

136 TRG Transcript

Mike Stohler

What if you could be doing something smarter with your money that creates income. Now, if you're wanting to get ahead financially, and enjoy greater freedom of choice, if you want a comfortable retirement, and you know you'll have more choices, if you can do more with your money. Now, if you've wondered who else is creating ways to make their money work for them, and you want actionable ideas, with honest pros and cons, and no fluff.

Welcome to the richer geek podcast where you here helping people find creative ways to build wealth and financial freedom. I'm Mike Stohler, and in this podcast, you'll hear from others who are already doing these things and learn how you can too.

Hello, everyone, this is Mike Stohler, your host of the richer geek podcast. As many of you know, I have owned or managed over 1500 doors from single family homes, multifamily and hotels. I've received so many questions about how I transitioned from multifamily to hotels. I've been featured on some of the our nation's largest podcasts. I've spoken at national conferences about hotel investing. How do you do it? What are the differences between multifamily and hotel investing? What about franchises? What did I learn during COVID? Well, ladies and gentlemen, I am excited to announce that we'll be having a hotel investor workshop on May 5 and sixth of 2023. If you're interested in hotel investing, please come join us. You can sign up on our website, the richer geek.com. Go to the bottom of the page and click on training. I'm hoping to see you all there.

Hey, everybody. Welcome back to the richer geek podcast. I have the pleasure today to introduce John Burley. Now John burly comes from the world of Wall Street. He looks at money investing completely different from anyone else. And I can attest to this. He concentrates in the real estate sector. He's founded his private equity company back in 1989. And he's raised over \$600 million dollars. He's done 1000s upon 1000s of real estate deals and specializes in cashflow. He was in a position to retire at age 32. But he kept going because the guy's one of those triple A personalities. And he does for public events right now. He still runs his private equity group. He loves to share his model with the success rate of his unprecedented his students have raised over \$10 billion for their own deals. And he has more Burley Century Club members than anyone who's ever taught the reason. He takes the shackles off and raises the money first, then does the deals. John, how're you doing?

John Burley

I'm doing great, Mike, awesome to be here, my friend.

Mike Stohler

It's been a long time coming. You know, ladies and gentlemen, you know, just about every podcast that you've heard me on, whether I'm talking to a guest or I'm on someone else's podcast, I talk about the importance of your team. And I always talk about the importance of having a mentor, Mr. John burly is the guy, my mentor, that has gotten me on the path to enlighten me on raising money looking at money differently. And he is the reason why I've gone from single family homes to now hotels. And I appreciate what he's done for you. And we're going to talk a little bit how he changed my mind how he enlightened me, kicked me in the rear end a few times.

John Burley

We all need that. We all need that.

Mike Stohler

I need to delve a little bit more. So John, take us back a little bit how you got started in where was it? That all of a sudden, you're like, you know what, I can take my Wall Street in this financial thought process and turning into a real estate.

John Burley

Yeah, great question it and I'm really proud of all that you guys have because Mike it it's just so rewarding to I'll go time Bob, why do you still teach it's like, well, because of people like you. You know, you hang it up at our we both have summer homes up in the same place up there toriana and shallow and just you know seeing your growth as a person and seeing you helping so many other people. It's amazing. You know, on the real estate side, I first went to my first real estate seminar back in 1979. There was three books on creative real estate investing back then the internet hadn't been invented. I guess Al Gore hadn't made it up yet. And you know, I went and I saw my first seminar. Straight up Mike I drank the Kool Aid. The problem was it was lime Kool Aid and lime Kool Aid sucks. I just didn't know it was lime. Because everything they taught thought about and I already, I've already was pretty successful, I was only 18. But I already had a business I was making over \$10,000 a month, which was really good money back then had like 25 guys working for me, it was just door to door sales. But we, you know, we had a good firm and a good company. And everything they talked about, it was like no money down, no credit, you know, no money get rich, quick and quick cash. And you know, and so, you know, in the

next nine years, I really struggled with the model. You know, for a lot of different reasons. It's not that you can't buy deals with no money down and low down. You can't It's just they're hard to do in most markets. And, you know, it was, as I started doing it, over 10 years, I bought five deals, I made money on all of them to them, I got lucky, I think it's good that to remove our own biases and move on, we just got lucky because I did. And the other three were really good deals, why fall really good numbers. If the markets had gone sideways, I would have made money if they went down, I actually bought a ball that would have made money. And one case, it went up quite a bit. So I made a lot of money. And during that journey, you know, I started building my, my financial practice company, my firm. And you know, we were pretty successful botique I had hundreds and hundreds of clients that were DECA millionaires to one was worth almost 1,000,000,001 Over a billion later. And I had all these people and it's like these hundreds of hundreds, really people and today with this private equity company, it's almost we're coming real close on 1000 clients over the decades.

