

Passive_Turnkey Investment _How nice to invest in some real...

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SPEAKERS

Steve Trang, Marck de Lautour

- S** Steve Trang 00:00
Has organization is up and running in six states of over 1500 homes and is going to do 300 plus transactions this year alone. If this is your first time tuning in, I am Steve Trang, sales trainer for some of the top wholesalers in the country, and I'm on a mission to create 100 millionaires. One question I get all the time is how do I become one of the 100 millionaires. And the information on this podcast alone is enough to help you become one in the next five to seven years. If you'll take consistent action, you will become one. When you hear a nugget, please type it into the comment section. And after after the show, identify your single biggest takeaway and focus on just that in the next seven days. If you get value today, please tag a friend below share this episode right now, that way we can all grow together. And this is a live show. So please ask your questions for Marck to answer. Ready?
- M** Marck de Lautour 00:48
Ready mate.
- S** Steve Trang 00:48
Alright, awesome. So first, thank you for coming out here because I understand there was some juice getting out here.

M Marck de Lautour 00:54
Southwest Airlines is having some challenges. So I had to jump on one of their competitors. But yeah, managed to hobnob it through Denver and get down here.

S Steve Trang 01:01
You made it. So I appreciate that.

M Marck de Lautour 01:03
You bet.

S Steve Trang 01:03
Hell or high water. So first question is what got you into real estate?

M Marck de Lautour 01:09
I been into real estate after reading Rich Dad, Poor Dad. And I know that's so cliché. Because it seems like everyone answers that question. But at a young age, my father introduced me to the stock market, but it just didn't. It didn't resonate with me, it felt like gambling. I felt like I had no control. It felt like, you know it was something that, you know it's just kind of out there and I couldn't touch it, I couldn't feel it. I didn't understand it. And so I guess from an early age, I knew that that wasn't going to be the way that I would build wealth. So real estate spoke to me. I understood from an early age that it would be something that I would invest in. I just didn't realize it would become a vocation at the same time.

S Steve Trang 01:53
When did you read Rich Dad, Poor Dad?

M Marck de Lautour 01:55
In 1999.

S Steve Trang 01:57
Okay, so this is before you came here?

M Marck de Lautour 02:00
Yeah, it was actually right. I think I was getting not no, it was while I was in university.

S Steve Trang 02:05
Okay

M Marck de Lautour 02:05
And I was on a summer break back home. Winter time in New Zealand, of course. And my uncle and I were talking about it and just sitting sitting up on a couch and just pored through it in about a day, you know you just couldn't get enough of it.

S Steve Trang 02:18
Let's take a step back then. Not born here, so how did you come here?

M Marck de Lautour 02:25
I actually was recruited to come play for University of Missouri and played on their tennis team. So I was an athlete through college, came over on athletic scholarship, stayed on and got my MBA, fell in love got married and stuck around.

S Steve Trang 02:39
Gotcha. So athletic background scholarship, so maybe possibly a little competitive?

M Marck de Lautour 02:47
You want to jump straight to my superpower Steve? Yeah, hyper competitive. I mean, I have a, I guess a story tale upbringing. You know, my parents still married. Very tight knit family. I'm number two of four siblings. And as a classic middle child, hyper competitive and always trying to keep up with my older brother. Live up to him and his standards. And my younger sister is a, you know world class athlete and in her own right. And, yeah, we just always been a sporty family. And, and so hyper competitive in athletics. Also, obviously transferred into business.

S Steve Trang 03:24

Right. You came here on scholarship. I remember you share it, there was a story that your dad said to you before, before he came here?

M Marck de Lautour 03:33

Yeah. So, you know it was one thing to, you know have the excitement of I'm going to go to America, right. I'm born and raised in New Zealand. And I think at the age of 18, I'd already committed to University of Missouri, and you know, the egos kind of like, yeah, I'm going to America, you know, telling all your friends and family. But there was one time around the dinner table that I remember, I kind of, it was I think only about two weeks out, and suddenly reality kicks in. And I was thinking to myself at the time, well, you know, if it doesn't work out, I can just always come back. And I remember my father saying, no, you've made a commitment. And you will live into that commitment. And you will spend four years in America at getting a degree and then you will come home. And it wasn't so much it was a kind of the harsh reality of it so much as it was tough love. And you know, I've talked to him since and it was clearly just a, I knew that that's what you needed to hear at the time. Because, you know, there are times in life where if you if I had to come over here and just had a terrible experience, my first week, and for clarity, I'd never even been to Kansas City. I accepted a scholarship without even going to the city.

S Steve Trang 04:39

There's no travel.

M Marck de Lautour 04:40

There's no, there was no tour. I mean, I've been to America with my family and done the Disney thing in California. I'd never gone to Kansas City. So if I came over, had one bad week and said, oh my gosh, I'm packing my bags, I want to come home. It would have spoiled my adventure and spoiled my opportunity. And I think he understood that and wisely said hey, just make the commitment. And I think it was I needed to commit to the process.

S Steve Trang 05:02

Have you ever read the book Grit?

M Marck de Lautour 05:04

No.

- S** Steve Trang 05:04
So there was a story of Steve Young, right? Because he was playing for BYU. He's having a miserable time, right? Because he was like, I think that third string quarterback, and he basically he called his dad like, hey, this football thing's not for me. I want to come home and his dad basically said, yeah you can do everything you want but you're not coming home.
- M** Marck de Lautour 05:23
Like that sometimes, you know, part of parenting and obviously now as a parent of a 15 and a 13 year old. You don't you don't get to say the sexy thing that the friendly thing all the time. Sometimes the tough love is what they need to hear.
- S** Steve Trang 05:35
Yeah. Alright, so you're back home talking to your uncle about Rich Dad, Poor Dad. But you didn't invest in New Zealand.
- M** Marck de Lautour 05:44
No.
- S** Steve Trang 05:45
Invest in here. You at least wait to graduated college before you start investing?
- M** Marck de Lautour 05:49
Yeah, absolutely. Yeah, I know was just it was a passion. It was kind of fueling the desire. I decided to read more books about real estate. And then I stayed on and got my MBA, which was great. And came out of there on, during while I was getting my MBA. Worked with my father, my future father in law, in a small advertising venture to do with the airline industry. September 11, killed that business. And during that time period, I'd successfully bought and sold one house made decent money that allowed me to like, okay, maybe this is not just a, a, if and maybe maybe it's a reality, and let's go see what happens.
- S** Steve Trang 06:25
Well, you're very fortunate to have that. Can this be real, actually become real before

everything kind of started falling apart. So then you just jumped, right? And you just went all-in, shoved all your chips in the middle.

M

Marck de Lautour 06:37

I paid \$5,000 on a credit card at the time to go down and get trained up on buying houses. But on the foreclosure process, buying houses on the courthouse steps, how do you do it? There's a guy down in Springfield, Missouri, Larry Holder, I don't think he's around anymore. But he was teaching people how to buy on the courthouse steps and a little bit about real estate and leasing and all that kind of thing. So, I paid five grand went down there, and invested in myself, make sure I do it the right way came back to Kansas City, I went to the courthouse steps, and I realized there's no one here. Like it was just me and a couple of other guys.

S

Steve Trang 07:08

Yeah.

M

Marck de Lautour 07:09

And once I learned, you know, the art of buying distressed assets, undervalued assets, it was hard to go wrong. And quite honestly, Steve, it was. Yeah, it was it was the glory days, right. I mean, now there's, you know, 50 people on the courthouse steps, and even the hedge funds are buying on the steps. But back then it was a it was a goldmine, it was fun.

S

Steve Trang 07:26

Did you have to run into a Good Old Boys Network at that time?

M

Marck de Lautour 07:30

No, not so much. I mean, there was an initial breakthrough. But once you you know, prove that you had the capital to buy and you proved that you, you know, had the staying power, and you were going to be there and you weren't just a hey, I'm going to you know, see what happens and then leave. Once they knew I was there to stay. Yeah, there was a good group of us. And that was, I mean goodness, 17 years I've been on the steps. So it's only been the last three that I've that I've shied away from that.

- S** Steve Trang 07:54
How long did it take to break into it? Because you mentioned at the show it but because you know, that's the nightmare stories is always the the Good Old Boys Network was like, you know, if you want to bid and they're just gonna both outbid you. Right? So that you couldn't do it. So you couldn't buy, so that you'd be, so discouraged you're never come back again.
- M** Marck de Lautour 08:14
Unfortunately, when you do that against someone who's super competitive, say all that does is you know, build my resolve. Yeah, it was, you know, with those it was back in the day it was you had to physically go to the auctions, you had to drive by the house ahead of time. So sometimes, the opening bid for auction would not come in till just a couple hours before. So I might be up late at night to one or two o'clock in the morning researching all the things, finally find it, the opening bid came in of \$20,000 on \$150,000 house, I'm like man, I gotta run out and check out that that house. And so I would drive, get up early drive to the house early, and be at the end of auctions at 9am. So you drive out there, check it out, do the due diligence, and it's just, I was first to market and hustled my way into into that arena.
- S** Steve Trang 08:59
That's awesome. And then roughly when was this?
- M** Marck de Lautour 09:01
This is around 2002 and three and four.
- S** Steve Trang 09:04
Okay, so.
- M** Marck de Lautour 09:05
2002 was my first courthouse steps acquisition.
- S** Steve Trang 09:08
And that was the, you started buying directly from the auction.

