

Alex Moses & Brian Higgins on How They Did 350+ BRRRRs, Own ...

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SPEAKERS

Brian Higgins, Steve Trang, Alex Moses

- S** Steve Trang 00:00
And this is a live show. So please ask your questions for Brian and Josh to answer. You guys ready? All right. First question is what got you guys into real estate?
- A** Alex Moses 00:10
Yeah, good. So, uh, just to be quite honest with you from from 18 to 25. I'm 29. Now, I had no clue what I was going to do with my life. I'm the opposite of the stereotypical East Asian. You probably know. So, coming from the Asian community...
- S** Steve Trang 00:26
Yeah, you'd be a doctor or a dentist, which one do you want to be?
- A** Alex Moses 00:28
Or lawyer. So I didn't go the college route. I was a troubled kid. I used to be embarrassed about, you know what I'm about to say. But I'm not anymore since I found real estate. But I actually got a 14 on my ACT. I barely passed. My mom got remarried, and moved to Dallas. I went with her. She asked me, she begged me to go to college. So I went to

college, went for two years, and I did not earn a single credit. So she actually

S Steve Trang 00:54
Two years?

A Alex Moses 00:55
Two years, yeah.

B Brian Higgins 00:56
Two years.

A Alex Moses 00:56
I would pretty much go for the first couple of months, months of each year. And I just stopped going. So moved back to Oklahoma. My uncle, he took me in, and he was like, "Alex, what are you going to do with your life?" And I told him, I'm like, Uncle, I don't know, at this point in my life, I'm 25. I have no desire to, like, have any ambitious goals. I just don't care. I was working at US Cellular at the time. And he walks in, and he says, "Hey, you should go get your realtor license, and go work with investors." And the reason why he pointed that out is because he's actually the only entrepreneur of the family. He owns rental properties. So he told me about this class. And he told me to go to an in-house course class, so I could learn. He told me to go sit in the front. And I did. And anyways, the course begins and there's this like, annoying guy in the back. And he's answering every single question. I'm like, dude, who is this guy? He's, like, why are you in this class? He knows every answer. So I told myself, I'm like, you know what, during the break the bathroom break, I'm definitely gonna, you know, go home and ask him like, Hey, why are you here? You know every answer. So, you know, we proceed to the bathroom break. And you know, Hey, I'm Alex. He's like, hey, Brian -- this guy -- and I asked him, Why are you here? And how do you know every answer? He's like, well, I own my own insurance company for the last couple years. And then I'm also a real estate investor. Instantly a light bulb because my uncle told me, hey, go to realtor school, get your license, work with investors. So immediately, I'm like, Okay, cool. I have to ask this guy out for lunch once we get our license, right. So at the time you owned 18 properties?

B Brian Higgins 02:30
Yeah, I just started in real estate. I sold my insurance agency and just started buying

properties at the time. And I bought 18 leading up to that, and I was getting my license to save money on transactions. I kept getting outbid. I got outbid on probably 40 properties. I was buying off the MLS; did not know what wholesaling was.

A

Alex Moses 02:45

Right.

B

Brian Higgins 02:45

And so he comes along, and I was getting my license just to save money. I thought, if I could save 3%, I could offer 3% more, it'd be a wash, and I'd get more deals.

A

Alex Moses 02:53

So little did I know like looking back on it, now, this was my million dollar meeting. So I hadn't, I hadn't had no clue anything about this guy, other than he owned a few rental properties had his own insurance company. So fast forward two weeks, it was a fast paced like realtor school. Got my license, I called Brian up. Brian got his license. Kind of funny; I passed by one question, he got like a 98. Right? So nothing's changed so far. My uncle is excited for me. He's like, "Hey, get your license. I'm going to give you three properties to sell off market." I'm like, sweet, I have lunch with this guy, Brian, I just met. He's a real estate investor. So I go to... there's this local joint called The Garage. It's on like 122nd, or Hefner and Main; that's irrelevant, but we meet up there. And I have a piece of copy paper. And I show Brian. There's an address, a purchase price, and a rent amount. So these were already rented through Section 8. He takes a look at the piece of paper. And he's like, "I want them." I'm talking 10 seconds, right? I'm like, What do you mean, you want them? You haven't? You haven't seen him? Yeah. And he's like, no, I trust you. I'm gonna like, "You trust me? Like you haven't seen the properties." He's like, "You said it was rented, right?" I said, "Yeah." "He's like, I'll just do a drive by." Right. So this was a huge moment in my life. Because the most I've ever made in my life during a month span was \$2,000. \$9,000 in one day, my first day have my license. So over the course of that year -- it was 2017 --

S

Steve Trang 04:13

Real estate's going to be easy!

A

Alex Moses 04:17

I just made triple the amount that I've ever made in my life. So during that whole year, my... I have a few other uncles, they have real estate properties, and they would give me their properties, and I would just kind of move to Brian, right? And then he had friends that were interested as well. So I sold like my entire portfolio to Brian, and to some of his friends. And then, I guess Brian can kind of talk about how he got started.

B

Brian Higgins 04:39

Yeah, and I those deals were one of those when you see it, it's just they there's no way they could not work on a deal. So it was really easy. He didn't know that at the time looking back now, he would buy them in a split second...

A

Alex Moses 04:49

Or wholesale them for \$10,000.

B

Brian Higgins 04:50

Or wholesale them for \$10,000 each and stuff like that. So it's funny that right it's just an interesting thing to see how that was a life-changing moment for both of us. It really honestly was for both of us at the time, but neither of us knew it at the time. I was getting some deals and I was happy about that. But I got into real estate, I was different. I had an insurance agency for about nine years. And I, that was fine, everything was good, made good money. I just saw a transition of what I was doing within the agency and realized that's not what I wanted to be at. And every wealthy person that I've ever met owned real estate. Usually lots of it; different stuff from single families all the way to big commercial stuff. And so I always knew, like, in the back of my mind, I wanted to own real estate.

S

Steve Trang 05:28

Through insurance that you knew that or other people?

B

Brian Higgins 05:30

Just other people that I knew. So not... totally unrelated. A lot of my clients though, that my wealthier clients owned multiple rentals, there's, it always was in the back of my mind to do that. So I knew that was, that was going to be something I wanted to pursue. I've always wanted to own a Subway, rentals and storage units. I have no idea why... the

Subway will never happen. Honestly, I don't want that kind of thing. But just in general,



Steve Trang 05:49

I've heard good things about Subway.



Brian Higgins 05:50

So let me ask you this question, because there's a lot of people that tried to do on the side. Why did you sell your agency?



Brian Higgins 05:50

Yeah, it's, it's yeah, I have too, but I just, at this point in my life is like, I'll stick to just regular real estate. I might own the strip center, and leased to someone who wants to have their own Subway because I don't want to now. I decided to sell my agency. The lady that I sold my agency to was a friend of mine. And it was perfect timing for her to buy my agency, it was kind of a perfect time at that time to just get out of the business. Things were changing. It actually was a blessing more than I knew at the time. But she had just bought 14 rentals. And she was always what I would consider wealthy, she'd always done really well. And so I talked with her, she introduced me to her banker. And it was the bank I started with and I remember meeting with him. I sat down with a meeting, he explained the process. And I remember like it very announced, like so you're telling me -- I literally didn't believe him -- I was like, so you're telling me if I buy this amount of money and I fix it up, you'll refinance up to 80% of my money out? He's like, Yeah. I was like, are you sure? I didn't believe him, it seemed too good to be true. I was like, I can find a deal. I was willing to do the work, I was willing to put in sweat equity and actually do the work. And at the time was like I can make this work. So that's how I started specifically getting into real estate. I sold my agency, started buying properties. As I said earlier, I got outbid on so many properties. I was like, I gotta figure out something because I'm not going to get as many deals as I want to.



Brian Higgins 07:05

I wanted out of that business. And I, it was time consuming either what I told my wife when I went home, I was like, if I stay in this, I'm gonna die in like 10 years of stress, like it was just too much. I had seven staff members, which is not a lot for a lot of people, but at the time was just more stuff to deal with, renewals, everything changing. Oklahoma's a really unique insurance state because of the amount of storms we have. Rates fluctuate dramatically. It's normal to get your home insurance to go from \$1,800 to \$2,400 or

\$2,800, over one renewal. And so it's a lot of disruption, a lot of sellers and I had people that would call, my name was on the agency and the company I was with would not allow anything different. So I've had people who called back, I need to talk to Brian Higgins right now. And it'd be over a minor, a billing issue. they drafted the account on the fourth instead of the fifth, and they're upset about it. Like I'm canceling all my policies, if I don't talk to Brian right now. And I couldn't get my name off of it. For a lot of people with a business, you can distance yourself. You can have XYZ insurance, they don't even know you exist. I was like man, if I'm stuck here forever, and I saw real estate as a pathway to freedom for all the reasons that we do as well. Like what we do now. So we, you know, we're obviously still very involved in our business right now. But by choice.

S

Steve Trang 08:13

So you mentioned in beginning that you acquired like, 14, 18, rentals, something like that before we got licensed. Yeah. And you had the possibility to buy like 40 that you got bid out on? Yeah. I guess what... You talked about the the wanting to create wealth, that that's what got you down that road. But the BRRRR strategy, like you know, a lot of people listen to this show, I tend to be more wholesaler centric. What was it about BRRRR? What was it that attracted you to go down that road?