And it's like, you know, so I look at him. It's like I listened to podcast and go to seminars are and what they say the rich people aren't what they are, they're not even vaguely close. So it's like, well, everybody who's rich went bankrupt. Well, and if almost 1000 Private Equity clients, my two went bankrupt, one of the greatest keys to success is don't go broke. So they didn't all go broke. Now if I hadn't ever gone bankrupt, I'd come up with a good free frame. And you know, life's a series of reframes, but not how it is and and then lately, it's been you all this leverage, leverage, leverage leverage. And just like, I've been doing this a long time, it's my fifth downturn. So it's like the whole over leveraged thing doesn't work. It goes wrong every single time on a downturn, every time. And when I looked at my hundreds and hundreds of clients back in those days, just like, what they teach back then, and they today, what sad is the same seminar stuff that I've learned literally in the 7980 81 is the exact same verbatim word for word stop.

And in some cases, literally is like, wow, if you're gonna steal the man's job from 35 years ago, at least hit the punch line, buddy, boy, and what the people who actually had money did have like nothing to do with what's taught. So it's like, Yes, coming in, we were we all had leverage. But then over time, two things happened. You pay the debt down, you don't go refinance every weekend, like they teach, and it goes up in value so that when you get 1020 30 years out, I mean, you have a large amount of assets that are free and clear. Because the reality is rich people don't refinance their assets on a regular basis to avoid paying income taxes, like all these podcasts, people say nothing could be further from the truth. Not people have real money. You know, and it's like, you know, because ideas, you wanted to have that end game that wealth. And so you know, what I just realized is that the whole real estate play was amazing. I just read, I drank green Kool Aid instead of red Kool Aid, the good stuff. And so you know, by any nine, I took what I actually did in my real business, and what my clients did in their real businesses, and just went full bore into real estate, but went into real estate with a whole different way. You know, so I just like, Look,

I'm not gonna try and violate the rules to business. I mean, everybody knows, you know, there's core rules, if you want to do an MBA program, that there's four basic core rules that you learn in your two years, the first one is have a great idea for your business, real estate is, you know, that I know that pretty much everyone listening, this knows it. The second thing is that you raise your money first. You know, real estate was all about, you know, trying to do this without money and avoiding the truth that real estate takes money always had a will. So it's like, look, real businesses raise the money first, then they go in business, you're talking about a new project, I mean, you're going to do the raise before you start building, you're not gonna start building a hotel and then see if we can get money later. It's not a real businesses do it. It's not how we do it either. You know, and then assistant demonetized so one of the things we do when we work with the capital investor, it's a real business, there's real costs, real things associated, we do a 10,000 placement per door, because without an income stream for the business business doesn't survive.

And if there's somebody getting into real estate investing, if you don't have way to get paid, you ain't gonna make it, you know, so it's like, you know, great idea real estate, which it is that all the various niches around it, they all work, you know, raise the money, have a system to monetize and then the fourth thing Learn to Learn to run it like a real business, not just magic wand, podcast, YouTube video crap, all that I see all over the place and all it is today. It's just a new version of the same stuff we heard 40 years ago and all the debt which is now just backfiring on people right and left you know, it's, it's no different than what was taught in the 70s is no debt And then was taught you know, in in the last downturn it's like literally it's like I get to see the same thing over and over again. And this is my fifth time listening to the same recording with new players it's like come up with a new song.

Mike Stohler

Well, you know, I think you did come up with a new song and that you know, when I came to you were wanting to get into single family homes which is your niche your specialty. But to the listeners it what really enlightened me and I talked about this all the time. You're not a landlord?