M Marck de Lautour 09:10
What the first deal, I did, it was like actually referral. I just kind of said, yeah, I'm getting real estate. This guy kind of gifted me, like it was a new home builder. That gift, kind of gifted me a house. That was like, hey I've got a trade in, do you want to take a look at it and it was distressed. And I'm like, sure and. I'm in there painting it and fixing up, you know the first time you do. That was my first one but after that it was, yeah all courthouse steps after that. I just saw this massive chasm of an opportunity and opening and I just went and jumped in.

S Steve Trang 09:35
Alright, so then did you at this point you're a solopreneur, young, you just did everything. You start building out a team because you know, we've talked about entrepreneurship, and talent, everything like. What was young Marck's experience, inexperience naive Marck, like how was that experience?

M Marck de Lautour 09:53
Yeah no, I was smart enough to know that I was never going to be the guy swinging a hammer and nail. Call it too proud or just not or too dumb because I didn't know all about houses. I've never owned a house before. But no, I was I saw my ability to go find the deal, source the deals, and then sell the deals on the backend as my main staying power. And then the rehabbers, I let them do their thing. So all about collaboration and in finding the right partner on the rehab side was right from the get-go.

S Steve Trang 10:25
And then how in your best year buying at the auctions desk, what was your best year?

M Marck de Lautour 10:32
Just volume wise. I bought 134 on the courthouse steps.

S Steve Trang 10:36
In one year?

M Marck de Lautour 10:36

Yep.

S Steve Trang 10:37

All right though. And then when did you change that model or when did you adjust that model?

M Marck de Lautour 10:42

Yeah, so. So, clearly the thing for me was when auction.com came in and started offering up all of the information to people, just at the click of a button. It used to be where someone would drive by a house and see that it was like abandon, and weeds, and rundown, or maybe not even rundown but just weeds, and disheveled, and vacant. And they would think, how can I get that house but they wouldn't know. Now you just type in an address. And they'll say, yeah the auction is on Thursday in two weeks time, you know. Because auction.com has done an amazing job of really catering to that that clientele base. So that changed, and suddenly we at well we suddenly saw going from, you know three guys on the courthouse steps to six to 10 to 20. And suddenly it got so ultra competitive. I would go you know, we still had, we were so dialed in. This is, you know 15 years from when I first started. So we're really dialed in. So we were still going but we were getting outbid by \$20,000. Like over our max bid. I mean, I don't know how even how they were making money. So at that point, you're like, okay I got to pivot. And we did successfully.

S Steve Trang 11:44

Gotcha. Alright, so before asking how you pivot. Let me ask you, because I think we're way past the statutes of limitations. How many V&As did you commit buying auction houses?

M Marck de Lautour 11:57

You know the great thing about HUD is that they are not too sharp. They just have one set of keys. And as soon as you get your hands on those set of keys.

S Steve Trang 12:06

Just need that one or that one lockbox code.



Marck de Lautour 12:08

Or that one lockbox code. Yeah, there was a few lock boxes or, you know that were broken into and, you know you know the way I viewed it in my mind was simply, if the in a perfect world.



Steve Trang 12:20

Yeah.



Marck de Lautour 12:21

I mean, we don't obviously clearly only do it on vacant properties



Steve Trang 12:24

Right.



Marck de Lautour 12:24

And if the banks had their way, they would want me to go into the house to see how much I could pay for it. You know, they're trying to give them as much money for they could on the backend. But ya know.



Steve Trang 12:33

We're doing them a favor.



Marck de Lautour 12:34

We're doing them a favor. Yeah, I know it was a little bit of this and that, but no, in most part, I mean, I always say, you know, if you're walking around the exterior of a home, Steve, and this is a good one for people that are that are getting into the market now. And a good tidbit for someone that's first starting. You can see the foundation, the roof, the windows, the siding, the AC unit, which gives you an indication of the heat on the inside. And at the end of that we quit doing any crazy things like that really because we're like, look, we know we're going to do only flooring, only cabinets, only countertops, appliances, granite, I mean, it's just it's just math, right? So I.J.M. is a little saying in our office, it's just math. So 17k for the inside and everything else you can see the tragic on the outside and you're pretty much there.

S Steve Trang 13:15
Yeah, I only bring that up just because we're doing a lot of auctions back then. It's like, alright, who's gonna go into the property? I don't want to do it. Right. So who's gonna go and that was always that, I had to take turns kinda deal. Alright, so you pivoted, you said around 2006?

M Marck de Lautour 13:31
No, so well, the real pit. So I was buying on the courthouse steps all the way up until 2017. And that's when we.

S Steve Trang 13:37
Until 2017

M Marck de Lautour 13:38
Yeah, we were buying all the way up. And then it was because auction.com really gained power and about 2015, 16 and.

S Steve Trang 13:45
Got it.

M Marck de Lautour 13:45
And so, but now, just for perspective, our best year was 134 houses on the courthouse steps. And this year, we will buy zero.

S Steve Trang 13:53
Yeah. Well, I know, there was a time where we was like, this is on point. And it was I want to say it was around like 2013, 2014. Oh, maybe it was later. It was when all the hedge fund started buying, right? Once Blackstone started buying it was like, well what was the point? And like, for us, we will look at it like it was listed as a short sell for 140. And no one paid it. And then they will pay for 170. And it was like, I can't compete because they're willing to pay over a market at the courthouse steps.

- M** Marck de Lautour 14:21
But hey, who's smiling now? Those were great buys then, right? I mean.
- S** Steve Trang 14:25
Those were great buys.
- M** Marck de Lautour 14:26
So, you guess at the time you're thinking these guys are crazy. Now we're like, I would love to go back and pay those prices. So
- S** Steve Trang 14:31
There are homes that I've shown over here in Maryvale in West Phoenix. I have so, I sold multiple homes between 40,000 and 70,000 those things are going for over 300.
- M** Marck de Lautour 14:41
Unbelievable.
- S** Steve Trang 14:43
Only we were smarter.
- M** Marck de Lautour 14:44
Well, and that honestly, I mean, that is one of my big messages. I mean, obviously as a turnkey provider, you know, we're selling assets to investors all day long. And, you know, some of them, you know, that are not well trained will come in and say well, I do you know, is it really worth that or I feel like paying market value. And I said, look, if you're buying and holding for 20 years time, you're just gonna look back and wish you had bought more. I mean, it is what it is.
- S** Steve Trang 15:07
Right. Absolutely. And I think they we're talking over lunch, there's some, there's a rule of thumb you like to use, as far as if you buy so many properties.

M Marck de Lautour 15:17
Sure. So, you know, for all those rookie investor, one of the things that I did well, that changed, changed my life changed my family tree truly was, for every three or four properties that I would buy, I would hold one. And it's painful because you're turning down cash, it's it's

S Steve Trang 15:32
Turning down revenue.

M Marck de Lautour 15:33
You could do, it's just money in your pocket. But you've got to think of it in terms of what do they say, delayed gratification is a sign of maturity, and there's never more so than in real estate. If you can just, you know, forego that wholesale fee of 10 grand or 20 grand or whatever it is, to hold on to that asset and own it for the next 10 or 20 years. It's just, it's the biggest no-brainer, you can't lose.

S Steve Trang 15:57
There's a reason why people were buying what you're selling. So, alright, so you did the pivot. So what was that pivot?

M Marck de Lautour 16:04
To the pivot for us was we were getting, your outbid on the courthouse steps. And that was drying up. Luckily, I'm a part of a real estate mastermind group, which is where I met you obviously Collective Genius. Which we kind of like into an insurance policy almost. Because when you're going through tough times, you want to surround yourself with people that have been there done that, or have the answers. And clearly, I was one of the few that were really buying on the courthouse steps, there's probably only maybe 10 of us in CG that had any great experience buying on the courthouse steps. Most of them were just sending out mail. And I'm like, mail, like you mean people actually answered postcards, to say call me? This, this can't this can't work.

S Steve Trang 16:40
Right.

M

Marck de Lautour 16:41

But we pivoted to that. Obviously, now we've blown it up. And we have just multiple, we are committed to multiple channels for acquisition. So we currently get 50% of our deal flow from wholesalers, we love wholesalers, bringing us deal flow. In fact, one of our great thing we're very very proud of at the office. In fact, I think we even got t shirts, I should have worn it today. Made of is that in 2020, we paid out over a million dollars in wholesale fees. And we love that, like I don't resent that. I love that, right? Like I want to pay out 2 million next year. So we get a lot of deal flow from wholesalers, but also realtors, those soft referrals. But we are advertising on television, billboard. And then advertising through letters and postcards and flyers and yard signs. I mean, you name it, we try and do it all at a very professional standard. You know, the one thing we don't do is we try not to do the ugly postcards and the signs on the corner and the things that are just I feel take it down a notch. You know, we are a professional organization. I think that's one of the things that real estate, investors can get thrown into that old slimy bucket, because they kind of do things and cut corners in V&A, as you mentioned.