B

Brian Higgins 08:42

I could buy more properties with the least amount of cash possible out of my own pocket. So it allowed me to buy more without having to have... I talk to people in real estate all the time and we get asked this question a lot of... How do you have 160 houses, do you have like \$20 million in the bank? Are you just super rich

S

Steve Trang 08:58

Daddy's rich.

B

Brian Higgins 08:59

Yes, daddy's rich. I didn't have a rich dad. My dad was a pastor, never made tons of money. And that strategy allowed me to do that. I knew I could find a deal. And I knew I was willing to work. I laid flooring, I painted houses, I fixed trim, I fixed plumbing, all those things I was willing to learn. And YouTube and Google are your best friend for almost anything in a house, if you're willing to do it. I got to the point where I didn't need to because I found some good contractors that were reasonable. And I could make numbers work, that would still work. And so that was kind of that transition. But we get that

question a lot from people like, how do I do this? I don't have any money. And a lot of people transition from wholesale to get into wholesaling to get cash to buy deals, right? But putting 20% down, I can't afford to put 20% down on my portfolio. You know, it's just that so much money. So BRRRR strategy allows you to do that. And I think you need to be willing to grind a little bit and work and it is hard to do it on the side. But I know people that do that with a full time job. They work in the evenings. Again, if you're going to do it, do it. You know, buy that house, learn to put flooring in, buy a basic clicklock, learn to do tile. Google is an amazing friend and that process is very simple. That's the one thing about houses is beyond a few things like fixing a heat and air unit or some very specific things, a lot of the stuff you can physically do yourself. It's not terrible, you can get cheap help to help you just hourly labor.

S

Steve Trang 10:14

So, did you guys partner up initially right out of real estate school? Or like, what was that?

A

Alex Moses 10:18

That was just me going around, you know, I would never network with wholesalers. We have a whole bunch of really good wholesalers in Oklahoma City.

B

Brian Higgins 10:25

I still at this time, didn't know what wholesaling homes was. Legitimate, had no idea. I bought homes from probably wholesalers on Craigslist, that I didn't know they were wholesaling. I just I was buying a house from someone who listed on Craigslist.

A

Alex Moses 10:35

all I'm thinking is I need to be a person of value so I can be valued by him, right? Because he didn't know it, but I knew he was going to be my mentor. Till this day. He hates when I call him that, but he's my mentor. So I knew because we both had our licenses, it would make no sense for me to find on-market deals; theoretically, he could do the same thing. So what am I gonna do? I'm gonna go... I still don't really know how to wholesale. But I know wholesalers who know how to wholesale. So I'm going to network with them, get on their buyers list, go meet with them, hang out with them, get to know them, get those deals first. Right? And then I would attach a finder's fee. I'd asked Brian, like, please like, you know, you've never seen a deal like this. And he would look at the deal and be like, what is this? This is the on-market, an off-market deal. We call it a wholesale deal.



Brian Higgins 11:15

He said, you, you mind if I add \$2,000 or whatever to it? I'm like, that's fine, like I didn't care because it was a good deal. You know?



Steve Trang 11:20

The numbers worked.



Alex Moses 11:20

Right, right. So pretty much it was 2018 March, okay? I'm still finding deals from home for him on the side. I went on Bigger Pockets for some reason. I haven't been on since like, 2016. Okay. All I do was edit my profile. And in that bio, I said, Hey, I work with out of state investors. If you're an out of state investor, please email me give me a call. At that point, I only worked with one out of state investor, but hey, I'm not lying. So long story short, about a week later, I get an email, a long email. And I think it's spam. Right? So like, What is this, you know, so it's pretty much this person in a different state, in the Pacific Northwest, and she is saying, Hey, I had this big group of investors, right? Doctors, lawyers, Facebook, people, whatever, people who work for Google, and we're looking to invest in the Midwest, but we're looking for a realtor to work with. Right, so I still kind of thought like, hey, spam, or what



Steve Trang 12:11

I get is emails, I always think they're spam.



Alex Moses 12:13

Alright, so you know, I'm gonna be honest with you. So she asked, like, Can I interview you? And the only reason why I said yes to the interview is because I thought the lady was pretty attractive. She had a portrait. I'm like, sure, whatever. So I remember exactly where I was. My Oklahoma friends tuning in right now will know; I was driving on 23rd and Portland just driving around. I get this out of state number calling me. And I'm like, man, who is this? But I'm going to pick it up. Because I'm a realtor. I got to pick it up. So I picked it up. And it's her. So she immediately dives into the interview. Right? So she asked me two questions that she asked several other realtors in the metro, and they did not know how to answer it. And she asked me what is cash on cash return? And then she asked me what's cap rate? And I answered it just freely, right. And then she said to me, she paused and said, no one's been able to answer that. And I laughed. I'm like, really? Like, I just learned it

off YouTube. Honestly, like, a couple weeks before. I didn't tell her that. So she told me, she's like, hey, I want to start sending you some deals... or sorry, sorry. She said, I want to start working with you guys. And can you please send me some deals? I'm like, Sure. So instantly, you know, it's kind of ironic cuz I mentioned 23rd and Portland for a reason. Okay. Kid you not, I get an off market deal from a broker -- 23rd and Portland, okay? I get the the P&L, the rent roll, email it to the investor and her; five minutes later it's in contract. I mind blown. I'm like, but I'm about to sell an 18 unit apartment. All because I just updated my bio on Bigger Pockets saying, claiming I work with out of state investors, right? So you know, that sale went through in the fall 2018. But then I have like 30 or 40 families, it's just annoying me, it's getting really stressful. Brian's I like hey, how's that relationship going, you know, Pacific Northwest with that person?

B

Brian Higgins 13:56

I get introduced to her at the exact same time. And in talking with her. And so I got I built a relationship with a very, very minor, just in general. He was the one. This was his deal that he was doing. And I was just helping him. He'd call me and asked questions about different things in the area, different properties coming up. And so I was more I was in a weird way, like, kind of consulting with him just to help. And so she called me one day and she's like, hey, like I you know, I think we're just overwhelming Alex. It's just too much. Too many investors, which is a good problem to have. It's like, I have too many buyers. Right? Like, that's insane. Right? And so anyways, he was getting deals and sending to them what they were doing, they were doing properties, but it was just a lot, a lot of questions. A lot of new investors that require a lot of information, a lot of training, a lot of help along the way, because these people were not

S

Steve Trang 14:37

Not sophisticated.

B

Brian Higgins 14:38

No, and they were not buyers that once we got them acquainted to, you know, kind of accustomed to it, they understood more. They were all very intelligent people. Like all of them were extremely intelligent and but I think a lot of them would fall into the analysis paralysis category, or just they need a lot of information. That's consuming when you're constantly asking questions, and they deal with the same, they deal with the same circumstance and that but that's the nature of what they do as a business right? So he was like, I tried to comment, like, I haven't talked to Alex and like, we're weird. And so I call him was like, Hey, man, you're gonna lose this and this is my retirement plan. My

retirement plan, you need to keep this relationship. So I'll help you. [Yeah.] So my hope you will 50/50 split, I'm going to help you. And so I said, Give me too, at the time I said give me too 60 properties. I was at like, maybe 45. [Yeah.] So give me too 60 properties and I won't buy any more properties. I'll just help you. We'll sell and do really, you know, it'd be a very profitable business and it was. And we that's that's essentially what started the transition to selling to investors.

A

Alex Moses 15:31

Right. So then, January 2019, Brian decided to help me out. At that point, I'd sold like four properties to the West coast. And end of December 2019, 120.

S

Steve Trang 15:42

Wow.

B

Brian Higgins 15:42

Multifamily, sold a 37 unit, storage unit, sold a big storage unit North of the city and... really interesting process. We learned a lot just in general, it expedited so fast. I think a lot of people where you drink through a fire hose. And it's so much information. It's so much to do. I never plan to do 120 rehabs in one year plus the ones we're doing for myself as well. So we probably had 160 homes that year.

S

Steve Trang 16:04

Gotcha. So not only are we selling it to them, you're rehabbing it.

A

Alex Moses 16:08

Right.

B

Brian Higgins 16:08

So that's part of our deal. We would sell it...

S

Steve Trang 16:10

I can see why you were overwhelmed.

A Alex Moses 16:11
Yeah, a little bit. Yeah,

S Steve Trang 16:12
Yeah, I was thinking like 40 transactions, like whatever,

B Brian Higgins 16:15
No big deal. But we weren't doing that at the time. He was just selling him properties and connecting them with contractors. And they had connections with other contractors and property managers they were already working with, and that just wasn't gonna work. So when we started selling them, we said, Hey, we'll sell you the deal. We'll also fix it for you at cost, which is unique. No one does that. I mean, where can you call and get a BRRRR property that someone takes care of everything from you, including putting a tenant in. And you're gonna, you're going to end up, depending on the appraisal, and the appraisal and the rehab -- they're going to, of course, fluctuate your mind an As Is property -- but you're going to end up with anywhere from 10% to 20% equity. We had some people that 30% or 40% equity in unique deals. Where we try to be conservative on our numbers. We would never send out a deal that has 150 ARV if we weren't sure. And we always will be on the low end. So we've had properties we sent out with 140 ARV, and it'd be 185, appraisal, stuff like that. But we would never have suggested 185 ever in a million years, because it was a unique circumstance. So

S Steve Trang 17:07
So what's the difference between what you were doing with the investors on the West Coast versus selling turnkey?

