

EPISODE 398

[SPONSOR MESSAGE]

[0:00:35]

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[INTRODUCTION]

[0:01:39.7]

FT: Welcome back to So Money every one. I'm your host Farnoosh Torabi. Quick reminder, today is another fresh episode of Follow the Leader on CNBC. Tonight we follow Lyor Cohen, music mogul. He is responsible for basically taking hip-hop to an all new lucrative level in this country.

He started Def Jam records back in the 80's and is known for helping manage the careers of such artists as Ludacris, The Beastie Boys and so on. You want to find out where he's at today and he's a bigger and badder and better than ever. I had the privilege of following him around and got to see some things that I would probably never see in my life. Stay tuned, head over to CNBC tonight 10 PM eastern pacific for Follow the Leader.

All right, I can't wait to talk to this guest. I wish that I had a connection with him last fall when I was going through my major renovation in Brooklyn. Better late than never. Today's guest is a skilled contractor, award winning TV host, and executive producer on the HDTV DIY hit series — hit series everybody. 11th season we're going into the show. Income Property. You know this show. You've probably flipped by or you're obsessed with it like I am. Scott McGillivray is here. He's got a passion for education home owners to make smart renovation and investment decisions that deliver financial rewards.

I mean what would I have given to have him close by during my epic run out last fall? Well most recently, Scott has partnered with Owners.com. It's a newly launched real estate buying and selling service that helps you save more when you're selling your home. Very, very cool because I know that giving 6% to an agent sometimes especially someone who is not really, you feel, working hard on your behalf can be painful.

You might recognize Scott because he frequently appears as an expert on morning and day time shows, he's also appeared in various publications from Forbes, USA Today, and People, among others. With Scott, we discuss how to really invest in real estate to win. How to create what he calls "under market deals". He would know, he's invested in over 100 properties. What are some inexpensive ways to raise the value of your home by Friday?

Like really, some quick, quick, cheap ways to do it especially if you're already in the market to sell your home and you have an open house coming up, what are some tricks you can play to get people to really make a good offer and by the way, what's the best day of the week. If you're a buyer, to place a bid. He gets that specific. The time Scott bought over 30 homes in one day. Was that a So Money moment or a total fail? Let's learn.

Here we go, here is Scott McGillivray.

[INTERVIEW]

[0:04:27.8]

FT: Scott McGillivray, welcome to So Money. Income property stud. I'm so excited to have you on the show.

[0:04:35.1]

SM: Thanks for having me on the show.

[0:04:50.9]

FT: By the way, where were you when I was doing my home renovation of 2015 and now lingering into 2016? What a headache it was to go through. You go through this now like 11 seasons you've been doing Income Property, how many now? Am I counting right?

[0:04:50.7]

SM: Yeah, you're counting right, it's about a 175 of renovations there.

[0:04:56.6]

FT: Oh my gosh. I mean I went through one and it was personal and you go through as you said, dozens and dozens and there are typically other peoples' but you yourself have been involved in contract work and real estate for since I guess you could, since you were legal. Why do you keep going back to these sorts of projects, what is it about real estate and the renovation process that you enjoy, personally?

[0:05:23.2]

SM: Well yeah, I mean it's funny, I didn't — I actually kind of fell into it a little bit, I don't come from a background of real estate. I actually went to school for a business degree and I got in to real estate because as a student, I was struggling to find a place to live and ended up analyzing the opportunity and figured that it was better off to buy a property than to continue renting.

So it was really a business model that got me into real estate and the renovations were always a hobby of mine and obviously started doing more and more renovations the more and more properties I purchased. Decided to become licensed contractor when I was 26 years old, and it allowed me to combine something that I like to do with something that's profitable. So it's a win-win.

[0:06:15.7]

FT: I read a little bird told me that you own 25 properties by the time you were 25? Is that true or just a rumor?

[0:06:23.2]

SM: No, that's true. I think I was at about 27 or 28 properties by the time I was 25, yeah.

[0:06:30.9]

FT: And so arguably you started in real estate and renovation work at a time when maybe it was kind of really trendy and it seemed like there was no risk. Then of course we had the stock — we had the real estate market crash 2008, 2009. We're still dealing, in some parts of this country, we're still dealing with the aftermath of that. What's changed? How has your approach changed or at least your mindset changed when you go into projects now? Given that nothing's a sure bet anymore?