S

Steve Trang 17:46

Yeah.

M

Marck de Lautour 17:47

But you know we, you know, we've four core values, one of them. And first and foremost is professionalism. And, you know, I try to say to our group, look, you know, our clients, our high income, high net worth individuals are looking to diversify out of the stock market into real estate have options. One of the options is to invest with Edward Jones and Merrill Lynch or UBS and Paine Webber right there, they can go put their money there, or they can choose SBD through mistake-free real estate, and invest in that. So let's think of ourselves as real estate financial advisors, not real estate investors.

S

Steve Trang 18:17

Yeah. And the positioning there is so crucial, right? Because it goes through your image, your branding, so we were looking at you like okay, this is a professional organization. I think the branding is absolutely important. So you mentioned a million dollars in fees and you hope and pay 2 million this year. So probably we should discuss what markets you're in. If people want to send you deals.

M

Marck de Lautour 18:36

Oh, we'd love to thank you. So currently, obviously we are based in Missouri, in Kansas City. So that's Kansas and Missouri. We're in the Quad Cities up in Iowa, Illinois area, and then we're actively in Montgomery, Birmingham, Huntsville in Alabama. And now growing into soon to be rolling out at the end of this year we'll be into the kind of the midsection the the central region we're calling it which is the Northwest Arkansas. So Fayetteville, Rogers, Springdale, and then Northwest Arkansas and then Tulsa, and Springfield, Missouri.

S

Steve Trang 19:10

I think I don't think anyone sit there in Arkansas.

M

Marck de Lautour 19:13

Dude, love, love this area. So Walmart has actually poured so much money and time and if that's one of the ones that's like everyone else is kind of looking at them. I'm like, No, no, we're going here because it's hot. California, not physically, but Californians are flocking to Northwest Arkansas. Obviously it's a home for Walmart. That's where most of the corporate exec jobs guys.

S

Steve Trang 19:32

Yeah, gotcha.

M

Marck de Lautour 19:33

So Walmart Rogers, Arkansas is where Walmart is headquartered. So they've poured tons of money into the parks and rec. Really high outdoor almost feels like Colorado, like tons of outdoor activities and things that beautiful.

S

Steve Trang 19:43

Yeah, so you mentioned Tulsa, because it was you and I we're having a conversation, right? Like, we're both are working with 1-800 Sell Now and Darin just kind of like, oh, yeah, by the way, you don't have Tulsa, like what do you mean? No, when we started this conversation, I was in Oklahoma. He's like, no, you don't have Tulsa, is like, what happened? You know. And then I was like, I, oh wait, it's probably Marck and Chris. All right, fine, whatever. But I think it's awesome.

M

Marck de Lautour 20:06

Yeah, 1-800 Sell Now is a big, that was a pivot for us as well, you know, it's hard to go. Once we knew we were going to put our foot on the accelerator, and we talked about that, because that was a, that was that's a, that's not something to take lightly. Like right now we're putting our foot heavily on the accelerator pedal. And that was not something I would do on my own. But once we knew we were going to these markets, it's just a it's not an if it's a when. And so we have secured 12 markets around the Midwest that we're going to go attack with the 1-800 Sell Now brands, so we're excited.

S

Steve Trang 20:37

That's definitely putting her foot to pedal. So before we go into the expansion part, let's take a step back, cuz you're talking about Collective Genius. And you're mentioning like, you had to make a pivot. So you had to be in this room with these other guys. And one question I've been getting recently is like, what are you going to do when the market shifts cuz everyone's kind of anticipating the market shifts. I'm not really anticipating this market shift, but they're asking these questions. And they're like, you know, I've been doing this since 2007, you've been doing since 2001. Right? Kinda like, what experience are you bringing here and i said, honestly, what we're going through right now is absolutely unprecedented. And so I don't know if anyone that has the answers. But I'm very grateful. I can be a room full of other really smart guys. We're gonna figure out the answers together.

M

Marck de Lautour 21:19

Yeah. So an analogy there, Steve would be March of 2020. It was like COVID is happening that shutting down offices, we may not be able to work, tenants may not pay rent. Landlords will be mad at us what you know, we won't be able to buy anymore, we won't be able to go into living rooms to buy deals. What are we going to do? You remember those first, like on deck calls at CG,

S

Steve Trang 21:40

It was a lot of stress.

M

Marck de Lautour 21:41

All hands on deck. I think we broke Zoom, right? Like so many people on there. But we gained clarity. We had a plan, we put it together, and we all won together. And that was I

think the same thing will happen. I'm I have zero stress about the market. I think we've got, A we've got tons of runway but B, I know that, I mean, for us, in particular, you know, we have a we have a business that transcends any market cycles. Because we provide a value add service, we're not trading paper or do anything but we are buying, rehabbing, renting out, property managing, and selling those those assets to our end user investors. So I think that's something that will stand the test of time.



Steve Trang 22:20

So direct mail was the first pivot, you've committed to more marketing channels. Were there any other pivots?



Marck de Lautour 22:28

Well, there's a huge mental pivot. Okay, so when I, when I so the one thing you've stepped over which, you know, I'd certainly don't need to dwell on, but I will say that, you know, it wasn't all roses, right, I want to be clear that no one has that rosy, you know, perfect business cycle. From 2001 through 2007, and eight, I had to sign up business partners that were, you know, kind of bankroll the operation and that ended in a business divorce. The old the only ship that never sales is a partnership. Very true for my tent there. So I got voted off the island, two to one, which was which was a hard pill to swallow. But then that was my biggest pivot ever, right? It's like, okay, I'm back to nothing. Everything has been taken away from me, we had 120 rentals at the time that were just gone



Steve Trang 23:18

Yeah, forced out.



Marck de Lautour 23:19

Forced out.



Marck de Lautour 23:20

Nothing to show for it, other than they finally after not paying my mortgages for three months, right? They finally paid down those those mortgages and I and we walked away. So yeah, that was a massive time in my life where it was, okay. You know, cuz then you have those conversations with your wife and family and friends like, oh, real estate didn't work out. I'm like, no, it's been going fine. I just got absolutely dealt a tough one. And so that's when I pivoted and said, no, I got this. I mean, it was my operation. I was 100%, the

operations guy, so I already had my rehab crews to all I did was pivot. And that's really when the turnkey model before I knew what turnkey was, when I pivoted to start using other people's money to do the transactions only I was just a service provider. So those.

S Steve Trang 23:20
Nothing to show for.

S Steve Trang 24:06
What warranted in their mind voting you off the island.

M Marck de Lautour 24:11
Mate that is a honestly a whole another podcast. It is a

S Steve Trang 24:16
Can we just like.

M Marck de Lautour 24:16
Greed. Is that fair?

S Steve Trang 24:18
I think it's totally fair. So

M Marck de Lautour 24:20
Greed.

S Steve Trang 24:20
They were totally short-sighted

M Marck de Lautour 24:21
One of them lost their job and panicked. They were best friends and said, hey, let's just

Marck it right now and get get hin out.

S Steve Trang 24:28
Yeah.

M Marck de Lautour 24:29
It was bad.

S Steve Trang 24:30
Okay, so very malicious.

M Marck de Lautour 24:32
Very

S Steve Trang 24:32
Okay. So that was what gave you the ability to jump out on your own?

M Marck de Lautour 24:37
So now I'm on my I mean, I was on my own operationally. Now on my on my own financially and running it and obviously, you know, have transformed the way I would do business now and never giving up ownership of you know, my assets, happy to rev share, but just not ownership, right? They're different. So, now I'm going down that path, and slowly and surely. I think a little you know, once bitten twice shy, I probably didn't put my foot on the accelerator pedal as quickly as most CG guys do. I think the the visionary maverick, like just hard charging. There's a lot of guys like I've been doing 20 years and there's guys that are doing the same volume as us that have been in like five years, you know. But they're rocky the, you know, they have their own issues. We slowly and organically grew this thing back up. Excuse me. And yeah, it was just this progression of you know, first buying for other people. And then when I'd make some money from that, I would, you know, turn around and buy one for myself and then go make some more money and buy one for myself. I was, you know, we've always, my wife and I bless her heart, we've always lived well below our means. And so we just poured our money into real estate from 2008 onwards. In fact, a little bit before that. And yeah, so we now have a, you know, pool of rental property that's substantial. And, yeah, that's been a good blanket of

security to kind of fall back on.

S

Steve Trang 25:54

So I want to talk about this mental pivot, because we did kind of like, kind of gloss over it. But there is massive adversity, all industries, but we get to witness all the time in real estate, right? Whether it's, you know, like a deal that you're going to close, you've been working for six months, and it's like, you know, finally get this big payday for your first deal. And then something came up, and you don't close your first deal. But there's a lot of things where you're trying to quit your job and you're expecting all this to work, and it didn't go the way you're supposed to go. There's a lot of adversity in this business. What did you do? Because it sounds like sounds like you got dealt a huge, tremendous blow. How did you overcome that adversity?