A Alex Moses 17:15
Well, that's what it was.

B Brian Higgins 17:16
That's what it was. So we basically would sell to them at a discount, we would fix it on on their dime, but we were doing it at cost. So they are they're all in around 80%, as what as your typical turnkey buyers is all in at appraised value. So buying it, putting 20% down. In this case, our investors are leaving with almost 20% equity, and... give or take 5%.

S Steve Trang 17:35
And we're gonna cash on cash were they getting?

A Alex Moses 17:36
Anywhere from 35 to 100.

B Brian Higgins 17:39
Yeah, I mean, it's just ridiculous.

S Steve Trang 17:40
Yeah, that's out of control.

B Brian Higgins 17:42
They're getting deals with zero, zero money. I mean, they're BRRRRing out of state deals, and they're not having to ever touch it. They send photos and send checks. And all that that doesn't... we've talked to other people in CG as well, we talked to other people that have tried that model and had issues with it. And we have, we have had issues the same. Our biggest thing is explaining to someone that as a contractor, if we do have a rehab, that's \$14,000 to \$16,000, if it comes in at \$16,100, they're like I thought it was \$16,000? Like was the maximum we're doing this at cost, like \$16,100 was the actual cost? Like we didn't mark it up; there's no way for us to eat \$100 when it that's just what it actually costs. We're not making money on the construction side. And that's so weird. I think people got hung up on the idea that they're expecting us, you know, we're making some kind of profit on the construction. So if there's a budget overage or something like that...

S Steve Trang 18:28
You guys eat.

B Brian Higgins 18:29
we eat it, and we weren't. And we also were doing \$28,000 worth of work for \$16,000. Because we're doing it at the exact same cost we that we've pay. So we're doing it at the absolute best cost possible. So explaining that, kind of going over that, that was one of the things that we learned to be more thorough. Better communications and things we

learned. It was hard, honestly, that first year was tough, because we did so many deals unexpectedly in a short period of time.

- S** Steve Trang 18:51
So how did you guys manage that many properties to, as a contractor? I mean, you didn't have your GC license yet?
- B** Brian Higgins 18:59
No, I do it. I was just doing it.
- A** Alex Moses 19:01
He's a lion. He's Mufasa. It's a running joke back in Oklahoma City that he's Mufasa. But in this story, he doesn't die, and I'm Simba.
- S** Steve Trang 19:12
So I mean, you just figured it out.
- A** Alex Moses 19:14
Yeah. Just like we talked about.
- S** Steve Trang 19:16
And then yeah, that's what I was gonna say that something we talked about, just before this, you know, the consistency or the trait that we typically see, you might elaborate on that.
- B** Brian Higgins 19:25
Yeah, the trait that we generally see, we saw another friend, a mutual friend of ours on Facebook post about this, but a mutual trait that we see amongst people that are successful, but also just doing things at a high level is that they just do it. They'll figure it out. We joke about this too, but they'll figure it out. And they'll dive in they'll go... and that's how I've always been. Once I understand a very basic understanding -- my very first house I bought, I bought three. I bought, put one in contract, immediately put another one in contract, and three days later, put another one in contract. Cuz once I saw that I could

make the numbers work, it was very simple and very straight forward and very clear. I don't get caught up in analysis paralysis, as you do as well. We were talking about that, that's one common trait with these people. A lot of people we see in CG and some of the things, they just do it. And they'll take their lumps. We've all taken our lumps in this business.

S Steve Trang 20:13
We're not perfect. [No.] We're just willing to fail.

B Brian Higgins 20:15
I've been -- exactly, willing to fail and being okay with it, and knowing that I will just pick back up and do the same thing. [Yeah.] Big fail, small fail, it doesn't matter.

S Steve Trang 20:22
You know, I was having a conversation with my wife a few months back. And the problem that we have, is that we just move at different speeds. So like, you know, let's say, we we have a goal that we accomplish together, you know, like a financial goal, athletic goal, whatever. And it's great. We hit our goal, right? But then the next milestone, she's like, you know, we can just improve it 20%. I was like, if we can just 5X this... And so I will never be satisfied, right? And she's like, why can't we just move slower? It's like, but what's the point?

B Brian Higgins 20:54
Why, then that's a common thought for us. Because it minds the same way. Why buy 20 homes when you can buy 100? [Yeah.] If the BRRRR strategy works, and you can make it work, why would you ever not buy it? Why would you ever stop? You could I mean,

S Steve Trang 21:07
Let's max out this credit card right now, let's go!

B Brian Higgins 21:09
A billion dollars in assets if you wanted to, if you know, again, perfect world, we all know there deals, we've had, everybody's had deals to go South. You've had deals you have

more money tied up than you expected. Yeah. Things go wrong. You buy a house; I bought a house and a week after, they turn on the... I did an inspection. It's is one of the very first 18 I bought, MLS deal. They did an inspection, turned on the power, check everything out, everything's fine. I get there and I'm looking. I like to look up in the kitchen. There's a wet spot. I was like that was that there, like a little ring? And I was like, Nay. I left the next day, I came back into this bigger, but it's like, is that bigger? So I took a picture, the next day came back and it was like four feet wide. And the furnace was above it and had an issue with the furnace. It was a lay down unit in the attic and we did the inspection, it was off this whole time. So when they did the inspection they turned it on. But it took about a week for the condensation to build up to leak into. So I had to replace the furnace almost immediately, right? You know, and I didn't budget or plan for that it was fine. And the deal was good. But that's just life. That's real estate. And I didn't freak. I just called around. And I that's I still to this day, use the same heat and air guu. The guy that, he bid me a reasonable cost. I'd be walking around like you got to redo the ducting in here and blah, blah, blah. He's like, let's just put a new furnace up. And so we still use that same guy to this day.

S Steve Trang 22:17
Because he's honest.

B Brian Higgins 22:18
Yes, he was honest and straightforward. And he did. There was no BS about it. But I learned that and I didn't panic when that happened. So people panic. You just like, Hey, I'll figure it out. And it was a great deal. And that always helps. Buying right, of course, is the key to everything right?

S Steve Trang 22:30
For sure.

B Brian Higgins 22:31
As anyone would tell you if you have the right price on your purchase, you are fine for most anything for the most part. So.

S Steve Trang 22:36
So that was 2019. What about 2020?

A

Alex Moses 22:40

So November of 2019, I get a call from Brian. And at this point, again, he has a portfolio of 60 properties. I just bought three that year. And I also made a lot of cash. And I'm kind of freaking out for tax season. But Brian surprises me with an amazing call. And he's like, Hey, man, all these properties you put under contract? I'm like, Yeah? He's like, we're buying them now. I'm like, why? He's like, we're buying them now. We're buying everything. So he was, you know, not fed up. That was a great experience working with, we worked with on the West Coast, made a lot of cash, helped a lot of people, you know,

B

Brian Higgins 23:11

Built generational wealth for people, I mean, legitimate wealth, wealth.

A

Alex Moses 23:14

Right. So he makes that call. And I remember that November, we put 30 deals in contract. We closed on every one.

B

Brian Higgins 23:20

Yeah, closed on almost all of those in that same calendar year between like November 17 to December 31. I was like we're buying it and that's where the OPM comes in. But whereas like we're buying everything, if I'm going to do all this work, I'm gonna work 12 hour days, 14 hour days, my wife is like, you need to like you need to come back, we need to reel this back in like, one part of investors being in different time zones. I come in at five, it's three, or it's 7pm. They're getting off work. And they have a question. So they call and I'm walking around my house at seven talking, playing with my kids talking on the phone and giving them the due service that they deserve as clients, of course. So we're talking and I was like, we got to do something different. So then talking with a friend of mine who's like, hey, like, you should just keep all these deals. So you're doing all this work, you might as well keep building wealth for yourself. [Yeah.] So we did. Yeah. And we bought 100 and more than 100. And we did still sell properties. So we sold properties. COVID was a very unique year for everybody, including us. Lending was an issue. That's where the private money comes in. We used, we started raising private money. We joined CG at that time and learned about other ways to do it. The before all we had raised it, which is one way that a lot of people do is just by telling people I was telling talking about what we were doing, not realizing that people would reach out to me later, like, hey, I want to lend to you. I was just telling them what we were doing had no idea never crossed my mind even ask or think that they would lend. Right. And we were just I was just Hey, we're buying

houses and you know, we use private money and we're paying this and getting this they're getting a great return and we're buying these properties. And that's that started that conversation. But we bought the majority of properties we put in contract in 2020. And we sold I think we still and it's only 25, maybe?

A Alex Moses 24:53
25

B Brian Higgins 24:53
Yes, extra cash.

S Steve Trang 24:55
So when did this BRRRR key thing come into play?

