same car and kids and spouse and the job and the certainty. But what makes life exciting, what gives it real juice is the uncertainty of doing something new. It's the uncertainty of learning something new. And if you're not learning, you're dying man. So I love the fact that you're like, Hey, I'm going to go out there, I'm going to learn. And to that point, John, we're, we're, we're actually, we've funded this year, we found it all. We found a lot of deals to my private equity fund and as a, as a private lender, we funded over 150 to 200 deals and we've also funded 1,153 units of apartments this year. And that wasn't we fund both that and equity. Um, and we have a big multifamily Gilbert closing next Tuesday on the 15th. It's 407 units were funding two point \$2 million of equity. They're getting the operators getting a first mortgage from like a regular bank commercial bank, but all in for 16 million purchase and rehab and it's 407 units and it caps out with a cap rate of seven percent. It caps out at 30 million bucks. So as you look at your future and multifamily, you and I got to talk more after because we would love to be involved with you not only funding your deals, either debt or equity, but we're tied into some of the biggest multifamily investors in the country. And a lot of things we can, we can do together, which will be a lot fun.

John Jackson:

But I'm, I'm excited, let's go back for a second, what you said about when you decided to start taking action and you make, you set your mind to something. How the universe kind of lines things up on this, on that topic and with multifamily. So being in the business, as long as I have obviously, I know a lot of people just like you, not a lot of people. And as I was looking to see who I was going to use as a mentor, who's going to guide me through this multifamily jungle, right? I looked at some different people, I considered different people. Okay. I know him. I can, but you know, trying to find who's going to fit my personality the best and I find decided. Okay, the big kahuna Cory, right? I just found out last week he's in my mastermind group. I didn't know that because he had made it to any of the meetings that I've been, so I'm going to see him next week literally and hang out with them for two days and say, dude, I'm about to be I'm about to be a remora on. You know, you don't even know it yet. Yeah. So how cool is that?



Josh Cantwell: The world has a funny way, man, of just when you really say I'm going to do this thing, whether it's lease options, whether it's apartments, whatever, you know, whether it's whatever the world has a world has a funny way, our subconscious brain all of a sudden like looking out for those things on our behalf because we've made that commitment, right? It's like you have deals that come out for lease options out of nowhere. When you decide that you're going to be a lease option investor, you all of a sudden have realtors, wholesalers, you know, other people for sale by owners that all of a sudden you're subconsciously aware of that you weren't aware of before.

John Jackson: You know years ago. Oh my God, I could talk forever on this subject. I did an entire, an entire segment of my coaching called The Guru Mindset. And I talk about comfort zones and the six words that kill and this and that, and also talking about the flow and the flow is where the subconscious gets into this, its own flow and it goes back for me, I spent 10 years doing stand-up comedy way back in the day, back when it had a ponytail shut up. But as a, as a, as an artist, whether you're a comic or you're a writer or you're a painter or a musician, whatever, and that's what you do, you get into a flow and your subconscious is always looking. For me, it was always looking for material and I wouldn't, you know, I wasn't consciously doing, was always doing it. An artist is always looking at thinking of songs. Something's bringing the lyrics or songs to them. Same thing with real estate and entrepreneurship. You get in that mindset into that flow. Your subconscious is always going, whether you realize they're not looking for making those connections, making those deals.

Josh Cantwell: Right. Yeah, absolutely. You're absolutely right. It's got to make that decision though. I have no. I know a lot of students that I've worked with, John, you've probably seen the same thing where they're like, you know, I want to do wholesaling and rehabbing and I want to do all this different stuff, and then the world is so cluttered and their mind is so cluttered that they can't recognize the opportunities when they're right there in front of them. You really just start and say, I want to be good at this one thing. I want to be good at raising money or I want to be good at lease options or I want to be good at apartments and I'm just to do that one thing.

All of a sudden, it's like everything else clears out and then when there's an opportunity band, you could see it. It's right there when it must have been there before, but you were so cluttered you never saw it, right. So really, really important concept for people to make a decision. Focus on one thing, get really good at that and then add just like you've done add another strategy or add another thing in your life. As we kind of round third here and kind of head for home. I know you said, you know, lease options, you've got it dialed in, you know, to the point where you're looking for something else because you're so good at it so dialed in. It's almost like you know, not, not boring, but you're just,



you're just so dialed in so automated. It's not super exciting anymore. But I'm sure with all 600 deals you've probably had a crazy story or two or your students have had a crazy story or two. So anything that's happened for you or your students that you could share back with our audience that's happened they could learn from?