[0:07:02.8]

SM: Well, before — pre 2008 like you said, you could really do just about anything and make money in real estate. It was very interesting. Partially luck got into it, but then I would say skill

and discipline got me through it because I started doing all kinds of things when I got into real estate investing. I wasn't even sure, in the year 1999 when I started, what real estate investing really looked like.

I was flipping houses, I was renting properties, I was wholesaling and doing lease options. Pretty much anything that you could figure out and try to acquire properties and accumulate them as I went along. But it really wasn't until prices really got out of control 2005 I think is when I realized, my goodness, it's only been five or six years that I've been in real estate and the properties have doubled and it loses struggle to be able to acquire value at that point and that's when I started to focus in on buy and hold because of cash flow.

So I was more concerned with properties that I could good tenants into, that I could get positive cash flow and that had a good long term strategy because I really felt there were some challenges. We definitely fell through around 2005 and then in 2008, everyone was panicking obviously and a lot of the things that I've been doing before that you couldn't do it anymore. You couldn't buy with no money down, you couldn't flip houses in wholesale properties quickly because you were pushing water up a hill.

But at that time, I had enough properties and I was investing in several different states, I was also investing in Canada, I invest in two different countries, and pretty much went into a holding pattern for 18 months and it was a huge learning curve because a lot of people that I knew who were so called "real estate investors" had lost a lot of money or lost a portfolio and went bankrupt. But I actually was at that time focused mainly on buy and hold and our tenants, most of our tenants stayed, we actually found the demand for rentals went up a little bit because less people could qualify for properties.

The business model continued to cash flow as well. I always tell people, you're only going to lose money on the property if you sell it at a loss. Because values will go up and down over time and I ended up in the late 2000 sort of nine, early 2010 period. Ended up expanding my portfolio from a few dozen properties to over a hundred properties.

[0:10:01.5]

FT: Wow.

[0:10:03.3]

SM: Because the opportunity was there and nobody was pursuing it. Typically when everyone says this is the worst time to be an investor, chances are, it's probably the best time to be an investor.

[0:10:13.5]

FT: Right. I think Warren Buffett has a similar catch phrase which is that, when everyone's running for the woods, that's when you want to strike. That's when you want to take risks. So tell me about Owners.com. This is a recent partnership where you're in the buying and selling service, right?

[0:10:31.7]

SM: Yeah. Because I got involved with properties and we're having all our transactions going on, there's really two parts to accumulating wealth. One is obviously generating more income, you have to be able to make money to be wealthy. The other side of the equation is that a penny saved is a penny earned. You also have to be able to save the money that you're making. In real estate, as soon as you become a home owner or a real estate investor, you're going to start tracking where you're spending your money.

There's two or three items that can really impact your profitability or your sustainability as a home owner. We look at the interest portion of our mortgages, that's a huge expense but when you get transactional, the commissions on real estates are — they can really eat in to your profit margins and considering that home is typically the largest investment anyone will make, you need to be savvy, you need to be smart, you need to keep dollars in your pocket.

There's been many different ways to buy and sell properties over the 16 years that I've been a real estate investor. I've worked with real estate agents, I've done for sale by owner on my own. Obviously more recently finding a middle ground has been the sweet spot. Working with

Owners.com has two benefits, obviously number one when you're selling, you can list their property, get access to MLS and every other listing site that's required to get your listing out there but then you save on the commission as well.

I would be a fool as a real investor not to take advantage of that opportunity in order to maximize my profits and as a homeowner, you have to maximize your savings as well. We know that the market is evolving. We still want to work with a brokerage, you still want to work with licensed agents, you just want to maybe look at a business model like Owners where you're getting way more value for your money and instead of paying huge commissions, you can pay a flat fee, which is just a small portion of what a standard agent would typically take.

[0:12:54.9]

FT: Right, I know in New York at least, the commission is around 6%. So what would that be compared to going with Owners.com? What's the flat fee there, typically?

[0:13:05.7]

SM: Let's take the out of New York, of course, we know...

[0:13:05.7]

FT: A million dollars.

[0:13:09.6]

SM: ... is typically high. Okay, a million dollar house. Let me do the math in my head for you and I'm going to put this on a million dollar home, you're looking at \$60,000 worth of real estate commissions, typically that would be divided up 3% to the buyer's agent, 3% to the seller's agent so you're looking at \$30,000 and \$30,000 The seller, you got to give \$60 grand away right?

[0:13:34.5]

FT: Yeah, that sucks.