John Burley

Absolutely not. And the reason I'm not a landlord, I've been a landlord and traditional landlording sucks. It's a completely adversary relationship. And I don't like adversary my life and I learned that being in an adversary relationships, those are choices you don't have to be an adversarial relationships you can read from everything. So you know, traditional

financial planning the what the what the financial planner wants and what the client wants are not inlined even in a fiduciary relationship, quite frankly, even more so in a fiduciary relationship. You know, I was trained and I came from the 2% of Wall Street that actually was for profit not for fees and if we didn't make money we didn't get paid. So my entire company for 33 years now it's based on if I don't make money, I don't get paid. People like I wish my financial planner would do it. Yeah, I bet but 98% would never consider it because they don't believe they can do it and they don't want to and so everything we do is about making return making returns so I knew I had to reimburse re engineer and reverse it but real estate was so traditional real estate was you know by dumpy crazy houses put people in have them fail move out continually tangent toilets, tenants and toilets and you know, mainly seminars taught by Class C and and I learned you know, early 80s I figured out what class C stood for it was crap I mean it is and now they came up with D I guess that's gone crap it's like Class C is bad enough we don't need to go below and so we moved out of that it's like wow nobody moved into one of my properties early days like wow, this is it Mike the rental home of our dreams, we're going to be here for 30 years back almost everything like going hey, we're saving up to get down payment or fixing our credit and blah, blah, blah. To they want to own this well, we decided like look, let's give people our residence.

Let's give our clients the win. Let's give them homeownership. Let's do solid Class B what I call lunch pail Joe homes, regular homes, regular people good solid, a Class B neighbors. I mean, we all strive to, to live above their that's where most of us came from. And if we had to go back, we'd be comfortable there. Because I learned problem with bad neighborhoods is bad neighborhoods, what good mom and dad are going to keep their family in a bad neighborhood. They're not every good man you and I've ever known if he by accident moves into a bad neighborhood, he doesn't mean he can get kicked out as fast as he can. So I wanted real neighborhoods for real people who needed help with financing. And so we provided owner financing. So we in essence gave them homeownership. So the whole adversarial landlord tenant gone doesn't exist.

We don't have rental properties. We have homes that people own. Most of them are very, very grateful we design it. And the main thing is, this is where you know, I'd really learned we have to do proper underwriting. We can't just listen to sob stories. I can't put people in who aren't ready to own. I've got to really do my due diligence for both parties, not just for me, but for them. Because if I put them in, they fail that's on me because I didn't underwrite them properly. So we've gotten the underwriting very sophisticated, are my office we've had 2200 families that moved in, cashed out, my students have millions across the world. And of course, we have more and more happening literally every month. And you know, people just cashing out and owning the home free and clear. So the idea was like, look, let's set it up with a resident wins every time let's set up with they own the home. So now every time they pay their home, they're taking care of it. stereotyping. We use stereotypes because it's mostly true and we're not on Fox or CNN right now. You know,

the reality is owners overall take much better care of their properties and renters owners pay much better than renters. And then yeah, we don't put them under water. So it's like, you know, when we were in the in 2122, there, most of my residents Mike, they're about 40 FICO points away from a \$600,000 loan. And I put them into a \$300,000 home that they could afford. So it wasn't this Nirvana dream mansion with an adjustable rate mortgage. It wasn't all these things had to work out nothing wrong. It's like here's your regular home that you can afford. And when you lose your job, because you will because most people lose their jobs a few times. You can get another job and you can still keep your home and so it was like setting them up to when putting them in a home that they could really afford. And so it comes from Zig Ziglar really he was a do Your friend of mine, you know whose it was, you know, I was blessed to share the stage with him about 30 Different times I knew him for over 30 years, originally the student and then you know, he was a mentor.

And then we became peers. And he continued to be a mentor. I saw him to second last speech, I literally flew and flew down to San Diego to see a friend who was dying, and he was terminal. And he, you know, and I knew it, and he knew it. And it was so great standing in the wings on the side of stage watching Zig one last time, because he was the beacon. And there's so many Zig isms, my favorite has always been you, if you help enough, other people get what they want, you'll get everything what you want. So it's like, wow, so first thing is not take care of the capital investor take care of the client, which is contrary to what everybody in Wall Street does. But that's how the ones that make the big money do their client win. So the resident wins. If the resident wins, then they pay more, they pay better, they take better care of the property, all our costs go dramatically down, our income goes up. And so then my capital investors super excited. And you know what we strive for them, it's like, look, it's a very safe, it's a very secure, long term cash flow. thing, which is all I wanted was to create cash flow streams.