B Brian Higgins 24:58
We really, 2019 we started doing that. And then that's we one of our clients coined that term whenever she called you because you're basically doing turnkeys. But they're verticals like BRRRR keys. And that's how it came up at that time. So we started jokingly calling that at that time, that term, but in 2020, we decided to keep the majority of them. And it became an issue of getting lending during the time because of COVID hit. So that's why we started, we started selling some as well and, and more of that just going through the process with banks, with PPP, and EIDL loans, all those things, banks had a lot of reasons to take their time, appraisers not going in property. So we were holding properties a lot longer than we expected, waiting on banks. Found a lot of new banks. Talked to some really good ones; found the best bank ever that we've ever worked with during this process, which was awesome. [Yeah.] And but COVID was an interesting year. So then we decided to transition back to, hey, at this point, like getting lending, when your portfolio gets in the \$10 million, \$20 million range, like it just it's not that simple to just send some up. Some, sometimes it is, and it depends on the banks. But I was like, I don't want to get in a situation where having to hold properties for X amount of time, right? Unless we have so we do this now as well with private money. And this is one thing like Jay Connor talked about, well, Alex, I know we'll give him a shout out to Jay Connor later. But Jay Connor is awesome. And talk about that I know he does a lot of funding with private money where they're holding his properties indefinitely, not just temporarily. We always thought so... See, it's kind of singular focused. I'm a very, I can definitely find myself getting singular, focused, I just one way works. And I just keep doing it until someone's like, Hey, what about

this, I'm like, Oh, that's a great idea too. So you know, kind of reevaluate at the time. So Jay, during that meeting, I was like, man, we could do that. So now we do that when we raise private money, we changed our terms. We still offer a good interest rate, but we changed our terms on what we were willing to do. That way we can use that money indefinitely. So we have them signed one year agreements. We pay them at whatever payment structure they'd like, whether it was 3 months, 6 months, annually, we give them that choice. And we pay them their interest at the time, but we took away origination fees, points, anything like that to get away from that. So we can hold properties a little longer without getting hammered and use it for multiples. So if we have one, one investor calls their \$100,000, we'll just use another investor's \$100,000 to cover, to cover it. And vice versa.

A

Alex Moses 27:12

It's not that we were just getting hammered too, I would say we just didn't know any better. [Yeah.] We thought you know, I'll just throw the number out there. We were getting charged for 4 and 10. But we were getting 100% of what we're asking.

S

Steve Trang 27:20

Four and 10?

A

Alex Moses 27:21

Yes, I know, Steve.

S

Steve Trang 27:23

Wow.

B

Brian Higgins 27:23

I know. But we had some that were two and 12. We had some that were two and 10. It kind of varied on stuff. But part of that too, if I told you, you could get that, you have all your money out, including your OPM fees, factoring in the deal, and you're going to own the property outright with no with no cash tied up, like it's still worth it to do. Our purchase prices are so low.

- A** Alex Moses 27:42
Different market though, Oklahoma City, right, where a lot of properties are under \$100,000.
- B** Brian Higgins 27:44
Yeah, that's very true. We don't have to do that anymore and that's part of it, too. So now that changed, and it kind of was an eye-opening experience that, you know. We talked to other private money lenders in other states, like out here where purchase prices are higher. They're doing two and 10, two and 12, some are less than that, one, even less.
- S** Steve Trang 28:00
Not in Phoenix.
- B** Brian Higgins 28:01
Interest only?
- S** Steve Trang 28:03
Not in Phoenix.
- B** Brian Higgins 28:03
Any Phoenix private money people? Hit us up in this chat after, leave your email in our uh...
- S** Steve Trang 28:08
Well, but they have to be like, I mean it's a \$995 doc fee.
- B** Brian Higgins 28:13
Yo, yo, okay. Yeah, so we had
- S** Steve Trang 28:14
But no points.

- B** Brian Higgins 28:15
What about appraisals? No?
- S** Steve Trang 28:18
Yeah. So that's, it's not 100%, though.
- B** Brian Higgins 28:21
For sure.
- S** Steve Trang 28:22
Right, it's not 100% financing. But anyway. So you guys are, for 2020, COVID obviously, that was a challenge. [For sure.] How did it impact your guys' business directly as... besides the financing part? I mean, there must have been some other challenges as well?
- A** Alex Moses 28:39
That was the main issue.
- B** Brian Higgins 28:40
We bought a lot of deals in 2020. So they did slow down a little bit from wholesalers, the MLS being so hot.
- A** Alex Moses 28:47
I think it actually even helped. appraisers wouldn't go in. So they would just get a scope of work. Take a picture on the outside, and we get the value that we assumed would be right. So it actually helped.
- B** Brian Higgins 28:57
There were things that helped for sure. We got more deals, we were still buying actively when a lot of people were nervous.
- S** Steve Trang 29:01

They were holding back. [Yeah.] And you were just pressing forward.

B

Brian Higgins 29:03

Yes. And we knew lots of invent, like lots of wholesalers that slowed their marketing or eliminated it completely. So there were less wholesale deals out there. There were still people actively looking and finding deals. So we were getting deals that way. But we also had, being willing to buy and just being willing to figure it out. You know, I mean, ultimately that and hold it with private money. We raised, I mean, I think just during this year alone, we use \$9 million dollars in private money just during that COVID year.

A

Alex Moses 29:32

That's not 4 and 10, by the way.

B

Brian Higgins 29:33

Yeah, Correct. Correct. Was that not 4 and 10.

S

Steve Trang 29:35

So let's talk about that. Because that's something that's always an interesting topic. [Yeah, right.] How did you guys raise \$10 million in funds?

A

Alex Moses 29:42

Yeah, so pretty much you know, we got introduced to collective genius. So shout out Jason Medley, Frank Cobb and Leo Barnes... Leon Barnes.

B

Brian Higgins 29:49

Cory Boatwright.

A

Alex Moses 29:50

Cory, Cory Boatwright. He's the local moment Oklahoma City. He referred us over. So I remember walking into the office one day, Brian's like, Hey, come on. There's about to be a meeting and Jay Connor was on. So, I didn't know who Jay Connor was the time, but he starts to go into his presentation of private money.

S Steve Trang 30:06
That's right when I joined.

A Alex Moses 30:07
Really?

B Brian Higgins 30:07
Oh, yes. Okay.

A Alex Moses 30:08
Back in the spring. [Yeah.] Okay,

B Brian Higgins 30:10
Yeah, he's mid, middle of the year.

A Alex Moses 30:11
So he's pretty much you know, he has this whole, like, presentation has all these flyers. And it's really just asking for it right. So I know we touched a touch a little bit about that, you know, but just ask for it. And then so it pretty much became important to us. After that call. We have to tell everyone, we've been talking to a few people. Let's tell everybody, let's just simply ask. We have credibility. We've done this many deals, right? Let's just ask. And then Austin and Jake Deraff, 23 year olds, they've been on your show before,

S Steve Trang 30:38
Crazy

A Alex Moses 30:38
Killers

B Brian Higgins 30:38

Killing it.

A

Alex Moses 30:40

They they put a flyer on Facebook. And it's like a light bulb like low flyer, Zoom call? Let's do the same thing. Right. So we did the same thing. On that Zoom call, I think we had 12 people, including my mom, who never wanted to invest in our company at all. And we converted four people, which then later on converted two more. So 12 people on the call, and six people want to want to invest at 12% interest. [Yeah.] And we were previously getting charged 4 and 10. So just asking. Simply asking. I think a lot of the times we get afraid to ask because it just seems, how can I ask this guy for \$100,000? Right? Well, if you break it down, and you let them know it's backed by a mortgage, and I'm getting that 50% of the dollar. Hey, if I just so happened to leave the country, you get this house, but I'm in the process of buying foreclosed homes. I don't want to be foreclosed on. Right? So I just explained to people very basic, and you know, sooner or later, you'll get a few yeses. Yeah.

S

Steve Trang 31:35

But 12 people came on the zoom, and you guys raised \$9 million. Yeah, yeah, it's really good numbers is from nine people or from 12 people.

A

Alex Moses 31:43

Right.

B

Brian Higgins 31:43

For sure. But really honestly, part of that too, we turned properties aggressively, because we were buying and refinancing aggressively as well. So that's part of it, too. They made a loan us \$100,000 to buy a house. We refinance it three or four months later, we're buying it again. We already have a closing set up, so we're constantly churning. They didn't necessarily have \$9 million just set aside just for us. And so that's part of it too.

S

Steve Trang 32:07

So you guys made a big transition, right, from 2019 to 2020. Or I guess the end of 2019. What were some of the challenges besides financing, right? Because you got your operations basically. You guys didn't want aid in your operations? What were some of the challenges operationally, you know, within the organization?

B

Brian Higgins 32:25

Really, for us, it got it got easier, almost as weird as it sounds. I, for me, I generally am managing rehabs, managing the finances, managing a lot of the aspects of that business, that for me, when it turned to where it was my money and not another investor's money. I care, I know this sounds terrible to say, but I cared less. I cared more about the investors money. So if there was \$100 wasted, as opposed...

S

Steve Trang 32:49

I think that's normal.