[0:13:35.6]

SM: When you're going with a typical agent. If you go with Owners, you're going to pay a flat fee, which there's a couple of options, but literally you're going to be saving that two and a half to three percent commission on the buyer's agency side. You're going to put an extra \$30 grand in your pocket. It's as simple as that.

[0:13:55.3]

FT: Yeah.

[0:13:56.2]

SM: If you double in the deal, you keep the whole \$60 grand but I would say typically, buyers are going to come with an agent representation and you want to leave that incentive out there, you want agents to be showing your property, you don't want to scrape back that the buyer's decisions if they want to have an agent or not.

But as a seller, you want to keep as much of the commission as possible or all of it if you can but still have representation. Still have somebody walking your through it, helping with negotiations, booking appointments if necessary and making sure you don't make some mistakes.

[0:14:32.2]

FT: How does Owners.com keep its prices low so that it can then charge a smaller commission? What is Owners.com doing on its end, on this business side, in order to be able to make do with a smaller commission?

[0:14:48.0]

SM: Right. That's a great question probably for them. I'm working — I'm using Owners.com because it makes sense to me. I didn't create Owners.com, I don't have the business model. But what I would say is this, is that the market is evolving, there are technologies that are now available, that clearly streamline the process. The things are completely streamlined, you can do everything remotely if you would like these days.

I don't remember the last time I got in my car and decided to drive around to look for properties. I clearly go online first like most buyers do, we do all our research online, we're really streamlining the process, we know that there are savings in there and an organization that can capitalize on that new technology is obviously going to have a competitive advantage. That's really where Owners is coming in.

They're saying, "Look, we can have licensed agents across the country, helping people buy and sell properties, we don't need to physically drive them around or we can help them with their online search. We can help with all the documentation and all the process and we don't have to charge \$30,000 or \$60,000 worth of commissions, you can do it for under a thousand bucks probably," right?

[0:16:10.9]

FT: Yeah, I love that, I love that. Especially now as I finish my renovation, now I'm thinking about selling down the road, and I live in Brooklyn which I'm fortunate there are a lot of homes being built in the neighborhood and people are excited to move in and I think that right now is a great time to sell. I won't be selling right now but great time to be selling.

[0:16:32.1]

SM: Great time, it is a very active market. There's been people doing renovations, adding value to their home is going to force appreciation and yours as well.

[0:16:41.0]

FT: Like I said, I wish I had you along for the ride because I had several headaches including a drunk contractor whom I had to subsequently fire.

[0:16:50.4]

SM: What?

[0:16:50.2]

FT: Yeah.

[0:16:51.4]

SM: Oh Farnoosh, what's going on? You should have called me, seriously.

[0:16:53.6]

FT: What? I know. Next time, if there ever will be one.

[0:16:58.0]

SM: Next time. You'll do another one.

[SPONSOR BREAK]

FT: My So Money team's recently become a fan of a company called Realty Shares that's disrupting the real estate finance industry with their crowd funding platform. Here are some investment advice brought to you by our April sponsor, Realtyshares.com. Haley from New York writes:

H: "How do I invest in real estate in California?"

FT: Well, Haley, one easy way to invest in any one of the 50 states is through a real estate crowd funding website. There are a few but realtyshares.com has the lowest investment minimums. Realty shares allows accredited investors to invest as little as \$5,000 per transaction in residential and commercial real estate projects across the US.

What's great about Realty Shares is that all of the real estate deals are source and vetted by experienced investment professionals. Thousands of investors are using the platform to browse through deals and invest in minutes. Of course, keep in mind that all investments are risky and may lose value. Past performance is not indicative of future results.

For this month only, when you sign up at realtyshares.com/somoney and link a bank account, the company will transfer \$50 into your linked bank account. Visit realtyshares.com/somoney to begin today.

[INTERVIEW CONTINUED]

[0:18:11.1]

FT: I was on your blog and I noticed that some simple tips for people who want to spruce up their properties without necessarily hiring a contractor and going through that. Even a paint job can do wonders for your home. Tell us a little bit about the simple steps that homeowners can take to increase property value without really having to take out a cabinet or upgrade granite or floor.

[0:18:38.6]

SM: Like yourself, doing a renovation, the majority of people doing renovations are actually preparing their home for sale and looking to get top dollar. So clearly I think the general public understands that getting your house prepped for sale is how you make a little bit of extra money. The best renovations or upgrades that give you ROI, return on your investment, are ones that involve your own sweat equity and nothing super major in terms of restructuring your home.