M

Marck de Lautour 26:32

I mean, I burned the boats, you know, I was only I didn't have any other option. I just, I knew I had a proven track record of success. So that's kind of the thing. It wasn't like the business failed, it was a hostile takeover. So my business model was sound, they weren't even in the market anymore. It's not like they came in and started doing what I was doing. They didn't know how to, they just took the assets. And so I was able to go and just keep doing what I was doing. Use some other people's money. Because that obviously, you know, cut me off at the knees. And then I was able to just just rebuild.

S

Steve Trang 26:59

You being the operator, you would have the reputation.

M

Marck de Lautour 27:01

100%.

S

Steve Trang 27:01

You can resume.

M

Marck de Lautour 27:02

Honestly, a lot of people didn't even know like, it was just an internal like, you know, you cry in private and smile in public. Right. So it was, yeah, I shed some tears, for sure.

S Steve Trang 27:12

Yeah. All right. So then down the road, you're you're growing. So you know, a lot of people that listen to this show, they go from never having done a deal, open to the first deal to do maybe a couple deals a month, to some of these guys doing double digits a month. This part where you went from being a solopreneur to being in multiple states, like what is that journey like?

M Marck de Lautour 27:34

Yeah, that is where a massive pivot, right? And I would not do it without the right team around me. And so I made a big decision in 2018 to hire an integrator. As a solopreneur, I think you have to just start with the end in mind, you've got to think where do I really want to go. Am I happy just doing you know, 40, 50, 60, deals a year, maybe even 100. Seems I get 100 you know, have a little bit of stress in the wheel. You know, the speed wobbles. But, you know.

S Steve Trang 28:06

I just picture like a 100 of you're on your own. You're like the Prius with a doughnut wheel.

M Marck de Lautour 28:09

Yeah. So you have to decide, do I, you know, where do I want to get to? And I'm just a guy that I see other people, you know, that's the other thing about being in the room in CG, right? You see other people doing it. Like, well, that guy's doing that. Let me talk to him. He seems like a normal guy, I could probably go do that. So it does give you a little bit of confidence. But I saw how he did it. And so you know, Dan Lane and Jeremy Fish were pretty big inspiration to me to see, well, they just have it dialed in, they just focus on their business. They, they practice what they preach. And they've recalculated, they've overcome, they, they have a steady pace, they just follow up, they follow up and they have process and systems and procedures. And so I knew that I need it and then honestly a big thing for me when when EOS came around, it gave us some an overlay of structure. But I saw quickly I didn't have the right the exact right team in place. And specifically missing after I read the book Rocket Fuel by Gino Wickman. That's when I'm like oh my god. I am 100% visionary. And I suck at holding people accountable. I don't have systems. I don't have procedures. I don't have any manuals or things written down. Everyone's just like it's a genius with 1000 helpers model, right? And so I was struggling with without.

S Steve Trang 28:20
I think I heard that before. It makes total sense.

M Marck de Lautour 29:25
It's just

S Steve Trang 29:26
It resonates very truly.

M Marck de Lautour 29:26
What does Marck want to do? We better go ask Marck. And you can't scale when every decision has to come through Marck. So now I mean, I don't really get consulted. I hired Chris Johns, my COO. And he and I form a very good partnership. We're very much aligned on vision. We know where we want to go. A BHAG is 1000 homes a year. And we know we can get there because there's already one company in the country doing it. But we want to get to 1000 homes a year and then that's why we're going after 12 markets.

S Steve Trang 29:54
Yeah. And Chris is a really sharp dude. So when you're telling a hiring integrator. You read Rocket Fuel and you hire integrator, Chris is the guy we're talking about?

M Marck de Lautour 30:02
Yes.

S Steve Trang 30:03
Okay. So Chris is not a slouch. Chris is not someone you're gonna find on Craigslist. So what did you have to do to get someone of Chris' caliber? I guess before you answer that question is let the listeners know, what was Chris doing before he got him?

M Marck de Lautour 30:18
Sure. So Chris was a highly paid Sales Director for healthcare industry, right. So corporate america climbing the corporate ladder. I think he wouldn't mind me saying that he didn't

love his job. He had to travel a lot, was on the road a ton. Because when you climb that corporate ladder, you suddenly get a region, right? It's not you're not just in Kansas City, it's a region. Oh, you're so good. we're gonna, you're gonna own this region. And then it's like, oh it sounds great.

S Steve Trang 30:43
You have more responsibility

M Marck de Lautour 30:44
More responsibility. But suddenly, there, I think there was one year where he spent an equal number of, well, maybe more nights in a hotel room than he did in his own bed. And that's where it's kind of like man with young kids. So he and I were golfing buddies while he was in Kansas City, he had moved down to Phoenix, still remained friends. Had never even considered him for that role. Because I, you know, you figure he's enjoying what he's doing. But as I would, you know, tell him more about our business. And he actually was an investor in our business as a turnkey, as an investor, you know, buying turnkey assets. So he knew our business model a little bit. And, yeah, so we were able to come on board, but it was, so what happened, you ask what happened. What happened was, I had to change my mindset. And I think most the a massive mistake that small business entrepreneurs, make all solopreneurs, is that when they go to hire they pick a number, let's call it 40,000 of what they're willing to pay somebody and they go get the best person at that, right? You got to flip the script, you say, forget, okay, you have a clearly have a budget, but you got to think if I got to go get the most talented person that I can get, and then pay them whatever, they want to get them on board, within reason. So you go hire the most talented individual for that, you know, you have a pay range rather than an amount. And I think that was the thing. I mean, you know, I was, you know, clearly had to, you know, open up the checkbook to get a guy of Chris's caliber on board. Right?

S Steve Trang 32:09
Right.

M Marck de Lautour 32:09
So that was something that was uncomfortable. But, you know, after wise counsel and talking to people and understanding what other big time COOs were making, you know, found that it was the right thing to do. And I mean, clearly, you know, it'll be 10x. Right? So.

- S** Steve Trang 32:24
So you're very fortunate that you guys are golfing buddies, and a client. So if I were to say, Hey, you know, or not myself, but a friend of yours is, hey, I'm trying to hire and scale. I'm trying to get to six states, trying to do all these transactions. Where do I go find someone like Chris?
- M** Marck de Lautour 32:42
Know, that fair question. And I think the answer, again, for a professional organization is probably LinkedIn, or Indeed, first of all, the second thing is you've got to look outside real estate. He didn't have any real estate experience, he owned a house and he owns need a couple of rental property. But he didn't know the business. But you don't need to know the business
- S** Steve Trang 32:57
Right.
- M** Marck de Lautour 32:57
You need to know how to manage people and process and systems and overlay some level of accountability and company culture, it's building that up, that really matters. And so just finding someone that A has the right, DISC, or PI or CI index, whatever you want to call it, that would allow them to come in and be the right kind of operator. I think there's enough research around that concept now. That someone could,
- S** Steve Trang 33:20
Takeaway.
- M** Marck de Lautour 33:21
Yeah, that you could actually find the right personality type. Even just read the book Rocket Fuel, if you read the book Rocket Fuel, it has that little, you know, test in there. And if you just answer all that, that guy answers, all those ordeal, answers all those questions, and says, yeah, I'm like off the charts, integrator. That's a pretty good start. And then it's like, right, you know, making sure that you can, you know, work with them. I mean, make no mistake about it, Chris runs our business. You know, you have to be ready. So the next thing is, are you ready to elevate out of the business, and think strategically, and you

know, we wouldn't be in 12 states without Chris, but we wouldn't be in 12 states without me, being able to elevate out of my day to day so I can go focus and think, you know, one of the realizations that I had was, Randy Lawrence loves to say, it's easier to do than to think. And I suddenly gave myself permission to think. I needed to give myself permission, because sometimes you just have a relaxing moment. And it's kind of the same thing with prayer or meditation, it's kind of feels a little awkward. Sometimes you're just sitting there and it's like, am I thinking about the right thing, and I think you've got to give yourself time, whether it be on the golf course, or fishing, or running, or walking, or spending time with his spouse, or relaxing, as soon as your body gets away from the day to day and you can start thinking strategically all of these ideas pop up and you have clarity. But the whirlwind and tornado of the day to day operations of a business is not what you find strategy and vision.

S Steve Trang 34:44
Absolutely.

M Marck de Lautour 34:45
And I think, you know, the thing that Chris has done well, and my whole team, I have to praise my team because they know, you know, there are some businesses I'm sure where if you know the boss is not in the office, say oh, he's on the golf course or he's doing this or that or shirking off. They know that if I'm in the bar in the office, they're not getting the most out of me. And they've freed me up to relax, spend time, and just think, which has been a blessing.