B

Brian Higgins 32:50

Okay, so I cared deeply. And that was very stressful in 2019 because if our guys went to fix something and mess something up, they broke a toilet setting it or something like that, it was because of our process. It was gonna cost them another \$100 for a toilet, which again, is I know, in the grand scheme of things is very minor, but it was very stressful. When it was my money, I was like yeah, they broke a toilet, like we'll survive, it's \$100 bucks. I, because I was a seasoned investor, I was used to it. So that made it easier. COVID adding things, the cost of things changed dramatically. And the cost of our labor and materials, all those things, even currently... 2 x 4s finally came back down to like a reasonable amount. But at one point, a basic two by four said was like \$7, when it went from \$3.23 to \$7.23 overnight, it felt like. And so accounting for those costs, accounting for those changes. Operationally, we were still doing things the same way because he was still looking for deals the same way with the same people. I mean, all that process stayed the same. So as we were coming in, we'd already got, we found all these new banks during that process. So we went through the finance, we went through financials with half a dozen banks, it felt like, and they were slow. Every bank for the most part, it felt like was slow playing the process. Because they were trying to figure, they were waiting to see -- it was an election year, it was COVID. It was what's the Fed going to do? And some of those things. Yeah. And so just had a unique year. And so that delayed us, but for us, we just kept plugging along. One, we've never bailed on a contract, and we never will. So if we put it in contract, we will close even if we were keeping it selling, it doesn't matter. We've, we have borrowed money from friends to close a property, you know. They just, other buddies that knew us and knew, even if it was for a day, an hour or two, you know, 10 days kind of deal. We've done that. And so that helped as far as closing deals. But just in general, the process is the same because we were still rehabbing homes the same way at the same rate, essentially.

S

Steve Trang 34:35

So it was kind of funny, we met right and CG in Tampa, right? And you had made a post and your friends are like, How do you know Steve Trang, right? Which I think is hysterical because I was telling the story to my wife, it's like, their... their friends are impressed that they know me. And I'll tell my wife it's like, these guys made a million dollars and they don't pay taxes. I am more interested. I want to be them. So let's talk about that. How do you... How does someone get to a point where they're making a million tax free?

A

Alex Moses 35:06

Yeah.

B

Brian Higgins 35:07

Buying lots of properties in a short period of time and spending lots of money on rehab. So when they changed, I think it was in the last administration came into office, they changed some rules on accelerated depreciation to be able to take that up front. So when you buy a property that you spend, let's say you put a roof, heat and air, a whole bunch of different things to the property -- paint, carpet. Before you had to depreciate those assets out at different rates, just like you do on a purchase per, you know, a property 27 1/2 years, and that is maybe through... in Oklahoma, the purchase prices are so low that, you know depreciating a house over 27 1/2 years, that's \$100,000, your cost basis is nothing I mean, you're getting a couple \$1,000 a year write off. If you do that, though, 100 times in a year, that adds up real quick to hundreds of 1,000s of dollars. Add the rehab on top of that, being able to take that accelerated depreciation upfront, and to you know, put a roof on it, you don't have to do it over 15 years or adding heat and air. And so we give us the option to do that. We will get to a point... Right now, part of the reason we're able to do is because we bought so many properties so fast and spent so much on rehab during that time. We will do a cost seg when the time comes, like said that's a conversation with our CPA to do that, to really get an additional breakdown. A more detailed breakdown to structure it a little, we just haven't needed to because...

S

Steve Trang 36:21

So going back to what you said earlier. You've already done it once, where you can do a million tax free. [Yeah.] Why not just keep buying hundreds of houses every year and keep.

A

Alex Moses 36:32

So that's the point, people ask us our goals.

B Brian Higgins 36:34
We are, it's exactly right. That, so we still sell properties. It's nice to get easy cash. You know, we don't, we don't pick and choose. If we put a house on contract, it's a house we were gonna buy anyways. So like I said, we had to we had we close on a duplex and two single families this week that we sent out to our investors and no one took it. Numbers didn't work, timing cash was out. Whatever the reason no one took it and we didn't send it to a lot of people. We just sent it to a few that we knew were buying right now. And

A Alex Moses 37:00
Really quick. Let me add with any of our homes we're listing. It's not a daisy chain, these are out of state buyers, friends, family that we work with.

B Brian Higgins 37:08
Yeah, and that's not never our intent. I mean, like so we don't mass mail out stuff. We just have a few people that we... it's almost like preferred clients if it was the best way to describe it. But we, so we... long story short, we still sell to those because the cash is used to take advantage of. It's nice to get an influx of cash during that time for tax season hits, and you got to pay taxes on 160 properties. That's never fun. So it's nice to get that.

S Steve Trang 37:32
{AUDIO DROPPED OUT}

S Steve Trang 37:32
Property taxes.

B Brian Higgins 37:33
Yes. Right. Yeah. End of the year, it's brutal. My wife's like, does it like this every year? I'm like, yeah, it's just wasn't 160 last year, so it didn't quite feel as bad.

S Steve Trang 37:42
So you guys do property taxes once a year? Not twice a year?

- B** Brian Higgins 37:46
You can't, No, you can't have that.
- S** Steve Trang 37:47
Yeah, we do twice a year. That's what I'm just curious. Yeah.
- B** Brian Higgins 37:50
Okay. Ours is end of January, end of March. Are those two big days that...
- S** Steve Trang 37:54
Wow.
- B** Brian Higgins 37:54
I know, it's weird.
- S** Steve Trang 37:55
That's painful. All right.
- S** Steve Trang 37:57
So you guys are acquiring lots of properties. So you know, one of the things again, we talk about, there's a lot of wholesaling here. So sourcing deals is important. [Yeah.] How are you guys sourcing deals?
- B** Brian Higgins 38:07
That's probably one of the biggest things we would talk about specifically as far as... and Alex session early and I'll let him explain it because he that's really his forte thing he's been extremely good at during this process.
- A** Alex Moses 38:18
He touched on one we have a really unique, like community in Oklahoma City. I think it's different than most markets. We all get along, right? So I mean, we're a big, big

community of wholesalers, investors, flippers. We all hang out, it's not hanging out just to hang out, you know. We genuinely like each other, we would consider each other a family. So I mean, pretty much every day I'm hanging out with these guys. I'm evaluating deals with them. I'm the one -- again, I'm single have no kids -- I see their deals first. I'm not gonna speak for every wholesaler in the Oklahoma City market. But I would say 3/4 of the wholesale deals we're receiving them first. And a big reason why is because like Brian said, we've never not closed on a deal. So your reputation is everything in this game. Especially in Oklahoma, you know, we're a southern hospitable state. We talk right? As soon as you mess up, someone knows. So the last thing we want is to put something in contract, not close on it, and now Jason's telling Jeremy right, so hey, Brian and Alex didn't close on that. That's the last thing we want. So even if I put something in contract, I put deals in contract, fairly fast. Pictures, we buy sight unseen...

B Brian Higgins 39:19
All the time.

A Alex Moses 39:19
All the time, I would say 98% of the time, because we're in a hot market right now. Even if I later on run my numbers, and I realized, dang, we're gonna have like \$5,000 tied up in this deal, we'll still close. Always. So all of my friends in Oklahoma City, they know no matter what once we sign, or verbally agree -- verbal's big too -- Once we say, Hey, we want it, we'll never back out. So for anyone who's new in the game, your reputation with real estate is super important. If you mess up once that could really dictate the rest of your real estate career. It'll be really tough to...

B Brian Higgins 39:50
Even if you're going to be in a tight position, try to find a way to make it work. And if you absolutely can't explain your situation, like I can't, you know, I wanted this whatever your intentions are, as long as it's honest. That will also spread to and can save your reputation just by being truthful. And that's one of our biggest things is being truthful. We're both people people, we're people pleasers, we like to have good relationships and keep good relationships. And they're, you know, some of the deals that we get, a lot of the times they're relationships we built or because we have built friendships with these people. I mean, a lot of the wholesalers, their actual friends we meet take... it's not, it wasn't, there was never an intent in a business manner to do it to make a connection with somebody for XYZ. We are helpful to people, they want to run comps, they want to run numbers, they run numbers by us all the time, even on deals we don't buy.

A Alex Moses 40:36
We'll help them make deals.

B Brian Higgins 40:37
You've helped multiple wholesalers that are new in the game, where they'll message him and ask questions. He'll help them and verify their numbers. So they know even on deals we aren't buying. And

A Alex Moses 40:47
That's huge in the game, too. If you're a new wholesaler, and your ARV is wrong, you don't want to build up a reputation from you know, investors who are buying, you know? I get this long story short, I get deals all the time from investors, I'm sorry, from wholesalers not even going to look at it, because they've already built that reputation from the get go. And I know it's not a deal. I won't even open the email.

B Brian Higgins 41:06
And every everybody knows it. Everyone thinks that you build up that reputation of not knowing your numbers not or not being able to justify people will ask how did you come up with that ARV? Do you have comps, in that, you know, crickets from that point. So

A Alex Moses 41:19
Right, just because they're trying to move a deal, they got got a skinny deal that they're trying to move.

B Brian Higgins 41:23
Facebook has been critical for us. And I don't know how it is in Phoenix or some of the other markets. But in Oklahoma, the Facebook, there's some very good wholesale groups on Facebook. Actual wholesalers that are doing good deals and no spam, you know, just very minimal if it is and that was very critical to getting connected with people.

S Steve Trang 41:39
Is it still that good?

A Alex Moses 41:41
In fact, I wouldn't say... I would say there's no spam. [Yeah.] I mean, there's maybe a comment a week of spam, of Malik trying to sell his skip tracing.

B Brian Higgins 41:47
Yes, you know, so skip trace leads and all that stuff. And so it very little, but we built a lot of the connections we have through people. There are people one of our good friends Jack, he has Jack Buys Houses. These signs, he puts all over the South side of the city. He's always done bandit signs. Everybody knows. I've known about Jack Buys Houses forever. And then I finally meet him like five years later, four years later, I'm like oh Hey, he's Jack, you know, he's one of our best friends, you know, but it's just so...