Very quickly I would say from the outside in is what you want to think when you're selling your home. So it has to be approachable, people will judge a book by its cover, they'll judge their exterior. It has to be appealing from the moment they pull up, everything from the landscaping to the weeds and the grass to the doorbell, light, numbers, mail box, all being inconsistent and clean and working together. And those are things, you can get out there with a rake and a shovel, some trimmers, screw driver and you can do all these little upgrades yourself on a Saturday afternoon and you can significantly increase the appeal of the home even just from the exterior.

Giving it that well maintained look is key to getting people in the door. Once they are inside, think about obviously the personalizing your space so that means really neutralizing, makes everything feels calm, everything feels spa like. Go out and buy a ton of white towels, make sure all your bathrooms have white, clean towels in them. Set the table at the dining room so that you're basically going to position the home as if the buyers walking in and can see themselves sitting down and living there immediately and feeling comfortable.

[0:20:38.8]

FT: Right.

[0:20:39.8]

SM: They don't necessarily want to see all of your arts and crafts on the wall, they don't want to see a thousand family pictures or your doll collection or your teddy bear collection like all of those things.

[0:20:50.2]

FT: All that doll collection, man. Okay fine.

[0:20:53.3]

SM: Farnoosh, take the doll collection down, right? Just like you don't want to have all your Star Wars figurines out.

[0:20:59.3]

FT: Tell that to my husband, all his Lego's and Star Wars.

[0:21:01.8]

SM: Take them down.

[0:21:02.6]

FT: I also heard that it helps to maybe bake some cookies or pop popcorn in the microwave because our sense of smell is so powerful and like you said, make them feel like they're actually living there. If they can imagine themselves sitting at the counter eating and also because cookies just smell so delicious that that is also a good psychological trick.

[0:21:28.0]

SM: I don't think there's a tremendous amount of data to back it up, however if you can appeal to somebody's appetite for food, you may increase their appetite to purchase your property. So I would say that might be something that would work well if you're doing an open house for instance, you're going to have a lot of traffic through the property, that's when you're going to want to put in some flowers or maybe some fresh cut flowers.

Yes you can do the baking the cookies if you would like, just don't burn them and even if you go to a model home where they're selling a whole neighborhood's worth of properties, they actually do a lot of these things. They bake cookies every morning, they leave them out as people come through, you can have a cookie. You're right, people use these as incentives. Are they necessities? Not exactly. I wouldn't do it every time you're having somebody to come and look at it but if you're having a large group of people, it's a Saturday or Sunday, you've got six or

seven showings, yeah, it might be worth throwing some popcorn in and getting people's appetite.

[0:22:34.0]

FT: Scott, what are some good negotiating tactics for potential buyers? Right now, the market is really tight. Especially if you're in a city like New York, San Francisco, forget it, unless you have cash and you made the offer yesterday, you're not in the running. But yet, how do you still make yourself an attractive buyer, even in those tight markets and in everywhere else, how do you actually negotiate the price to where you want it to be?

[0:23:00.9]

SM: You're dead on that there are a lot of markets that right now it is a seller's market, it's tough to be a buyer and I hear this all the time in some of those cities you mentioned where it's like, there's no deals left, I can't buy anything. How can I get something? There's a few things you can do because I'm always buying real estate especially in active and hot markets where I think there's great opportunities. They'd be like, "How do you get that one? It's such a great price."

I still manage to find under market value deals and I guess the better word is not find but create under market deals and the first thing I would say is that list prices as suggestion so when you're looking at properties and their list prices, that doesn't mean that's what you're going to pay for necessarily. If you want to have a bit of a competitive advantage to being able to acquire the property of your dreams or getting to the neighborhood that you're really interested in or create value with an investment property, here, I'll give you a couple of quick things that will increase your chances of success.

[0:24:07.2]

FT: Sure.

[0:24:09.0]

SM: Number one, go shopping on a Monday, Tuesday or Wednesday. If you're shopping for real estate on a Saturday and Sunday, you're not getting deals. A seller is much more difficult to negotiate with on a weekend than they are on a weekday. Right?

[0:24:25.3]

FT: Got it.

[0:24:25.7]

SM: During the week, they're distracted with work, the kid's routines, they're probably not getting a lot of other offers on a Monday, Tuesday or Wednesdays. So chances are, they'll very quickly and efficiently entertain your offer. Typically the market fluctuates, believe it or not, between a Saturday and a Monday so two days between a Saturday and a Monday, the market drops by almost one percent every single week.

[0:24:52.1]

FT: Interesting. Oh my gosh, okay.