Real estate is cool, because we get lots of nice tax benefits just are there they're a little bit better. Right now, we got two more years on some of the great stuff that President Trump put in place for us. Probably phase out under the current leadership is what it is, tax laws always change. And then, you know, over the long term, we paid properties down, over the long term, real estate goes up. So we make a really great rate of return for our capital investors provide homeownership for everybody. And it took the adversary out of my life. And then it was just, you know, how big do we want to scale it? And it's cool students like you, you know, you took it and you use a lot of the model for your hotels. And you know, we have students who use it on apartments and commercial and all kinds of buildings, and I've done all the different sectors. I've never done a hotel, but I've done all the other sectors within real estate.

Mike Stohler

And, you know, it's it's, you know, I know some of your students RV parks gas station, it's unlimited. That teachings and you just but you have to follow it.

John Burley

Wendy just got I talked to her a month and a half ago, the gas station lady had a baby she just got a cash out and I'm an owner finance deal. 4.2 million green walk out money. No, that's when

Mike Stohler

that's when she's and you'd look at her like you'd say No way. You somebody's

John Burley

grandma.

Mike Stohler

Yeah, someone's grandma.

John Burley

Somebody's mommy, now he's grandma

Mike Stohler

works. And you know what, what I always loved when I moved people when because, you know, a lot of my knew owners that you know, that will be owners of the houses. Some of them were, you know, medical bills. Yeah, some of them, well, you know, what they cosign on their kids loan. There, they, they meant well, but the bank said, Nope, not going to do it. Yep. And you give them that and you know, the look on their faces when you hand them the keys. And I'll never forget all the different times they email me, Mike, would you mind if we pull out the vinyl put ceramic tile on the house. And I'm like, you know, thinking about so you can appreciate my that houses as

John Burley

for me, it's going to be theirs. And in the meantime, they're going to make my equity even more valuable that I think the one I love is the Christmas cards, people still mailing them. We have a large Mexican American population here in the Phoenix area, actually over 40% of the of our county and, and about 50 55% of our residents are Mexican American heritage, amazing culture, just amazing culture. And I literally have seven families that bring me the tamales at Christmas, the good stuff, the homemade stuff, including the dessert ones, you know, that only grandma knows how to make. And it's just it's so amazing that you know that the residents Jews, I've had well over 100 Mexican American men, and they're very proud, culturally, very proud, literally, break down and cry and hug me when I hand the keys. I had a whole bunch more that didn't break down and cry. But we're very emotional, but and you know, and the wives are just they start crying, and we're all crying. Because they don't have the family home, you know, and they're gonna do everything they can to own it. And we just have to win. You know, we give them 10 to 30 years, whatever it takes to get it done. And it's just amazing. Providing homeownership is such a rewarding way to make a living and help people and then teaching others all around the world how to do it. You know, just phenomenal. I was talking with the guy off a YouTube video, he has questions and then he reached out to me privately and he's down in Australia and so I referred him to an attorney down there who's done 42,000 of our student deals, what it what we call a title company, they call a settlement agency, one company 42,000 of our deals. Just it's amazing business. It's so rewarding.

Mike Stohler

Yeah, it is. And you have been around the world, you have a best selling book in Australia. Yeah. Let's talk about that

John Burley

money Secrets of the Rich. It was originally a manual I did in the early 90s. And it was like, you know, a lot of guys in the education business are like, you know, everybody can do this. And it's like, surely no, my experience has been seriously the people who come to the event, who should be at the event, very, very high levels of success. But more looking at the general population really, and truly, five, 10%, maybe a little bit more are actually going to go into a program and crush it and become financially free and follow real money rule for their life. And you know, and some people will dabble in it, somebody will talk about, you know, we're on these meetings, we're doing this, but you and I know, it's like look, and most most people watch porn that you know that most people in the world don't ever get on one of these. And never will, we just think is how the world thinks

because we're here. So the idea with the money Secrets of the Rich is when I read books back then it was like, they were basically one or two, they were either the guy went on and on about how cool he was and how cool I wasn't, and didn't tell me what to do other than I was a loser. And I needed to fix my life. But like, how, where's the details, nice contact, but the content sucked. And then or the other one that was so detailed, and so analytical that after I got done reading the book, I was more confused than when I started. And it was just to be like going, why doesn't somebody just write a book? And go, Look, here's the problem. And here's the solution. Oh, and by the way, here's the 800 number. And so that's what we did, we broke it down into 30 different subjects, you know, starting out with, you know, some mindset stuff, but then just specific, this is how you set up an automatic investment plan.