S Steve Trang 35:09
So Chris aside, right. I think your competitive advantage is you've got amazing people. And something that you and I were talking about, even before you started you're you're mentioning to me is like why you've got really talented people here. What are you doing to attract talent?

M Marck de Lautour 35:26
Wow, never a more pertinent time to ask that question. Because that is something we are extremely committed to. In fact 2019, our mantra was hire talent. And that was all through 2019 we just hire talent, hire talent. We haven't, we haven't taken a foot off of that accelerator. In fact, we've even doubled down just recently, we even hired a director of talent, acquisition and retention, with the idea that you not only have to hire talented

people, but train them and coach them because every person wants to bring out the best in themselves. We have amazing people in the office, but they don't get much time with me. They don't get much time with Chris. And you and you got to realize they can sometimes be in a silo. So you have to come together, you have to spend time coaching them, training them, making sure the best version of themselves and so we now have a full-time person doing that. Secondly, obviously in each silo, whether it be property management, give them education, and further education and acquisitions, a quick shout out, I mean to Steve Trang, training that you've done for our team has been instrumental in helping our people, you know, become better in the living room and better at, you know, sales over the phone, sales training. So you invest in the people, and then provide a great atmosphere of fun. And you know, it's hard to it's hard to do. But I think it comes together when you have people of like-mind that are competitive that want to win, and you celebrate winning together.

S Steve Trang 36:47
Yeah, I think that's awesome.

M Marck de Lautour 36:48
I think and sorry, in The Four Dysfunctions of a Team, Chris McChesney says it really well. He says, you give your employees a winnable game, and then keep score. And you'll have success. And I like that one a lot.

S Steve Trang 37:00
I love that. So you mentioned that you're not available, necessarily. And Chris is available because he's got operation to run. And so this person, the recruiting and retention is kind of their coach as well.

M Marck de Lautour 37:17
She is becoming that. I will say, Chris. It's been a you know, with me elevating out he is it's been a lot on him.

S Steve Trang 37:26
I imagine.

M

Marck de Lautour 37:26

Yeah. So no, to say he Chris is not available. He has been extremely available. So I mean, again, we're only one month into our hire this person, but the idea is that she will live into what Chris has been doing extremely well. But, you know, so he has been very one on one. You know, spending time with each individual employee. How are you doing? Where can we help you? What can we do better? Where are we? Where are we winning? Where are you struggling? What can we do? I mean, he's been that, but that that can't be the role of the COO. So now we have a full time person that will be living into that role. And again, with you know, hand in hand with Chris. And now we have a male and a female in that role of both coaching and I think it's a healthy place to be for the org.

S

Steve Trang 38:07

Yeah, I mean, I think that's great, because it's something that I was talking to Jason Lewis about, kinda like, he signed up for a sales training, which is, you know, incredible, incredibly grateful. And he also has a one on one coach for each acquisition guy, right? Like he's hired a third party, outside of the organization, to coach each person like, man, that's like, so awesome. Like, that's the ultimate investing in a team. I think Rhen Bartlett does the same thing too.

M

Marck de Lautour 38:30

They are great practitioners as well. Yeah, they're really they're putting their foot on the accelerator too. It's kind of fun to see them.

S

Steve Trang 38:34

Yeah. So let's talk about this putting the foot on the accelerator. So what does putting on the foot on the accelerator mean? And what would it look like when you're done?

M

Marck de Lautour 38:45

To what it means to us is recreating our business model and other markets? You know, really, it's not? I mean, we're not, you know, it's probably a bad analogy, in the sense that it sounds like you're getting out of control. I would not be comfortable. Let me say this way. We've built the car. If you want the car analogy, we have built the car now, where we can go fast, and we don't get the speed wobbles anymore. It's enough to like, hey, quick, the check engine lights come on, boom, we fix it, we move on. You know, velocity of capital is a big deal in our business, meaning we have to turn houses quickly. When you're

doing 300 a year and we're not wholesaling. We don't wholesale at all we buy from wholesalers. We're rehabbing 300 houses this year Steve.

S Steve Trang 39:26
That's crazy.

M Marck de Lautour 39:26
So I mean, it's it's a big job. Right? So.

S Steve Trang 39:28
Just for context. How many houses at a time? cycle?

M Marck de Lautour 39:33
Yeah, at any given moment, you know, so we average around just over 5.5 months of, so it's around 104 houses at a time.

S Steve Trang 39:40
Alright, so go back to your analogy.

M Marck de Lautour 39:41
Yeah so, we've got the analogy of the car. And so yeah, it's putting your foot on the accelerator, to me means that we are now willing to expand and grow without stressing out the organization.

S Steve Trang 39:54
Yeah.

M Marck de Lautour 39:54
And so what that looks like is taking our operating procedures, our processes, and overlaying them on other markets. Where we know it's going to be a success. I'm one of those guys, I don't take risks. Which sounds crazy, because we're in this game of like you

buy it low, you trying to sell high, you hope you make money. It's like no, we buy already, knowing that it's sold on the backend. We aren't really take risk. We know our investors are gonna love these other markets. We have a, although we're going to flip, you know, a couple of 100 full turnkeys this year, which are our rental properties. If we had 600, we could sell them with the demand for our product right now. And so really, it's just living into the demand that's already there for our product. So it's kind of just ramping up production, knowing that the demand is already there. And knowing that the team will not be stressed by it, and they'll be challenged, don't get me wrong, and we'll have to grow and hire. Which is again, why we hired the talent acquisition person, because we'll probably hire maybe 30 or 40 full time employees in the next 24 to 30 months.

S Steve Trang 40:52
So how many employees?

M Marck de Lautour 40:54
We will grow, probably double our our full time headcount in the next 12-24.

S Steve Trang 40:59
Wow. And so kind of what you're talking about, it sounds like, you know, a principle we heard a long time ago, which is reverse wholesaling. Find out what buyers are willing to buy, and then go source that from wholesalers, or market.

M Marck de Lautour 41:10
Chris uh. Steve, that's exactly what we do, Chris and I sit down, we said okay, if our investors are willing to buy at, say a seven cap, right in this market. We'll just go, I.J.M., it's just math. So then we come in and say, okay, we need to buy it for this, because we know we're going to rehab it for that, we can sell it for this, and that's your margins are there.

S Steve Trang 41:27
You got your buy box.

M Marck de Lautour 41:28
Yeah. And keep in mind, I mean, you don't get these massive reps, right. Like, you know, a wise man once told me, a good friend of mine who has multiple businesses and plays golf

nearly every day, quite literally, right? Business owner of multiple different different, like a boot company, a smoothie store. He's got a trash company. This true business owner. He says, de Lautour I'm playing golf, just hitting singles all day while you're out there trying to hit homeruns. You know, he said this about five years ago, and it kind of set with me and I'm like, you know, he's right. If you just go out and get base hit base hit base hit. In fact, I think Tim Bratz even commented something like on Facebook a while back. He said just go get the base hits. You don't need to swing for the fences on every deal. And as you scale, it's all about just getting singles and as many singles as you can.



Steve Trang 42:09

And every once a while those singles starting to hitting a homerun



Marck de Lautour 42:11

Oh well, and clearly right now in this market. They're turning into homeruns.



Steve Trang 42:15

A lot of people are looking really smart right now.



Marck de Lautour 42:16

Yes.



Steve Trang 42:18

Alright, so let's go to some of these questions. So Michael Frank says you're a solid solid, dude. Thank you, Mike for that. Michael York. So you lived in Rogers, Arkansas for a short while. And they were building everywhere. So.



Marck de Lautour 42:32

Yep.



Steve Trang 42:33

So Gavin Guglielmi. I'm hoping, is reading this correctly. Can you live on BRRRR income? Could you build a lifestyle around BRRRR?

M

Marck de Lautour 42:45

If I am taking his question, as you know, obviously that BRRRR you know, buy, that it's tough right now in this marketplace. Back in the day. 100%. Right. Easy. I mean, in fact, that was one of the business models I had, was simply, you know, using other people's money, I'd say look, you're silly not to we would, you know, buy them house, rehab it for them, get it rented out, they'd cash-out, refi. So use cash, but then cash-out refi, pull out sometimes all if not maybe a little bit more of everything that had in it and just keep going. I think one of the, to address that question. I'm going to say this, I think one of the biggest, as a guy who sells turnkey real estate for living, I will say that we coach all of our investors not to get swayed on passive income that is fully leveraged. I think one of the dirty little secrets in real estate is that leveraged assets at 80% leverage on cash flow. I mean, who's gonna live off to 200 bucks a month.

S

Steve Trang 43:08

Alright.

M

Marck de Lautour 43:08

It's just not going to happen. You have to have so much scale to get to that point. And most people that are, you know, trying to live off the cash flow don't have that kind of cash. It's only once that is paid off. So our investors are coached to buy, you know, just four or five houses a year. And, you know, just put 20% down, get 80% leverage. Buy so scale with leverage, and then start to aggressively pay down debt. I think the ideal model for a turnkey buyer would be, you have your active income, you pour whatever you can into those passive assets to build up your asset column, then start aggressively paying down your debt. Because only when it's paid off, or, you know, majority of it is paid off is, is it really life-changing to where you can actually live off the cash flow.