A Alex Moses 42:09
We're the first ones up in the morning. I'm at the point. Now, I'm not there, I'm scared because I'm not gonna get the deal. Right. So

B Brian Higgins 42:15
Yeah, it literally feels like like that.

A Alex Moses 42:17
And you know, a by product, a by product of it as well. We're working out. We're staying fit. We're being healthy. So kind of works out, you know?

S Steve Trang 42:23
Yeah, no, absolutely. So, let's see. So you guys are all comraderie so there's not really a lot of competition, or is there still competition?

B Brian Higgins 42:33
So there are a lot, I mean, there's a lot of wholesalers in Oklahoma City, and people would argue that this competition. We just don't see it that way, right? Just our personal observation of it, it doesn't feel that way. And you do have and we know stories where two wholesalers, three wholesalers go to the same house. And we've heard of stories where you do have circumstances where maybe one wholesaler takes a deal from someone else.

Maybe not in a, not in a good way, you know, not a reputable way, and it will affect them on deals and their connections with everybody else. And we all know about it, right? I mean, just because we're so connected, but there are wholesalers that don't come to work out with us, and let them know we still work with them, you know,

A Alex Moses 43:08
Yeah, for sure.

B Brian Higgins 43:09
And but yeah, it's uh, the market is competitive. There are lots of wholesalers in Oklahoma City. We bought, last year we bought deals from 33 different wholesalers. A lot of them are multiples. And so that and we've had new ones even this year, that are people who never buy deals from. And I looked, we always keep like a list of deals that maybe went bad. Not not, nothing was wrong. But maybe they didn't close because of a probate issue or seller disappeared. You know, the seller stopped talking to the wholesaler. Everybody knows that we keep those. I looked we have nine or 10 of those that have happened like in the last year that were like something happened. And they were all from different people like every single one of them. But there are people we bought other deals from as well. None of them was a one off, it was just kind of a unique one that

S Steve Trang 43:48
Yeah. So you guys aren't doing direct to seller then?

A Alex Moses 43:51
We are.

B Brian Higgins 43:51
We are now.

A Alex Moses 43:53
So CG has inspired us. In fact, we just hired my cousin and then also a good friend. So we have two acquisition guys. And they're actually working right now. Gotcha. Probably watching us too. But they're working right now.

B Brian Higgins 44:02
We we did some last year and some in 2019 as well. But very minimal, just sending out postcards, typical stuff. They landed us deals, which it worked, but it wasn't like a structured part of our business. It is for 2021. So we just signed up with a whole bunch of different providers.

S Steve Trang 44:17
Yep. So walk me through your typical deal. What does it look like?

A Alex Moses 44:23
Got it. New year?

B Brian Higgins 44:24
Well, yeah, just pick one if you want.

A Alex Moses 44:26
Okay, cool. Let's see if we can do a recent one actual example,

B Brian Higgins 44:29
We just bought 68.

A Alex Moses 44:31
Southwest 68? Let's get another one, that one was skinny.

B Brian Higgins 44:38
111th? So we bought it for \$78,500. It's a house, 4/2. We ended up renting it for 12... it was a smaller one, so we had to rent it for \$1,250 I think?

A Alex Moses 44:53
ARV \$135,000.

- S** Steve Trang 44:53
So what are you getting it at? What are you putting into rehab? What do you guys be refying it out at and what are you guys cashflowing?
- A** Alex Moses 45:00
So \$78,500 was the purchase. The ARV is \$135,000. And Brian's gonna go over the rehab real quick. How much did we put in?
- B** Brian Higgins 45:11
We spent \$12,430 on the rehab.
- A** Alex Moses 45:14
So with closing costs were all in like \$92,000. [Yeah.] And then what's 80% of 135? I don't know.
- B** Brian Higgins 45:20
It's like 110.
- A** Alex Moses 45:21
110. Yeah, yeah. So,
- S** Steve Trang 45:23
So then are you guys also pulling out cash then?
- S** Steve Trang 45:25
Yes.
- S** Steve Trang 45:26
On your BRRRRs?

- A Alex Moses 45:26
Yes. Okay.
- S Steve Trang 45:27
Gotcha.
- B Brian Higgins 45:28
And it's tax free money.
- S Steve Trang 45:30
It is tax free money. Now, that's the best part. I wish we could do those in Phoenix.
- S Steve Trang 45:34
Right.
- B Brian Higgins 45:34
That no bankers, or...?
- S Steve Trang 45:36
No, it's just that the math doesn't work.
- B Brian Higgins 45:38
Oh, yeah, duh, of course. Higher purchase price. Head to Oklahoma.
- S Steve Trang 45:43
Yeah. I mean, there's there there is an element of what's what's the word I'm looking for...?
Is it to jealousy? I mean, I hear like these people, you know, they're buying stuff like the
\$20,000 in Mississippi, and renting out for \$800
- B Brian Higgins 45:56

They rented all of them. Right, right. They can't say they bought a portfolio like 400 homes, see something like that. Something crazy. I was gonna look at the cash flow on that particular deal. I was just curious.

A Alex Moses 46:06
What's our average cash flow?

B Brian Higgins 46:07
Our average cash flow is just under \$500 a door.

S Steve Trang 46:09
Yeah. So that works. That works really well.

B Brian Higgins 46:12
Yeah. Yeah. Those numbers.

S Steve Trang 46:14
So that what, what is your... taking construction aside. What is for your operations, your monthly overhead?

B Brian Higgins 46:24
Well, we just added these two people as their base plus commission. Our office rent is like \$330 a month,

S Steve Trang 46:31
Get out of here with your \$300 a month.

B Brian Higgins 46:32
I know, it's, it's brutal. It's about the size. For what it's worth, it's small, we have a lot of people, we don't have a ton of... To be honest, it's different now with marketing, of course. We started bumping up, we signed up for Real Flow and Roar Texting, and we just were

paying a guy to build out Podio for us. And we used Podio before, but very basic things. So those costs are obviously all increasing dramatically for 2021. For 2020, we had hardly any overhead costs. We have a transaction partner who's actually... we made her a partner. She's awesome. Her name's Angela. She's incredible. And she just she takes care of everything on the back end. Just in general, between myself and her back and forth, we talk and pretty much handled the majority of the operation stuff. So it's mostly just her expense. And just basic, you know, anything like buying computers and printer paper, and just basic stuff, to be honest, we try to get away from that. So we don't have a ton of expense.

S Steve Trang 47:24
So is Cory one of the guys sending you guys deals? Boatright?

B Brian Higgins 47:27
Yeah, we actually, have we ever done a deal with Cory?

A Alex Moses 47:29
We haven't.

B Brian Higgins 47:30
I don't think we have. But ya know, we I mean, we obviously see his deals. No, we have through Speedy.

A Alex Moses 47:34
Yeah, that's true.

B Brian Higgins 47:35
So he partners with some guys there. And so we've bought multiple deals with them. Whether they came from him or not, like, probably some of them did. So just in general.

A Alex Moses 47:43
Well Speedy, we've done five or 10.

- B** Brian Higgins 47:43
Yeah. So some some of them came from.
- S** Steve Trang 47:45
So my question is this: if someone's in Oklahoma City, right, you guys make it sound easy. Maybe you guys make just make it seem really easy. What's to stop someone from doing the same thing you're doing, if you're not having to source the deals?
- B** Brian Higgins 47:59
See, they're doing it. We know people that are doing it. They're the same deal at a high level. Jimmy Ogle is one of ours. He's good friend of ours and Amin, John, yeah Eric.
- S** Steve Trang 48:09
So there are other people doing
- A** Alex Moses 48:10
Oh, buy and hold investors, yes.
- B** Brian Higgins 48:12
All day. They do the same exact thing we do and there's plenty of houses to go around. Yeah, they're buying multiple houses. Jimmy probably bought 50 homes last year. He's also a wholesaler, he wholesales. Yeah. John Nolan, same way. And there are a lot of people doing that.
- S** Steve Trang 48:25
So there's nothing stopping anyone from doing the same thing?
- B** Brian Higgins 48:27
Not at all.
- S** Steve Trang 48:28

Got it.

B Brian Higgins 48:28
Not at all.

S Steve Trang 48:29
So you're saying I should just move to Oklahoma City.

B Brian Higgins 48:31
You'd have to leave it here though. It's beautiful here. You're my wife wants to move here. I'm dead serious. My wife was like, No, no, we're gonna move here, like that. We need to buy a house, like start looking. She's already looking at real estate.

S Steve Trang 48:41
That's awesome. Well ,if she needs a good agent.

B Brian Higgins 48:43
Guys, we all know where to send her.

S Steve Trang 48:44
We got a lot agents here.

B Brian Higgins 48:46
Close here too.

S Steve Trang 48:47
So one question that, I don't know if it affects you guys, but you guys get demotivated? And so what do you guys do to jump back on the horse? Is that something that a lot of newer entrepreneurs run into?