This is how you do the IRA, this is how you do the 401k. Here's people you can call that will do it for you, you know, this is how we pay off our debt. Because following the model is, you know, most people in three to seven years can pay off all their debt, including their home and their cars. You know, and so just really going through these are the essence of the people who are who become wealthy DECA millionaires above, these are the rules that they followed, whether they were highly entrepreneurial, not these the rules they followed. And they have almost nothing to do with what's on a podcast in the in the real world. Because it's not hype, it's not fluff. It's just really great business fundamentals for the long term and discipline. So the idea was, everybody could benefit from financial book that had the how tos. And then each chapter just has specific action steps, you know, do step one, step two, step three, and you've got this handle, move on to the next chapter.

Mike Stohler

That's right. Now you ladies, gentlemen, I have, I don't think I've ever used worn out highlighters, or tabs more than the this book the money Secrets of the Rich, if you really want to know, it's like, okay, yeah, that's why I'm not saving money, because I spend it, you know, do I need this or don't want this, you know, it's those types of things. And you can take that in your business, you know, when COVID hit this, like, Okay, does this business or these vendors, or all these different things necessary for the survival of the asset? When you kind of take that in your life also is this? If I have if I buy this is, am I gonna die? If I don't have it? You know, and then you may just like, wow, I save a lot of money.

John Burley

So much of the stuff that we consume, we don't need. And so the idea was just you know, and the idea is that look, if we live within our means, and properly manage our money for a few years, we can live beyond any means we previously imagined. I mean, when the

book, The Millionaire Next Door, and I actually some of my clients were in the study, it really, really shed so much light that you know, The Millionaire Next Door is really just someone's grandma and grandpa, there's not a lot of science. They've usually been in the family home for 30-40-50 years, and paid it off. 25 years ago, you know, the cars are free and clear. The business is free and clear, you know, and then just over time, their assets went up, they live well with me. I mean, a lot of times, I mean, the big splurge just was you know, family vacations, which is something we've always done. And it's like it always made me was never thought my grandma grandpa that rich. It's like really last family vacation. The big argument was, grandma and grandpa flew 24 of you to a hotel in Hawaii. And there was only 12 seats in first class and 12 were bitching because they weren't in first class. You know, don't you understand? Grandma, Grandpa dropped a couple 100 grand on that trip. I mean, connected us people. Yeah, exactly. So yeah, so the main thing is the rich which is really a reference manual and instruction manual on what people who are actually rich do that replicatable that anybody could do.

Mike Stohler

Even someone without arms and legs and Australia in our good friend, Nick. But

John Burley

yeah, next to me. He's just in town. It was it was fun. We had a really nice just family dinner with him, hung out with him. Just crushed it again. It was just amazing. Next Wojciech VJ I see I see if you don't know who he is. He's a dear dear friend of mine and one of our graduates of our program during for over 20 years mazing guy.

Mike Stohler

Absolutely amazing. And laser jump, if Nick can do this program, it'd be highly successful. What is your excuse? What was my excuse? And I realized that well, my excuses the six inches between my ears. And that is something that John Roy hits, you know, beat you down on. Now, John, you know a little bit about you do some public events? Yes. And you know what? We'll get into this a little bit. You know, I've been to seminars. And I remember when my wife said, hey, you know what, I saw this guy, let's go and I'm like, and I'm not doing another seminar. You know, nothing, none of these things work. What makes you different these four events that you do, why are you different? I know the answer.