S

Steve Trang 44:18

Right? I'm gonna say, I'm gonna ask the question. This might sound totally ignorant, right? Coming from Phoenix. You know, we look over here, California, particularly, you know, these guys do 40k fees, 100k flips on a regular basis. And that looks sexy, right? No one knows how much it costs to do all that but it looks sexy. And I look at all our friends in the Midwest like these guys are building real wealth. Through BRRRR you're finding these properties, pulling out cash-out refinance, they don't even need an income because they're just living off the cash-out refinance. You guys are building real wealth and have almost no taxable income because everything's depreciating.

M Marck de Lautour 44:51
Bingo

S Steve Trang 44:52
So would you agree or disagree that it's easier to create wealth in the Midwest?

M Marck de Lautour 44:56
Oh, for sure. Yeah, I mean, easier to make bigger chunks of active income potentially in real estate in the bigger market, just because you have, you know, if you're talking percentages, you know, your value of land and the sales price on the backend is just way, way bigger. But in the middle, I think real estate is a Crock-Pot business, not a microwave business, you're in the business of getting wealthy slowly over time not getting rich quick, as every time that you click over and accept some cash for a transaction, you're going to be chinked 30% for tax right off the bat.

S Steve Trang 45:25
Right.

M Marck de Lautour 45:25
You know, and then you have nothing to show for it. It's just transactional. I'm trying to build wealth for our investor base. Oh, and that's just following a strategy that I do, just buy and hold assets. And 20 years later, everyone will be like, how did you do that overnight? You know, it's like, no, this thing's been sitting in the Crock-Pot for 20 years.

S Steve Trang 45:44
So if I were young, and single, actually, because I actually made this suggestion to someone who was in my sales training on Friday. He's like, I'm really frustrated in San Diego is like, how old are you? He's like, I'm 23. I think was what it was like, yep, are you married? like no kids. And I was like, then move out to San Diego. Move in the Midwest.

M Marck de Lautour 46:03
Yeah.

S Steve Trang 46:03
Do a bunch of BRRRs, find properties, do cash-out refinance. And if you want to live in San Diego later on, go back.

M Marck de Lautour 46:10
Well, in fairness, go stay in San Diego. I'm a bit and Steve. I'm a big believer in collaboration, right. I believe collaboration of iso, collaboration of isolation is one of the keys to my success. I mean, inside CG I have partnered with so many different avenues from the direct mail, to the training, to television advertising, to our name of our company now. And it's always been about collaboration. Why can the guy that not, you know, hammer it out in San Diego making big reps, but just invest in Midwest? We have investors from Australia, New Zealand, Hong Kong, China, the UK all over the world, and they're investing in the Midwest.

S Steve Trang 46:46
Really?

M Marck de Lautour 46:46
Yeah, it's that that was the biggest thing that turned us around the 2008, nine and ten. The irony was that American investors that I knew were like, oh my god, I would never invest in real estate. Terrible, have you not seen the crash that's happened, Marck? I'm like, why is it that when Walmart has a sale of 50% off, everyone goes rushing to the door. But when real estate has the sale of 50% off, everyone's I would never touch real estate. And I was just wise enough to say that's an opportunity.

S Steve Trang 47:13
And that is interesting, because when, as a realtor in that time, a lot of Australian money buying real estate in Phoenix, they knew something we didn't know. Alright, so Raylan says he loves th family tree, line comment. See what else is if. Benjamin Beck wants to know if you can have coffee with someone dead or alive, who would it be?

M Marck de Lautour 47:39
That's a good question. Have coffee with someone dead or alive, who would it be? Simon Sinek comes to mind. Tiger Woods. You know, obviously he's had his transgressions, but I

just think he's such a mental giant. The things that he was able to do in his profession, transcended sport. But yeah, Simon Sinek is someone I kind of look up to and will always consume his, his media. He is extremely wise.

S Steve Trang 48:11
He is.

M Marck de Lautour 48:12
And has great, you know, for where I'm at, in my life, right, trying to lead people. It's it's hard. Like, that's one of the greatest challenges I have, is leading an organization of people that are just growing, you know, now we have, you know, 25 people in the office that are, you know, having to be led. And that's something that I wear with with great respect.

S Steve Trang 48:32
But I think that's the hardest thing in this every person. Well, I take that back, everyone initially has problems with marketing. Where do I find leads? Where do I find leads? Once you solve that, because it's really not that hard to solve that once you solve it. Everyone struggles with people. It is the hardest, it is the last frontier. Leo Aguirre wants to know, what is your WHY, what is what is pushing, what is pushing?

M Marck de Lautour 48:58
I kind of see myself at the pearly gates with a tablet that you know, I'll be sitting there with Jesus and he'll say something along the lines of Marck, here's what you did. And here was your here's what I created you for. I just want to try and live up to getting those as closely aligned as possible. It's not a fear I have but I just want to try and be the best version of myself and so I put my heart and soul into being the best dad I can be, the best husband I can be, the best friend I can be. I'm the guy that does do those random acts of kindness. I try and do everything I can to reach out to people. I want to be at my funeral I hope they just pack the rafters because everyone just wants come say goodbye, you know, like and just have that last memory like I I enjoy life. I love what I do. I love you know where I live. You know, I the only I'm not gonna call it a regret, but the only challenge I have that I struggle with Steve is just I have a very tight knit family in New Zealand, and, you know, it is hard being away from them for so long and, you know, with COVID now shutting down the borders effectively you know, you have to go sit in a hotel for two weeks if you want to get in. Yeah, it's been tough.

S Steve Trang 50:18
Um, so you mentioned best father, you can be best husband. So, what are you doing o be the best husband, father?

M Marck de Lautour 50:27
Time, right. Just got to spend time. And, you know, creating opportunities. You know, when my daughter was young, I was the dad, you know, I said, you know, she wasn't an athlete, Jack. Jack and I have always had a great bond because he's a sporty kid. Throw the baseball, throw the football, go play golf, kick the soccer ball around. Just, you know, obviously easy for a dad. But I was the dad that actually put on a costume and went and dance with my daughter on stage, you know, because she loved dancing. You know, I love taking her out on date days, and just spending time. One of the things I do you know, to try and be the best husband I can be is celebrate the wins. We recently celebrated our 20 year wedding anniversary and did it in style. You know, rented a lovely, Jason Medley style house on the Pacific Ocean down in Puerto Vallarta and had our best friends that are actually in our wedding come with us. And that was really special to us.

S Steve Trang 51:23
So also have them in your wedding also. That's amazing.

M Marck de Lautour 51:27
Yeah. So it's like you know, you have those moments. I mean, life is just a journey but I love to celebrate along the way. And so I tried to you know, you know, obviously discipline and encourage my children but just get them to love life because life is not given. We had two people this year at our at our golf club at the country club passed away in their 50s, Eugene. Life is not given. Tomorrow is not given. And so I do try to celebrate today as much as possible.

S Steve Trang 51:57
Lewis Cartouche wants to know, what are your thoughts on college?

M Marck de Lautour 52:02
Wow, that's a loaded question. I, that is such a great question for me. Because it's one I struggle with. I value college. But for different reasons. Like I think, in the real estate

industry, you could go, you know, come to Steve Trang's training and get, you know, go straight into the real estate industry. But I think it is an age of 18 and 19, you're not fully matured. I think it gives you good social skills. I think it gives it gives you a more worldly perspective. I think it allows you to kind of relax. I think you've just gone through, you know, 12 years of schooling, you're kind of a grind, and then you're like, okay, I'm not really ready to go be a man or a woman, I don't really know what I want to do yet. I think college is that time period where you can let it out, have some fun, surround yourself with some really fun, you know, loving people, while at the same time bettering yourself, learning about your specified field of craft that you want to get into, because we're there are real estate universities as well as you know. So it's a time to mature. And so I would say I will never discourage my children from going to college. However, it's not the be-all and end-all. It is certainly not something that is, you know, that that's a must have for everybody. I was blessed my parents sacrificed a lot and actually, you know, paid for us to go to private high school in New Zealand, number one high school in New Zealand called King's College. And so that's where I, you know, I learned how lucky I was coming out of that experience coming over to America, not really knowing if my high school grades would transcend or not. But I was certainly ahead of the field compared to the American students that came in or at least not lagging. And so I think that's been ingrained in us that you know, education is there to just has to be an all round education. You know, it has to be, you know, in the arts. I love Broadway. I'm a huge Broadway fan.

S Steve Trang 53:57
Really?

M Marck de Lautour 53:58
Yeah, like just theater. My brother is a world famous actor in New Zealand. He's on number one show in New Zealand. And

S Steve Trang 54:06
That's awesome.

M Marck de Lautour 54:07
So he's doing his thing. We've always had a fascination of the arts and the theater in our family. My dad is a great musician. So I just I think you can be more well rounded if you allow yourself to be educated, you know, all through life.