John Jackson:

You know, and I've been asked this a number of times and thought back and back and back, and I've got a few things, nothing nearly as crazy as you're going to get from wholesalers or rehabbers or this, that, right? Find crazy stuff at a house, whatever, because just because I've got this so dialed in that there's really no you really don't get thrown a hiccup. You know, it's just pretty straightforward. It's like the difference between asking a Porsche salesman, you know, any crazy stories versus asking a repo guy, hey, any crazy stories, you know, I'm the Porsche salesman, you know, I'm not the repo guy. We have, we've had some crazy stories like I went to get a house under contract from an investor who I knew very well and the God awful stench in the house was just, it would not go away, I couldn't show the house. So there is something dead in that house, they finally pulled the sheet rock back and yeah, there's a whole nest of dead rats, you know, throughout the house. I changed the locks on the wrong house one time.

Josh Cantwell:

Oh really? Did you walk up the driveway and went left instead of right?

John Jackson:

Well I had lease option, this house, you know, many years before. And whoever had got in the house ended up just leasing the house from the owner. And hey were fine with it, the owner was fine with it. The owner calls me however many years later. Hey John, this is Greg. Can you go by my house I think my guy moved out? Well I hadn't been to the house or I haven't been on a street and four years, right. And when I do live presentations are so much on this one and people would get why I screwed it up. So I go down, I don't even look up the address. I go down because I thought I remember it. There was a garage over here and a tree there, you know, very descriptive. So I go and I find the house, the garage here in a tree here. And I peek in the window. There's whoever lived there, did a midnight move, right. It was just, I was like, ah, the doors were locked, everything.

So I called the owner, I called Greg man, they did midnight move. I said, I'll get this taken care of because he lived out of state. I can get the locks changed and I'll put you in touch with our cleanup guy. Anyway, I put my sign in the yard. I got a call that day, hey I was calling about the house on High View Terrace. Oh yeah hey, we just got that house still we've got a lot of work to do on it still, but it's, you know, what are getting the numbers? It's going to be a 6,000 down. And the guy cut me off. He goes, that's my house.

- Speaker 3: It's not. No, it's not. What do you mean it's your house? It's my house. And I guess I happened to be sitting with the computer I pulled up tax records. I go wait a minute what address is that? And I pulled it up. I was like, oh crap, what is your name again? And he told me, I was like, oh. I said, I am so sorry. I said, here's what happened. And he was kind of laughing. He said, I said, look like they did the midnight move. He goes, yeah, they did. He said, we rented the house out and he laughed he said, no problem. I apologize I'll come get my sign, he says, oh, by the way, do you have something to write with? I said yeah, why? I said, well, I want to give you an again, this four-digit code. He goes, what's that? I go, that's the lockbox code.
- Josh Cantwell: You're going to need that in your house.
- John Jackson: You're going to need then get into your house. I said you can keep the lockbox. And then at this point I was like, what the hell? I finished the conversation with, will you consider at least purchasing it?
- Josh Cantwell: Right, might as well try and acquire it. You get your side of the yard and lockbox on it.
- John Jackson: I ended up, I ended up finding the right house. I went back to get it to my sign, the house that I was supposed to go to was three houses up, looked exactly the same garage over here tree there and oh, well. But if you ever want someone guys is a great way to find homeowners that instead of skip tracing change locks. Yeah, just lock them out of their home and lock them out of their house and stick a sign in the yard.
- Josh Cantwell: So last thing, just last kind of piece of advice you'd been in this business for a while. You've been an entrepreneur, you quit your job and you know, the craziest time you've day traded, you've obviously learned a lot. And when we, you know, I was reading through our notes to get ready and I think one of the things you said was great, which is you really don't learn from your successes, right? You learn from your failures, you learn from the things you do wrong. You learn from the things that, you know, being resourceful, being creative. So, if you were to look back at your many younger, former self, and pass along some advice to our listeners and our audience, what would you, what kind of advice would you give yourself?
- John Jackson: A few things, one is don't be afraid of mistakes. Do the opposite, you know, encourage those mistakes or embrace, I should say, embrace those mistakes because you don't I don't learn crap from doing lease options successfully. It's not difficult. Where I learn is from the mistakes I made. Is just remember I was talking about how as a day trader I never learned a thing from doing a good trade. I learned all my rules. Every trader has their list of rules, right? For



example, don't trade during the doldrums as an example, you know, and see you, I see you smiling so you know what the doldrums are. So you have all your set of rules as a trader, I can go back to any trade that I lost money on and almost every time go, well, I broke this rule, that rule in that rule and that's why those rules are in place, but you learn from your mistakes.

So I would say don't fear that mistakes, embrace them. For me, I probably should have expanded to other, to wholesaling and maybe subject to sooner on just because I had dialed in leasing to buy my company so well, so early on that I could have really expanded to other marketing avenues and wholesaling, etc. Much sooner on. But I was doing so much volume I just didn't do it. The third thing, especially as someone's starting off, I don't care what avenue you're going to pursue in real estate, get a mentor, get a mentor, and I don't say that to sell whatever coaching you coaching you offer or what I offer. I've talked about going into apartments this year.