[0:24:53.8]

SM: Most people don't know this. Real estate agents know this. When's the last time you saw a real estate agent promote an open house on a Monday night? It's on a Saturday it's on a Sunday and if you think about the average home price in America being around \$350,000, you're going to save \$3,500 on average by putting offers in on a Monday versus a Saturday.

So that's one quick tip is just to even change your habit as a purchaser when you're looking in a market. Another thing is, to get over the fear of rejection. If your offers are not being rejected, you're possibly offering too much right? Nine out of ten offers that I put in get either turned down or sent back to me.

[0:25:43.5]

FT: But that's just part of the dance, right? Know that that's not a rejection, it's just, "No, what else you got?"

[0:25:52.4]

SM: It's just a maybe. No means maybe in real estate.

[0:25:56.5]

FT: Hey, I watch Million Dollar Listing on Bravo which is more about the drama than the real estate and we've had Josh Altman on the show here before and he is crazy man, that guy will go any stretch for the sale, he'll go to any stretch for a sale. What's the craziest thing you've ever done to get a property that you wanted? Either for yourself or like as part of a team that was working on a rental. Tell me something crazy that you've done?

[0:26:27.7]

SM: I mean, I've basically done deals almost on a napkin before I thought it was right. I've knocked on doors to get deals, I've put out flyers, I mean I've done a lot of sort of conventional or somewhat nonconventional things. Kind of the thing about the craziest thing, I bought 33 houses in one day, that was a bit crazy.

[0:26:53.9]

FT: Where? Were they all in like the same neighborhood or...

[0:26:56.5]

SM: They were all, it was all part of a bank trying to get rid of a bunch of properties and I went to an auction to buy one property and I really wanted this one property in particular but there was an issue with the bank who owned the properties basically had an out clause that if they didn't

sell all the properties that day or if they didn't, if they didn't collect a certain amount of money, then they could back out of all the other offers.

A lot of those clauses in there, it's pretty technical but it turns out that the only person at this auction, this was 2010 and the one property I wanted was probably worth \$200,000. I wanted to get it at \$100,000, I wasn't really interested in the other 32 properties and the auctioneer and I were chatting and basically he said listen, you can't get it, we're not going to sell it to you for \$100,000. Even at the \$200,000 you wouldn't get it because they need a minimum of \$300,000 collected on the day. Turns out, I was able to spend \$300,000 and get every single property.

[0:28:14.7]

FT: What?

[0:28:15.6]

SM: I had to pay for them all that day. I had to come up with the money before like 3 o'clock in the afternoon and I ended up...

[0:28:24.8]

FT: What year was this? Wasn't there like a credit freeze?

[0:28:29.0]

SM: 2010. This was in Cleveland, it was very odd. Very odd situation. Yes, I went to desperate measures and my intentions to buy one property, I ended up buying 33.

[0:28:41.5]

FT: What was the unit price at that point then on all those 33 properties?

[0:28:47.4]

SM: That was less than \$10,000 a property.

[0:28:48.6]

FT: My gosh. What? That's like buy one get 32 free.

[0:28:54.1]

SM: It sounds like a great deal, but it came with a lot of headaches I won't lie.

[0:28:58.0]

FT: Yeah, because you had to spend how much money to get those properties to...

[0:29:02.1]

SM: I had to spend on average \$15,000 a property to fix them up. I ended up spending like another \$450 grand or so plus two of them had to be torn down and were condemned. That cost me \$10 grand to tear them down and have them created into like green space for the city. Yeah, it wasn't like the best deal but it was crazy. At the time, I was like, "What am I doing? This is outrageous," and it all worked out well, I still made money on the deals, it's not the best deal I ever made though.

[0:29:35.2]

FT: What is the So Money deal? We talk on the show about our So Money moments, what's been your...

[0:29:39.3]

SM: Your So Money moments.

[0:29:40.3]

FT: Your So Money real estate moment?

[0:29:45.4]

SM: It was, you know what? I think the first house I ever bought was probably the moment that changed everything. I was 21 years old and I was doing a midterm project in college and as a business student I was analyzing the opportunity of student rentals because I was a broke student. I'm like, "This is ridiculous how much money these landlords are making."

My friend and I went and looked at a property for sale, took it to our mortgage adviser, a mortgage broker, went through the case study and we actually found out we could buy it if we use our student loans as a down payment. So we use our student loans as a down payment on property, best thing I ever did. Put \$15,000 or \$7,500 each so we put a \$15,000 worth of our student loans down on a house, moved into it, rented it out to our friends, the next year we financed it and took \$30,000 out, I was sold. I'm like, I want \$15 in, I got \$30 out, this is incredible.