John Burley

I think it's because I live in the real world. You know, I've always called it seminar land. And most people listening to the podcast, you know, you've been to a seminar, and you know, it's like, you go to seminar, everything works. Everything's cool. Everything's amazing. Run the back room, get my horse course for 2997. And you can get rich at home in your underwear, doing absolutely nothing, which is no end of life works. And I always did the events, it's like, wow, problem is that after the event, I walk out the door into the real world. And most stuff I learned at events doesn't work in the real world, and certainly not how they describe their going to work. It's like so you can't easily go buy houses for no money down in 2023. Can you? Yeah, easily. No. You can easily flip and get rich overnight doing nothing. Can you? Yeah, easy. No real estate, you know, real estate takes work. It's hard work. Like any good business. It's extraordinarily rewarding people who are passionate about and so what we always do is we kept in the real world.

And it's something that you know, you and I've talked about so many the students do it people like going Yeah, I mean, the great thing about John Burley is, you know, he's a super high end, real world investor today right now. Yeah. And that's the best thing that students lightmap. It's also the worst, because because of that, I only do four events a year, because I can't run around at 40 weeks a year all over the country, or the world teaching and doing seminars everywhere, and really be running an investment company at home, not how it works. You don't get to do both people like to imagine Oh, well, they're, they're rich and successful and famous, they have more hours now we all get 24. And if you have a big business and doing lots of stuff, you already have extra hours sucked away to take care of stuff running the business. And so the idea was that, look, I love to teach I love the impact we've had, I mean, because to me that \$10 billion, you know, to me, it's not about \$10 billion, that's \$10 billion of homes that were acquired to provide ownership to somebody who couldn't otherwise that's what I see that millions of people on the planet owning a home, who their government wouldn't allow them.

We literally in New Zealand, they established for some reason that 58.6% of Kiwis should own a home, no more, no less. That was the government number. In the 2000 census because of our education, it was over 70% of the Kiwis owned a home and the government actually tried to clamp down on the program because it was like well we need more people to be dependent on the government. Not America but we get the same stuff here. And so just the idea to me the biggest thing is what all those people got to own a home you know people who are why do I still teach? Well, you people just like you I mean, not every day but almost every single day I talked to or I'm in contact with people who took what we did and went on became millionaires most of them DECA millionaires you've met we could go on for a long time all the DECA millionaire humid out of our program. You know, and just the main thing is though, is just the lives they affect and change. I mean, you know, and you know, many of them earring Dave and and we go on for a long time.

And these are extraordinary men now. They were both guys, Josh. Oh, yeah, they were good guys. When I met them, they're extraordinary day because they took what they did created financial freedom for their families, financial freedom for so many capital investors, which is a big piece of what we do, and then homeownership for people, but then they changed how they viewed the world and how they treated the world and what they did for a world. So all of these people just 1000s and 1000s of have become very instrumental in making their world a better place. One little place at a time, you know, affecting your spirit of influence and expanding it making it better than the ripples and now I think, Geez, half of you guys are moving to Shola. There's five of us now in the last couple years that followed me up to the show low area cuz it's just a great place to retire and hang out it Like, we're, we're calling it the burly mountain now I think we're gonna take it over.

Mike Stohler

Yeah, it's burly mountain. And you know, the greatest thing is none of us could ever dream about or even think about affording a place like that, you know, without your expertise and your mentorship. So it's, it should be named Burley mountain,

John Burley

it's a blessing. And then you know, we get to hang out and go play golf and smoke a cigar and enjoy, enjoy the homes, and it's just awesome. And your place up there. It's phenomenal.

Mike Stohler

Thank you very much. And, you know, one of the things that I'll touch upon also about, you know, ladies and gentlemen, these four events that he does, is there's no CDs to buy. There's none none of this stuff. What is there, you know, that you get out of you actually, what was sold me is? Wow, you mean that? I actually get to talk to John. It's not a seminar, and then you disappear. The the one 800, numbers disconnected? You know, ladies, gentlemen, what that seminar is like, or you're talking to someone in the Philippines, and says, Hold on eating here, the type, the keyboard clicking? Because they're putting your question in a database to see what pops up to give you an answer, we actually get access to you, John, is that you know, that's correct.