A

Alex Moses 49:00

Yeah, I mean, I, I can't really tell you why. But I'll go... I think it's because like, you know, almost everything is out there. So there's a lot. I do all the marketing on Facebook, Instagram. It kind of gets overwhelming at times, because we have you know... and him as well. But I have so many people hitting me up. I get to a point it's just so hard to keep up and I'm a people pleaser. I want to get to everyone. So there are seasons where I'm just like, maybe for one or two weeks, I'm just like, what am I doing? I can't do this anymore. But again, Mufasa

B

Brian Higgins 49:27

I don't feel that way. I just never felt that way.

A

Alex Moses 49:30

But in a sense, I mean, like with without him, like he is my motivation, right? Like just to get more deals, to get up in the morning. You know, there was a time last fall where I stopped going to the gym. He never stopped, right? So if it wasn't for him, I would probably... there'd be seasons that the demotivation would last longer. So really having an alpha like Brian helped me out, motivating me, it helps a lot.

B

Brian Higgins 49:50

Yeah, but no, I i've never I've never felt that, but I know how to be easy to get in that. You know, a lot of people, one negative thing, some bad thing happens and it's easy to just kind of be like oh my gosh, this is terrible. I think that's also a personality thing. So finding people to be around you. That goes back to going to the gym. Going to the gym is great for me, but it's exponentially better, I think, for you as far as the structure that it provides in your life.

S

Steve Trang 50:11

He needs it more, for sure.

B

Brian Higgins 50:12

Yeah. Oh, for sure I need it more, but he needs it more for here, I need it for this. He needs it for this. But it's the same concept there that getting in that circumstance where you have that accountability, you have that show up that drive, you show up and you don't it's

like going to the gym, when you get up and run you feel better when you're done running. But you did not when you got out of bed. A heater hits you. Yeah, this is all right. But like it's still just not, it's not great. But when you get there and get on it, even if you don't feel... I don't finish working out at the gym, and I'm like I feel accomplished now. Like it's not like that. But I feel better. I don't feel tired. I feel at you. I imagine we're talking to people you're engaged with people talking, our gym has a little Nutrition Center, right, like right with it, where they sell shakes, and teas and stuff like that. So a lot of times I'll sit and talk. Yeah. And so you kind of stay connected mentally as well as the physical side. And, but the structure really matters. So if someone is demotivated, and tell them to find them, find an accountability partner, like your running buddy. You know, your accountability partner, you get that that matters a lot to people. And it can keep someone even someone who is highly motivated and has the internal drive, they can still... I look forward to going to the gym to seeing the people there. And I don't know if they need it, but I look forward to going there to be around those people. So it's the same concept for me. So I'd find an accountability partner, someone who is interested in what they're doing. That would help too if they're in real estate, that'd be huge. They don't have to go to a gym but just finding somewhere to go. And that's where like a REIA could be. Is that really common around here? Local meetups?

B

Brian Higgins 50:50

REIAs, yeah. I mean, they were a lot more common before co COVID.

B

Brian Higgins 51:39

Yeah, for sure.

S

Steve Trang 51:40

I shut mine down.

B

Brian Higgins 51:41

Getting connected. And getting connected with just other people that are doing stuff. It's motivating. When you're around people that are doing things, yeah, get connected to a buyer, even if it's not, not to bug them. But just to stay connected to someone who's actively doing everybody knows multiple people in town that are just buying it, it feels like they're buying everything we have here. Like Omega, we have a guy in town that buys tons of stuff, and we know multiples, Jimmy. And they know... you know, get on Facebook, you'll see it. You know, you'll see, you'll get ads for that, you'll get sorts of stuff. You'll find

them and follow them, you know. And it'll motivate you, and they're closing on number 56. Dang, they bought 56 properties this year, you know, it'll motivate you to do it. And it's it doesn't have to be competition. It just can be a driving motivation.

A

Alex Moses 52:18

Also, like just in general, besides Brian, cuz he's not human. But the motivation for anything in life can go away just as fast as it came up. So having a circle of friends, whenever you're not feeling so motivated to get in your face and be like, Hey, where are you? So example Jack's missed the gym the last three days. And this is real. So Jackowon, I know you're watching, get to the gym. I mean, it's that accountability, right? And people are getting your face. Hey, why aren't you there? Right. So,

B

Brian Higgins 52:42

And it's not to, it's no judgement, it's just to motivation, like, Hey, man, it motivates me to see you there. And I look forward to it, I look forward to that. So the friends circle... Anybody who's doing it, that'd be the biggest thing. That doesn't seem like something that would be really hard to find, I feel like you could find that pretty easy, right?

S

Steve Trang 52:58

Well, if... how do I put it? If you're the kind of person that they want to hang out with.

B

Brian Higgins 53:04

Correct.

S

Steve Trang 53:06

Yes, boy. All right. So Bryce is laughing at the at the comment about Jackowon. So Toby Ima. Hopefully, I'm saying their name correctly. How can they send you guys deals?

A

Alex Moses 53:20

Toby? Is he local in Oklahoma City?

S

Steve Trang 53:22

I would assume so.

A Alex Moses 53:23
Yeah. AlexMoses.realtor@gmail.com. I'm not gonna put my number out there right now.

B Brian Higgins 53:28
Beotch. Do it.

A Alex Moses 53:33
Hit me on Facebook right now. I mean, as soon as I get done with this, I'm gonna check my Facebook Messenger.

B Brian Higgins 53:37
Add us on Facebook Messenger, text message, email, mine's blhproperties.llc@gmail.com. And send deals, we'd love to look at them.

A Alex Moses 53:46
Instagram, AlexMoses_realestate, I think.

B Brian Higgins 53:51
My Instagram has nothing on it. It exists. But there's that literally nothing.

S Steve Trang 53:55
So there's a comment earlier. So hopefully, they're still here. It's, how do you guys deal with a six month hold back requirement for a cash out refi?

A Alex Moses 54:03
We don't.

B Brian Higgins 54:04
We don't. So a lot of banks, call a different bank. There are plenty of banks out there. This

you know, commercial banks, we're doing commercial loans. None of our loans are in our personal holdings. There is a way to do that if you're going to buy on a conventional you can do a short term loan like a hard money loan. So we've done this before where we do... I'll give you two scenarios that would make it makes sense on the conventional side/ Because the commercial side, if they want a six month holding seasoning, call a different bank. There plenty of banks out there that will do it without or three months or shorter. And if they tell you six months, ask them for an exception. Okay, is there an exception to this? Half the time they'll do it. On the conventional side, one of the ways we did this because a lot of our buyers in 2019 did conventional loans. So in order to work around the six month seasoning period for a cash out refi of 80%. We would actually do a hard money loan if they need if they're all in cost was \$100,000. And that's what they needed their loan to be. We would have a hard money lender or a private money lender or their parents loan them money -- brother, sister, aunt, uncle, doesn't matter, whoever would do the loan -- we'd have them quote, loan them \$100,000 and write a mortgage for \$100,000. Then they could bypass the seasoning by doing a rate and term refi of \$100,000. So we would just structure it the right way on the front end so they could do a rate in term without having to wait.

S Steve Trang 55:16
That's awesome.

B Brian Higgins 55:17
Yeah.

S Steve Trang 55:17
What is your biggest struggle right now?

B Brian Higgins 55:21
More deals?

A Alex Moses 55:23
No, I just. Yeah, I don't want to make it seem like we don't struggle.

A Alex Moses 55:27
Yeah, everybody struggles.

A Alex Moses 55:28
Lately it's been amazing. Yeah. Biggest struggle...

B Brian Higgins 55:35
I would, I would say just in general, it's always time management, good when it's good and when it's bad. Time management is always a struggle. When it's good, you feel like you have lots of time, you feel like you're kind of on it. But there's always things you could be doing that's more efficient with your time. You can always be more effective. I use an example of a salesman, working, the best salesman you've ever met in your life could work two hours of work a week, or let's say 10 hours a week, let's say they work 10 hours a week, and they get 40 hours worth of work done or 40 hours worth of production, if you will. My thought process as a business owner, it's always been like this for me of, okay, you're working 10 hours, I want you to work 40 hours and get 200 hours worth of production out? Not... But that's not how, that's not the real world. I know exactly. Shaking your head because it's true. But that's my thought process. There could always be more if you you know, without pushing the limits without working. You know, again, some people are willing to work 50 hours a week, 60 hours a week, but even still, like working a minimum of 40 hours like you could get, if you could, if you're ultra productive, you should just be incredibly like the, you know, incredibly productive if you just put in that amount of hours.

S Steve Trang 56:34
Yeah, I think you find that unicorn, let me know.

B Brian Higgins 56:37
Correct. It doesn't exist. I know, I know.

S Steve Trang 56:41
And then what is your superpower? I'll start with Alex.

A Alex Moses 56:44

I don't know, this is a superpower. But I would think I think most of my friends can attest to this, like, when I first met them, you know, the ability for them to trust me. The first impression, right? So just being myself and, you know, like, right now I'm a little nervous, right, but just in general, you know, just talking to somebody, I always believe that they trust me right after that. I have not, not being myself, not BSing them. Just having the ability to have one encounter, and they trust me.

S Steve Trang 57:10
So instant trust.

A Alex Moses 57:11
Instant trust, for sure.

B Brian Higgins 57:12
I would say it's mine too, building rapport. Just immediately. I did... I had an insurance agency for those years before. And it was so easy for me because when I walk into -- not easy, nothing is easy -- but I mean, it was just I can, I... people don't put up their guard right away. You know, just I guess I'm not an alarming person. Like, oh, we're gonna be careful this guy, you know? Like, we're very straightforward. very honest. And very... I'm think the best way to say it, but just

S Steve Trang 57:39
Disarming.