Steve Trang 54:21

And Vincent asked, did you see operation moving towards fund? Do you see your operation moving towards fund management in the future?



Marck de Lautour 54:29

No, but I do believe that he that controls the capital, controls the market. And so we are not narrow minded to think that we're only doing single family homes. So currently, we have a tranche of new home construction, built to rent, that we'll be offering our clients. We have our single family portfolio, that's just you know, rehabbed properties. We have a multifamily portfolio and some syndication deals as well. So at the end of the day, what we are trying to do is cater to high income high net worth individuals that are really kind of saying, hey, we want to invest in real estate, but no one's taking our money, no one, no one's doing it professionally. They have to go do it themselves. And there's a massive void in the market to just click on a button to make real estate as easy as clicking on a button in saying, BUY. And that's not there right now. And so we are trying to fill that massive void. And I think that's what we found success is that there are people that are willing to, you know, pay for our service, goldstar service that will allow them to invest safely and securely and with good returns in whatever medium we choose.



Steve Trang 55:32

Mistake free.



Marck de Lautour 55:33

Mistake Free Real Estate.



Steve Trang 55:35

Michael Santiago wants to know, who helped you create a mindset, your mindset?



Marck de Lautour 55:39

I'm a massive book reader. So, you know, for those that don't, I think I'm gonna trail behind it. My goal this year was to just read a book a week. But yeah, I've always read. And that's, that's really where it started. But I think it also there's a bit of upbringing, I think I don't want to shy away from giving my parents a massive tip of the cap. Because my mother and father was so positive. They always just had that, yeah, you can do

whatever you want. Hey, mama, you know, there's this guy that's going to play tennis in America on a scholarship, I think I might want to do that, oh, great. Like, can you imagine your kid just flying across to Australia right now and live in there forever? Like most parents in America, I would never do that. My parents, yeah, if you want to do that I support you. My sister, like, I want to go try and be a world class triathlete. Okay, I support you. I'll get you up at 5am in the morning, and then, you know, take you to school, and then take you biking in the afternoon and then go for your evening run. Yeah, my younger brother, hey, I want to be a world class actor and I want to go to acting school in New York, no problem go to that. My older brother, he's like, hey, I want to go, you know, go over to Camp America do a summer camp. They just encourage us to explore the world. And you can do anything you want to do. So I think, you know, parenting is a massive responsibility.

S Steve Trang 56:53
It is.

M Marck de Lautour 56:53
Like I take that on very seriously. I want my kids to get the most out of life. And I think with the media and their cell phone usage and everything that comes along today, there's a there's a bigger responsibility on parenting now, because you have a babysitter and an electronic device. And you don't get to tell the babysitter what you can tell your kids.

S Steve Trang 57:14
Right.

M Marck de Lautour 57:14
And so if you hit the easy button and just let them sit on that all day, watch out.

S Steve Trang 57:18
Yeah, who knows what's corrupting their brains. So Raylan Weiss wants to know, do you ever sell turnkey via owner financing?

M Marck de Lautour 57:26
Currently, no.

S Steve Trang 57:29
And then let's see. Andrew wants to know, if you were to start all over again, let's just say it's in 2021.

M Marck de Lautour 57:36
Mm hmm.

S Steve Trang 57:37
You're brand new.

M Marck de Lautour 57:39
That's just giving me right now. I couldn't do it.

S Steve Trang 57:42
What would be the first thing?

M Marck de Lautour 57:47
You know, wholesaling is kind of click that easy button to get in, right? If you don't have any money wholesaling is a good way to do it. Surround yourself with people that, I would surround myself in a mini mastermind. People that are in a community that can that are doing the same kind of things. You know, whether it's a meetup, I'd kind of meetups are fine. Don't necessarily spend much time into myself. But I think actually, like more just getting four or five people that are aligned in mindset, and they meet and hold each other accountable and check each other's goals and KPIs. I think I would just start there. And then just just hustle and grind, man. In every way, pick a niche and hammer it to death. That's I think one thing that I did well, I wasn't distracted. I just was like, hey, I'm a courthouse steps guy. That's all I buy is courthouse steps, courthouse steps, and until that went away. 17 years, I'm just like, crushing it on the courthouse steps, because that's all I knew how to do. But that's okay. Like, I don't you don't need to be all things to all people. You can pivot a little bit or okay to here and there, but keep the blinders on and just do one thing really, really well.

S Steve Trang 58:49

Keeping the blinders on is really hard. When you're an entrepreneur.

M Marck de Lautour 58:53
Yes, sir.

S Steve Trang 58:55
How do you keep the blinders on?

M Marck de Lautour 58:59
How do you keep the blinders on? I go back to accountability. I think you have to tell people, hey, help me keep the blinders, I need to focus on this, don't let me go down this path, whether that's a COO or as a solopreneur. That's why a solopreneur it's hard to do, because sometimes they think that they're on an island. And I felt that way, right? I felt that I could never open up to anybody in Kansas City, because they were either a competitor or they didn't know my business. And now with a group like Collective Genius, or, you know, just a group of like minded individuals, you can go in and say, hey, I want to be held accountable. Please make sure that I stay on task.

S Steve Trang 59:36
Right.

M Marck de Lautour 59:37
You know, once you're an adult, if you can't do it yourself, ask for help, you know, and that I think that would be the answer to that question is simply just, you know, if you feel like you're getting off offline, be smart enough to run. The other one is write down. Like, I think so many people just have it up here. And so then their brain, they don't know. But if you write down your goals, and push towards your goals on a daily, weekly, or monthly, quarterly basis, that certainly gives clarity of purpose. As well.

S Steve Trang 1:00:00
Absolutely. And I love what you said, finding four or five people trying to do what you're trying to do. Because we know your frame of reference is this single biggest predictor of success.

M Marck de Lautour 1:00:10
Collaboration over isolation. Don't don't live with your head in the sand trying to, you know, be it's not you versus the world. It's the world is here to help you.

S Steve Trang 1:00:17
Right. Haven't heard it put that way, providing that's awesome. Um, so we're to talk about your superpower. Well elaborate on it.

M Marck de Lautour 1:00:27
Yeah, I think you know, yeah, as a golfer I enjoy, I hate making bogeys more than I may enjoy making birdies. In fact, there's a joke at the club that I'm the best par putter at the club, right? Because I know I hate to make a bow but I'm not aggressively chasing the birdies. I think a little too conservative by nature, perhaps. But I hate to lose and in business. Yeah, I certainly can't stand it. And you know that. But yeah, that would be my superpower is just an extreme competitive nature.

S Steve Trang 1:01:01
Got it. So and I'm asking this question, because next question is, how do you stay motivated? Or is that not even?

M Marck de Lautour 1:01:09
Um, honestly, the business now is kind of running out without me. And so the motivation has changed. The motivation for me is more fun when I'm not in the whirlwind. I'm not in the day to day. I think the motivation for me is how do I find more people, and that's fun, you know, getting to meet new people and bring them on board and change lives. The motivation, to me is kind of, you know, looking at the numbers and trying to grow and impact more people. You know, the, the great thing with our operation is that, at the end of the day, we're rehabbing ugly houses, and providing quality rental properties to tenants, and then selling those full turnkey assets to investors. It's like, win win win, right? Like, we're really trying to, you know, in every stage along the way, unless we drop the ball, we should be enriching lives and changing neighborhoods. And so, you know, the, the motivation for me is just there. It's like, hey, guys, how many more of these can we do?

S Steve Trang 1:02:04

But then what is your biggest struggle?

M Marck de Lautour 1:02:06
Talent. Which is why we hired someone specifically for that. Yeah, I think in any small business, and maybe in any business, people, as you said, it always comes back to people, and making sure that you have central alignment of vision, common commonalities of goals and strengths, and just getting the most talented individuals. Knowing that when you train them and do things right, they're gonna leave one day.

S Steve Trang 1:02:34
Right.

M Marck de Lautour 1:02:34
And that's okay. And I think that this stressor, back to our earlier point about, you know, what a solopreneur maybe does poorly is they, they hope that that person will they want to pay someone maybe of lesser talent thinking of that other talent will come in and steal the business idea and go do it themselves, hey, go get that person for two years and hope they will double your but just make sure you account for and write down everything they do.

S Steve Trang 1:02:57
Alright.

M Marck de Lautour 1:02:57
And that's what Chris has really done well, and all our staff has done well is documenting our core processes and procedures and putting videos together so that if there's a someone elevating or leaving to go do something else, they'll always be a someone that can come in and kind of get a quick start or head start based on, on on the training that is already in place. But Chris said it best when he came on board, he said Marck, I want to build a bench. Every NBA team every you know, NFL team, any good team has a bench that can come at any good time. And it's our goal right now to not only have our core staff, but to build a bench of potential hires or just networking in the industry to know that you could potentially bring someone on board as you grow and scale like we are to bring more people on into the fold. So that's something we're excited about.