John Burley

And it's like, each, each event is unique, because the market is always shifting. I mean, obviously, you know, what we were teaching in 17, or 18, when we first started working together, versus 20 versus 23. Markets are very, very different. And you know, think that the same tired old stuff has been out since the 70s would still work today. Ludicrous. Because it doesn't the market constantly changing. Opportunities are constantly showing up. And so we just always shifting with the market, we talk about what's coming up. You know, our next one is spring training, which is one of our big events. It's, you know, April 15, through 17. And then April 21, to 23rd. It's literally three days just on how we raise money. You know, whether it's a, you know, a large raise, what most people do is a non-security working with capital investors on their own sphere of influence, how we set the operation, how we do the business, we do a field trip to our bricks and mortar real estate building, because it's a bricks and mortar business people. Yeah, we have an attorney in for a couple hours to go through it.

And basically what I did is I did the same thing that I did with the houses with the seminars, it's like, okay, so what was everything missing from everything event I would went to? And it's like, well, I mean, first of all, I need to answer questions for real. And I remember, so it was so painful. And I knew every like, oh, yeah, I get all the answers for you get my coaching program, and I bought them all. And it was always the same thing. Yeah, it's like literally one of the first big programs they did, the guy was going to make \$14 an hour. And he was in my small group, by accident. And it's literally he had never done a deal in his life. I'm going like, and I just paid for this guy to be my coach. I mean, this guy, nice guy. This guy knows nothing about business. He's stoked about a \$14 an hour job in San Diego. You know, he's, he's broke. And so it's like, okay, and they always said the same thing. Go ahead and write those questions down, and I'll get to them at the end. And when the end came, they left. So I always you know, I'm there early, I stay late. I also bring in a team of Century Club members, highly successful individuals who also stay and answer questions, because it's a big piece of it. And being around people who are super successful is a big piece of it. They're a lot of work, which is why we only do four events a year. I love to do them, but I'm always gonna have my routine my core business, which is what I think everybody should be doing for themselves.

Mike Stohler

Yeah, and that is another thing that is different is that you are actually still involved in the business. And you're not just a 24/7 seminar. guy that didn't watch HGTV did five deals.

John Burley

Boy, I saw one of those on Saturday. Yep. Five deals, you know, nothing, you know, nothing. looks right. Yeah, we love to just be in the real world and do it. I know right now. I mean, but like, what are you doing right now tell you right now. We're modifying some of their land always talked about buying houses subject to which is where you take over the existing loans, but the loan stays in their name. And that works pretty good when they don't have equity. But that's not where we're at. So these people that are going well, there's a tsunami of foreclosures. Well, actually, the numbers showed that were the lowest foreclosure rates in 40 years, there's no tsunami coming. This is not 2008, but nothing that identifies as and so what we're finding a lot of people don't like going, they'll take a haircut. I mean, so it may be worth 400. They'll take 343 50 But they have a \$250,000 loan at two and a half percent. They're not gonna leave that loan in their name, but they will let me assume it and the rules for assuming a REIT are much easier than And the rules for, we're getting a new loan. So one of the big things we're doing right now is, you know, coming in with down payments, to give them cash, real money, it's not, it's not 2008, these aren't six 810 \$12,000 deals anymore. I mean, they're out there.

And if you're in the middle of, you know, the Rust Belt, or the Deep South, where houses 100 grand Sure, but most of us are living in bigger cities these days, and the prices are quite a bit more than that. I mean, we, we can't work off 1980 numbers, yes, 2023 is we're finding a lot of these No, John's been putting offers in, we're putting offers in a lot of these that you know, and the main thing we're buying is low, because we're getting two and a quarter to three and a half percent 30 year fixed loans that are two to four years in. And this is where, you know, having real real capital investors and real financial statements will sign for those loans all day long. And then come in with whatever is required for you know, for my the buyer, the seller and closing costs, and you know, buy it like a real deal. And but take advantage of those older loans, because they're way better than the six and a half percent new loan we can generate today. And those numbers got to come down even more. So we're really looking at, you know, one thing that we talked about is that, yeah, it's always been the return and people get confused.