B Brian Higgins 57:40
No, I just mean, like, disarming, we're disarming people. And so just and we're friendly, like, I will be polite to anyone I would if I don't agree with you on something, I'm not, you would never know it. You know, I'm gonna be polite and talk and act like you know, treat you like a human. Treat you like you should be treated. And that's part of, we've always been able to build rapport. We both have that, building, kind of that building rapport thing. I liked to... I can handle a lot. I will say like, just in general, I don't get stressed very easily. That's one of these If I had to describe that would probably be mine is just not... being able to handle a lot without being completely overwhelmed.

- S** Steve Trang 58:12
And what is the single greatest lesson you've learned?
- A** Alex Moses 58:19
Never leave Brian. In real estate or just in life?
- S** Steve Trang 58:24
in general? Yeah.
- A** Alex Moses 58:27
Greatest lesson I've learned, that's a good one. I don't want to get a cliché answer for that.
- B** Brian Higgins 58:31
I know.
- A** Alex Moses 58:33
You can go first.
- B** Brian Higgins 58:34
I would just... Can we edit this?
- S** Steve Trang 58:41
Now we could go on to something else.
- S** Steve Trang 58:42
No, no, I'm totally joking, totally joking. Just be truthful. Just in general, so many people, like get stuck in a position where they don't know what to do. They don't say or they don't want to let someone down and not being able to just tell them, you know, tell them hey, it's this or this. Tell them the scenario. Be real with them and tell them. Apologize if it's a bad thing, apologize. And just to be truthful, with them, that's... I don't know that I had to

learn that I've learned that lesson in my whole life, but just in real estate that's so applicable to what we do now.

- S** Steve Trang 59:06
Well, that's one of the most aggravating things. Is uh, someone screwed up, and now they're silent. And then when you finally get hold of them, they're like oh, my mom was in the hospital. Again? Like come on.
- B** Brian Higgins 59:15
Yeah. You know, it's not true. You just Just tell me it's okay. Life happens. You know, we're real people. Everybody understands; we're understanding people and most people are if you're explain it to them,
- S** Steve Trang 59:25
Brent Murdock is telling me to stay out of Mississippi. Is there a book you've gifted more than any other?
- A** Alex Moses 59:35
The Bible.
- B** Brian Higgins 59:36
Yeah,
- S** Steve Trang 59:36
The Bible? Both you guys?
- B** Brian Higgins 59:37
Yeah, I'm not a reader. So, it's terrible, it's embarrassing to say.
- A** Alex Moses 59:43
My story in itself is a story of redemption. I didn't really touch on like my childhood, but

you know, if you look at the front of the back in the Bible, it's all about redemption. So, I'd say the Bible.

S Steve Trang 59:51
Cool. And then Alex Mogia: What are your goals for 2021?

A Alex Moses 59:58
1,000 houses, Alex.

B Brian Higgins 1:00:00
Buy more deals from you. He's a good wholesale, he's a great wholesale, like one of the best in the city.

S Steve Trang 1:00:05
Buy 1,000 or get to 1,000?

B Brian Higgins 1:00:08
Both?

A Alex Moses 1:00:08
We'll do a... I want to do 150 sales and, and houses. So whether that's 100 bought and 50 sales or you know, vice versa.

B Brian Higgins 1:00:19
Our annual meeting that was kind of our goal for this year if we do work that it's fantastic I think we'll get to that at least.

A Alex Moses 1:00:25
I think so.

S Steve Trang 1:00:26
And then Abby Gile wants to know what's for marketing you guys are using to get your leads. I know we talked about you guys having wholesalers send you guys deals, is there a form of marketing you guys use to get your leads.

A Alex Moses 1:00:35
Doing it now since we've hired the acquisitions, guys. We're gonna be doing SMS blast and cold calling.

B Brian Higgins 1:00:39
Yeah, SMS, we're using Roar for the SNSI. We'll do RVMs with a different company. And we sign up for Real Flow is just a for leads, they've do an AI lead gen for a CG member. And then that's part two, we hired two acquisition managers to basically call, text, all that stuff to do.

B Brian Higgins 1:00:44
And we just started this week.

B Brian Higgins 1:00:54
We'll do, we'll do postcards. It's interesting. We've gotten different feedback from different wholesalers, we talked to right now about SMS specifically. And the concern that that's going to go away in six months or whenever.

S Steve Trang 1:01:06
Oh for sure going away.

B Brian Higgins 1:01:07
Yeah, and so when that happens, they're already starting to preemptively plan for what they can do. Oh, sorry, which is kind of going back to mailers. And so we talked to multiple people that said, same thing. So we're gonna still do mailers, we're gonna pick up pretty heavy but then, in talking with people, it seems to be do SMS until it's gone.

S Steve Trang 1:01:25
Everyone's different.

A Alex Moses 1:01:26
Yeah,

S Steve Trang 1:01:26
We already abandoned text messaging.

A Alex Moses 1:01:28
A key marketing point that we're having our guys back at the office, like put on a card or text messages. H"ey, we own 160 rental properties. look us up. We want yours to be 161. "So we think it's gonna work. It's actually ,Joe's actually got like three deals this week. So yeah, just started.

S Steve Trang 1:01:44
That's tough.

B Brian Higgins 1:01:45
Yeah. Different.

S Steve Trang 1:01:47
Yeah. We're anonymous on our text messages. Because we don't want to get sued for DCMA or TCPA.

B Brian Higgins 1:01:53
Yeah, that's why we chose Roar specifically because it didn't... Well, supposed to protect you.

S Steve Trang 1:02:00
Yeah, I don't believe they have...

B Brian Higgins 1:02:01
We'll see how that goes.

S Steve Trang 1:02:02
I don't believe anybody is protecting you.

A Alex Moses 1:02:03
That's what Macee told us by the way. Yeah.

S Steve Trang 1:02:06
All right. Cool. So let me make a couple of announcements. And I want you guys to think about your last thoughts that you guys want to share. So guys, please, if you guys liked this, Please like, Subscribe, share comment, it helps us in the algorithms. And if you guys haven't had a chance to check out our book on Amazon, Active Listening 2.0. We have Terry Thayer coming next week, he's gonna be talking about how he's making six figures a year working five hours a week. So that sounds pretty fun as well. So for you guys at you guys. I'll start with Brian. last thoughts.

B Brian Higgins 1:02:40
Last thoughts, buy real estate, it's life changing for people. And I know, you know, this, and the people that listen to the show know this, but it's extremely life changing to build generational wealth with income. There's so many different perks to real estate, from the tax side, to income side, to I mean, all those different facets of your income and wealth. And you can really build generational wealth. And you don't have to do it extremely fast. You don't have to buy 160 homes in a couple years. And you don't have to do those things in order to really reap those benefits. It literally is a life changing thing. And if you don't know someone, call us, message us we'll answer questions, help with people. And it doesn't matter if you're in our market or not. We can tell you... we can answer your most basic questions. Real estate is the same no matter where it's at just in general, the numbers just might have a different zero, you know, an extra zero or two on it. Same concept. Grant Cardone does the same thing we do, there's just more zeros, you know. And so it's the same concept, different area. And so I would say find a mentor, find someone you can ask questions on. You have so much content on your website, on Facebook, everything, there's so much content in, and this podcast that there's no reason for someone to not jump into real estate and have a pretty good understanding. But just

to do it, dive in, you know, and ask questions, if you're not sure people are willing to we're out... there are a lot of people, including us, that are willing to help answer questions. And so I would say just buy real estate, it's, it's worth it on so many different levels.

S

Steve Trang 1:04:02

Great emphasis and reminder. Even though we know it, it's a great reminder.

A

Alex Moses 1:04:07

I would say a find a mentor. So if you're new to the game, whether you're a wholesaler, or you want to invest in real estate, work for free, you know what I mean? Be a person of value, so you can be valued by them as well. So working for free is big time. In fact, if I, if I were to see that today, and my message is I want to give advice to that person, I want that person coming to the gym with me, I want that person being around me, right? So be a person of value, find a mentor and get started.

S

Steve Trang 1:04:28

And again one last time. How can someone reach you?

A

Alex Moses 1:04:31

Facebook, Alex Moses, email, AlexMoses.realtor@gmail.com, and then Instagram. You can just type in Alex Moses and I should come up so.

B

Brian Higgins 1:04:40

Mine's Brian Higgins on Facebook. And it's blhpropertiesllc@gmail.com.

A

Alex Moses 1:04:45

Last thing, we're always looking for private money. So check me out.

B

Brian Higgins 1:04:48

Always.

B Brian Higgins 1:04:49
We pay well, we pay well, just to say that. We're totally fine with that. Because the numbers make sense. Right.

S Steve Trang 1:04:54
Awesome. Cool. All right. Thank you guys for watching.

A Alex Moses 1:04:57
Thank you.

B Brian Higgins 1:04:57
Thank you.

S Steve Trang 1:04:58
Awesome. Appreciate it.

B Brian Higgins 1:04:59
Thanks Steve.

S Steve Trang 1:05:00
It was a lot of fun.

A Alex Moses 1:05:01
Yeah, it was.

B Brian Higgins 1:05:01