[0:30:46.8]

FT: My god.

[0:30:47.9]

SM: I started buying more real estate.

[0:30:49.1]

FT: No wonder you had 25 by the time you were age 25, you got the bug early on.

[0:30:53.6]

SM: Yeah.

[0:30:54.2]

FT: I don't know if you could — I guess you could still do that technically, take your student loan payment and just buy a house with it instead. Although you maybe have to go to Detroit to do that because I don't know what you could buy for \$15,000?

[0:31:08.1]

SM: Well, that was a down payment.

[0:31:08.8]

FT: Right.

[0:31:09.9]

SM: We used it as a down payment, right?

[0:31:10.7]

FT: Even still, yeah, I guess 15, 20% now, you need.

[0:31:15.3]

SM: There you go. Totally doable.

[0:31:16.5]

FT: Well hey, I learned something new every day on the show, what can I say?

[0:31:19.9]

SM: There you go.

[0:31:22.1]

FT: Scott, tell me, what's your financial philosophy when it comes to real estate. Is there something that you, like a money mantra that you have that you use as a benchmark when you are considering a real estate venture?

[0:31:35.2]

SM: I would say there's two things. Number one, because of the lessons I learned in the mid, around 2008. I will never consider an investment property without first doing a cash flow analysis. Because I never want to get caught in the scenario where I may have to sell it a loss. I always want to make sure that I've got long term profitability and if values aren't what's going up then I need to make sure there's cash flow there so that I can profit continuously.

That's one things that I've learned but my business philosophy, I kind of again, I do the opposite of what most people do. Most people worry about the present and hope it works out for the future and I look at the future first and say what can this property, for instance with real estate and some of my businesses, what I do is I look at a property and say, "Okay. Here is a property that will bring in \$20,000 a year in rent, right?"

And I'll work back from there and say, what are all my costs going to be and then what is my margin going to be and I'll make my decision based on the past potential of future profit and then I just make sure that I keep within budget, right? And it's like, "All right. If I stay on budget, I'm guaranteed a profit." I work most my business backwards that way whereas most people are kind of trying to move forwards, I jump to the future and move backwards.

[0:33:04.9]

FT: I envy people like you and others that work in the industry that are contractors, they are perhaps designers, architects where if they're also involved in real estate investments that you

have a resources that I think the average person doesn't necessarily have or know who to tap into.

Like you can redo a house for \$15,000 whereas I'm not sure the average person would know how to do that. Not that they couldn't but it's like you just — you are ready, set, go with all of that and you know how to save, you know where to get the savings. So all this to say that I feel you're really lucky in that.

[0:33:43.9]

SM: You know what though? It's calculated. Luck has very little to do with success. I think most successful people would argue that they were mainly unlucky. I try to think about all the things that happened to me by accident, and none of them are very good. A lot of the good things are the things you did intentionally and planned and worked hard at.

Yeah, in real estate, I became a contractor after I was a real estate investor because I knew it would be helpful. It wasn't that I was by accident a contractor and then accidentally became a real estate investor. And anyone who works in the real estate industry who is also service provider of real estate could be someone who is a home stager, it could be mortgage broker, could be a contractor or a designer like me.

Yeah, we're going to have better margins in our specialty, but that doesn't necessarily, you need to be everything. I'm not a mortgage broker but I know, which mortgage brokers to work with. I'm not a real estate agent, but I know that if I work with Owners.com I'm going to save on that commission anyway. So I don't have to be all this people, I just have to be smart about which ones I work with.

[0:35:00.8]

FT: Yeah, you got to develop your brain trust as I say of ...

[0:35:05.3]

SM: Brain trust.

[0:35:06.0]

FT: Yeah.

[0:35:06.4]

SM: I like it.

[0:35:07.5]

FT: Well, thank you so much for stopping by, this has been such a — I mean I have to say, all of our listeners love to learn about real estate, whether we are home owners or not. I'm a big geek when it comes to real estate, it's my favorite section of the New York Times every single Sunday. And so, real treat to have you on the show to give us some, in the trench's advice.

Thank you so much and congratulations on another season and we look forward to seeing more of you on TV and everywhere else that you are.

[0:35:35.2]

SM: Absolutely, thank you.

[0:35:35.9]

FT: Thanks so much Scott.

[END]