One of the first things I was looking at was who am I going to pick as my mentor? Because when I pick them, I'm stuck with them or they're stuck with me. I should say because they've never seen somebody like me and I'm going to make this thing and a rock it. I'm going to crush this thing and get a mentor, you know, don't think about trying to do this on your own. Lastly I would say, again, if you're serious about getting real estate, get a mentor and stop browsing real estate forums for a bunch of information from people that don't know what they're talking about.

Josh Cantwell:

I don't know about your John, but I don't have a single really successful friend in real estate who goes on those forums at all. The most successful guys you know that at least at that intermediate level where they're doing, let's say 24 deals, two deals a month or more, and guys that, again, that own that do 200 rehabs a year or they own 500 units of apartments or that run a private equity fund or that own hundreds or thousands of units of residential. None of them spend any time on those forums. Now that's great if you're new to meet people and network. And it's definitely a way if you're in California and you want to invest in more affordable market, maybe in the Midwest, it's great to meet people that way. One of the other podcasts I record is a guy, I think it was Jason and he lives in New Jersey and he trying to invest in Louisville, Kentucky, so he specifically use those forums to find people in Louisville. So he went with an intention mother and talk like nobody who's really successful has anytime to be there. So it's going to be a lot of hearsay. A lot of he said, she said a lot of, uh, you know, probably misinformation honestly on those forms.

John Jackson:

The people that I shouldn't make sense broad statement. A lot of the people that respond to the questions on there are basically responding as an ego boost to themselves they're not actually doing deals. I mean, I don't have time to go



on there at all. I just don't, I don't have time to go into those places. But you're right for, for networking and stuff, that would be the specific intent. That would be a good use of use of it.

Josh Cantwell: Yeah. Yeah. So great advice, John appreciate it. So just to summarize again, master one strategy, right? Start as early as possible. So we'll jump in and what John said was really pick a mentor. Don't just go on all kinds of different webinars and emails and just find someone that your cultural with. Pick that strategy, pick that mentor, stay with it long term and keep optimizing, optimizing, optimizing, and embrace the mistakes because you don't really learn a lot when you do a successful deal. You learn a lot when you kind of goof, goof something up. So fantastic advice today, John. Really appreciate it. Listen, I was going to be a lot of people who listen to this who are going to want to connect with you. They're going to want to, uh, you know, whether it's do deals with you or be mentored by you or just network with you or whatever that looks like. So what is your website or phone number? What's a way that they can reach out to and connect with you?

John Jackson: Yeah, I'll give you a couple of websites. One of them is just that our, our main website, my main company where we actually do deals in case you want to go and see. Well, what is it that John is doing and his students are doing? You can see hundreds of our deals posted. It's a LeasingToBuy.com Leasing To Buy is where we actually do the deals for education and training and to reach me, you can go to LeaseOptionClasses.com. Again, that's LeaseOptionClasses.com. They can actually research me and I can contact me through that, yeah.

Josh Cantwell: Perfect. Yeah, a couple resources there are guys. And listen, if you're listening to this and you've enjoyed this interview along with the other interviews that I've done, go ahead and leave us a five-star rating. Leave us a comment on my team monitors, you know, YouTube and iTunes and different podcasting sites to make sure that we're seeing the comments and the questions that come in. If you've got a specific comment for John, leave it there on one of those platforms. My team will grab it, we'll feed it back to John, we'll get you an answer, heck out his websites and just make sure, again, if this is a strategy or looking forward to make quick cash and cash flow, it's absolutely a strategy that I've used in my business. I've done dozens and dozens of lease options, so very, very viable, especially because there's a lot of pretty houses without a lot of equity and this is the way to capitalize on those deals.

Josh Cantwell: So listen if you're looking for more amazing information, check out John sites, look forward to seeing you on our next interview series and John, when we're done with this interview and make sure you and I talk again, and just don't leave yet because I want some information with you too on a personal level and we'll



take it from there. So thanks so much for joining us today, John, any final parting shots or words of advice?

John Jackson: Stop making excuses. One last thing. There are six words that everybody's starting off kills them. What if? Yeah, but, and if only, what if this, what if that, what if the fear factor, if only I had more time, if only I had more money. If only I had this, you know, uh and then the. Yeah, but yeah, but you know, I work full time. Yeah but you know, it's so, it's such a hot market where I am. Stop coming up the excuses, stop with the excuses and break that and just make it happen.

Josh Cantwell: That's fantastic. John. Thanks so much. So listen, thanks again for connecting with us today. Thanks so much for all of our audience for listening to yet another episode of the Strategic Real Estate Coach podcast. Go out in the field guys, tear it up, doing those deals. Be daring and we'll talk to you soon. Take care.

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