So, you know, when the price is starting off at 1920, yeah, but like, it's too expensive. It's too expensive. It's like, it's not the price, it's the return, it was never the price, it's the return. Yeah. And then you know, interest rates really low, well buy, buy, buy, buy, get into reg low, again, we don't buy because the interest rates we buy because of the return. There's people who bought with those low rates who don't have very good deals, I mean, they overpaid 50 100 grand for the property, and it's a good loan, but they're kind of locked into that property because they can't go replicate it. And to me, it was always like, look, it's never the rate, it's never the price, it's the return, which is just getting every single market gonna be a combination of those different factors putting it together. Yeah, one thing we do obviously, is if they own it, rather than renting it that 25% slippage, that

rule of thumb, about 25% of your costs go to management, we get rid of most of that people will pay more to own than rent to we increase the income stream. So we're always looking at you know, how do we take this that most people would think is a no deal and make it a deal? And that's just we're going to combine the factors they're there and and the second weekend you know, the 21st to 23rd of April we're going to go deep dive into deal making you know how we find the deals what the houses are, what the neighbors are, why we don't ever do toxic class. See? Also why for investing why we don't do Class A numbers don't work. And in some cases, those relationships are even more toxic than class see?

Mike Stohler

Oh, yeah, I understand that. Yeah. It's there's a reason why someone can't afford a six \$800,000 house.

John Burley

There's a lot more risk on the 60 \$800,000 house and a three or \$400,000 house if you can't afford it. Yeah, you can do a lot more damage for me. Yeah. So we just, you know, keep on the foundational, the fundamentals. I love the markets, when there's a lot of softness, there's a lot of opportunities, I think that I love it in a small way. I've been company with him in this regard. throughout my lifetime, three, four times, normally just when we're moving into the big booms, the world says Warren Buffett doesn't know what he's doing. Again, oh, he should be leveraging he should be this he should be that everybody knows what's to do. And he's the wealthiest investor in the world. And he's not the richest business owner, but he's the the richest investor. And I love when I'm in that company. I remember like all guy, no burly is not refinancing all his property. He doesn't know what he's doing. Really, that's the third time I've been accused of that publicly. Because I didn't refinance my properties in the 90s.

And I didn't pronounce my properties in oh six, and I didn't refinance my properties in 19, or 20. Thank God, I didn't. In the valley, Mike, there was 10 to 12 500, do 1000 plus inventory guys in this valley. In 2008. In 2011, I was the only one standing. Because the main reason for all of them is they over leveraged. And then when the you know what hit the fan, there was nothing left to hold on to. And they took all that money out and spent well those people do not at all they don't go bankrupt, and they spent it and pissed it and then the properties couldn't stand on their own. Or they'd gone with commercial financing and so that they couldn't sell five houses to eat. The bank just swapped all the cash, they forgot to read the fine print. There you go. Which is why you know why we covered the fine print. Absolutely. Yeah, so just super exciting opportunities. I love where we're at right

now. I love what's in the marketplace. And the thing that Warren Buffett always said really, really eloquently and well he's been credited with saying 1002 things some of them he actually said and this one he did when others are greedy 2021 be fearful. And then right now when others are fearful, be greedy. We got an entire generation that scared to death of losing money because they lost a third everything they owned in 10. They just got whacked again with the downturn and heck, Mike now they're afraid to leave money in the bank. There's Trevor discover us. It never been a better time to raise money in my whole life.

Mike Stohler

Absolutely. Absolutely. Well, John, it has been a pleasure. How can people get a hold of you to learn more about these these get togethers yours?

John Burley

Yeah, absolutely. A Phalodi. Guys are do social media on Instagram, John dot Burley. So go to Instagram and you can follow us there. We on YouTube, John Burley calm. So jhn bu R le y calm. We do pretty much every week, we put videos out. And if you have any specific questions or anything you want to know about, just ask it in the next couple of weeks, I'll put up a video for you. Because I love to build, connect and touch people that way. At Facebook, we have the John Burley Real Estate page. And then you can go to John burley.com. So John bu R le y.com. There's a bunch of free downloads there. And it also gives you the schedule for the upcoming events. I'd love to see you when when you come to an event, make sure and tell me that we met virtually through Mike, because I'd love to get back to Mike and let him know who came out to the events because of him because it's just awesome. Being here, Mike.

Mike Stohler

Absolutely. Thank you so much, John, and ladies and gentlemen. You know, that's it. I mean, we could have gone on for another hour or so because there's just so much knowledge in this guy's head. But we have to stop it now. Because it has to be about as long as your commute the next time you listen to this. So thank you, sir, I appreciate you coming on everyone.

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