Steve Trang 1:03:47

And yeah, I think that's something that we all kind of forget, because we want to hire, when we need to hire you got to start a new. Having a bench helped that a lot. Eric Salgado wants to know, what is your favorite book? Or what are your favorite books?



Marck de Lautour 1:04:03

There's one actually the book that I have given away the most to people is called The Legend of the Monk and the Merchant. Have you heard that one before?



Steve Trang 1:04:10

I have not heard that.



Marck de Lautour 1:04:12

There Terry Felber wrote a book called The Legend of the Monk and the Merchant. One of my fable, I'm a fable guy, right. So that's why I love Patrick Lencioni's books, because they're always told in story. And then they have kind of like, two thirds story and then one third principles. I love the way he writes his books. The Legend of the Monk and the Merchant kind of talks about faith-based living in Christianity and capitalism. And how they don't have to be competing elements. That they worked together. And that would that was something that at a time where it spoke to me at a time in my life when you know starting to make some money and not feeling guilty, but just like oh, you know, like, what, what does it look like in, you know, when we tithe, and give back, and how much and you know, what do we do with money that we're making. It just freed me up. To know that, you know, money is not bad. Money is not the root of all evil, the love of money is the root of all evil. But it really goes deeper in talking about how these two can actually help each other. And there's so much philanthropic efforts out there. I mean, gosh, Jason Medley is an amazing example of that. With Collective Genius and Generous Genius. That's kind of the blending of the two. This book is a wonderful fable of capitalism and philanthropy coming together. So yeah, that's a that's a really good book.



Steve Trang 1:05:26

Yeah, that's awesome. I remember when I was going through, I think it was Total Money Makeover. It was one of those Dave Ramsey books. And I was surprised at how many of his chapters that include a verse from the Bible that was relevant. Wow. With so much wisdom.

M Marck de Lautour 1:05:43
Yeah.

S Steve Trang 1:05:43
There is so much wisdom.

M Marck de Lautour 1:05:44
The Bible talks about money quite a lot.

S Steve Trang 1:05:46
It does. It does not shy away from that. Okay, so Gavin's follow up question, can you BRRRR and keep everything as well, this way you have upfront cash for acquisition, maybe a steady flow and schedule it.

M Marck de Lautour 1:06:00
Let me just say in this market, it's going to be challenging to you know, do the old ways where, you know, you have these appraisals that came in so high, and you'd only be in 70%, you can maybe pull some cash-out. I'm not saying those deals don't exist. In fact, you know, your or group or I guess your audience, maybe of your wholesalers and bird dogs and guys are just hustling grinding in the real estate game. If they come across a homerun deal. Hey, more power to you. But it's not a consistent, scalable business of just always pulling out 10 grand every time to put down on the next deal.

S Steve Trang 1:06:34
Well, I mean, I've heard this over and over again is that wholesaling is young man. Right? No one starts in wholesales.

M Marck de Lautour 1:06:41
We love wholesalers Steve, we work with a lot of wholesalers.

S Steve Trang 1:06:43
I don't think anything is wrong. I'm just saying like, no one starts there and stays there.

M Marck de Lautour 1:06:46
Yeah.

S Steve Trang 1:06:47
A lot of people start there.

M Marck de Lautour 1:06:48
Yep.

S Steve Trang 1:06:49
For a reason. Quick cash to buy real estate.

M Marck de Lautour 1:06:52
Yep. But hey, quick cash. Don't go by the, don't be that guy that goes by the fancy cars.

S Steve Trang 1:06:58
Yeah.

M Marck de Lautour 1:06:58
Like just, until you've gotten million in the bank, don't drive that car. Right.

S Steve Trang 1:07:04
Michael Santiago wants to know, do you use social media in your business for selling and advertising?

M Marck de Lautour 1:07:09
No, we don't. So we're blessed to have just literally a line. We're sold out of our inventory through Q3 already. Which is crazy.

S Steve Trang 1:07:18

Yeah.

M Marck de Lautour 1:07:19
So every so we have 104 houses in the pipeline.

S Steve Trang 1:07:21
And they're all accounted for?

M Marck de Lautour 1:07:22
All accounted for. And we know when they're gonna, you know, come out of rehab. So they're already pre-sold.

S Steve Trang 1:07:26
Wow.

M Marck de Lautour 1:07:27
So we so we don't need to do that. However, it's a very valid question. Because as we're growing and scaling, the acquisition side really needs now that we have the brand. The reason we've kind of been pausing is that we had this brand of Best Offer KC, which is obviously Kansas City specific. And now we're going 1-800 Sell Now. Now, we will be really able to kind of build and bang the drum. In fact, one of our hires that we have built out for, you know, in the next 12 months, one of those full time staff will be someone just for social media, because, you know, as as my podcast grows, is our acquisition team who gets more out there. I think you've got to tell people what you're doing. You've got to advertise what you're doing otherwise, you're never going to get any referrals.

S Steve Trang 1:08:07
Well, that's why you're asking like, was I bringing whole media team down to Tampa. Yes.

M Marck de Lautour 1:08:11
Yes, you are.

S Steve Trang 1:08:13
Yes, I am. What is your, what is the greatest lesson you have learned?

M Marck de Lautour 1:08:23
Be kind. You know, I think I would just go back to treat people with kindness because it comes around is a very small world. Very small world.

S Steve Trang 1:08:32
I feel like there's a reason why that's a valuable lesson. Something that prompted that lesson.

M Marck de Lautour 1:08:38
Um.

S Steve Trang 1:08:40
Was it a mistake that you made? Or someone crossed you?

M Marck de Lautour 1:08:42
Yeah, certainly my business partnership crossed me in a bad way. And that's, that's burn bridges. No, I don't think I've misstepped in that way myself. Yeah. All I know is that it is a small world and small communities that we live in. I recently just got back from a baseball trip, and you know, my son had transitioned to a new baseball team. And every single person, it was like a one degree of separation from someone we know. It was like everyone knew somebody that I already know, you know, and so, you know, just be kind to people, I, you know, gosh, we live in one of the greatest countries in the world, and I'm blessed to live here. I love you know, America, love New Zealand, but also love America. And I think that too many children are now growing up in this in this sphere of political hypercharged conflict, where there has to be a right or wrong, there's so much gray area, Steve, in everything that you do. So just be kind to people. I think if the world was a little kinder would be a better place to live.

S Steve Trang 1:09:41
You know, it's interesting, you're mentioning the burning the bridges. So there's a public

relations person I was working with for a short period of time. And he promised some things and I paid for it. And he didn't deliver it. I said, all right, well, I'm not paying for his other services. And he went not to like, hey how can we solve this problem? Or let's have an adult conversation about it. He sent me straight to collection.

M Marck de Lautour 1:10:06
All right.

S Steve Trang 1:10:07
And here's the problem. I have literally referred him 10s of 1000s of dollars in business. Like, I don't know what was going through his mind. But that be kind was not, was not going through his thought process.

M Marck de Lautour 1:10:23
Let me also say this, because there was a question that caught me off guard, I'm trying to scramble. But I also know that I was on an island for a long time. And I truly believe that collaboration over isolation, which I've mentioned before, is a huge lesson that people should embrace working with other people and embrace, you know, specializing in an area and being okay with it. And you know, paying someone a fair price to go, you know, buy your media for you, or paying someone a fair price to do training for your staff. You don't need to train them all yourself, there's only a finite number of hours in the day, pay the experts to do what they do. You know, they always said about an attorney and an accountant, right, you've got to pay to get the talent. It's the same in everything, get the most talented people, you surround yourself with talent. I would love to wake up in a business. And I know we'll get there where I walk into the room, and I'll be the dumbest guy in the room. I'll be quite happy with that.

S Steve Trang 1:11:17
Yeah.

M Marck de Lautour 1:11:18
The more the business relies on you, the less valuable your business.

S Steve Trang 1:11:22
Well, I mean, you're the bottleneck.

M Marck de Lautour 1:11:24
Genius with 1000 helpers, and there's no, I am no longer the bottleneck, Steve. So I'm excited for that.

S Steve Trang 1:11:29
Well, I showed you that accountability chart.

M Marck de Lautour 1:11:30
Yes, sir.

S Steve Trang 1:11:31
I was most certainly the bottleneck. And then, along those same lines, is there a favorite best or most interesting failure?

M Marck de Lautour 1:11:43
Most, the best failure. I've bought some bad houses over the years that have turned out just fantastic on the backend. I once bought a house that was absolutely a teardown that probably shouldn't have bought. Probably one of those instances where I, you know, wanted to outbid the guy on the courthouse steps, to overpaid for it. But then.

S Steve Trang 1:12:01
Competitive spirit might as well gotten away.

M Marck de Lautour 1:12:02
I got away from it. Yeah. But then the government came in. And just three months later, eminent domain did the house and paid me like way more than what it was.

S Steve Trang 1:12:10

Well, that's awesome.

M Marck de Lautour 1:12:11
But that was an epic failure. That was like reciprocal on the backend.

S Steve Trang 1:12:14
Yeah.

M Marck de Lautour 1:12:14
I will also encourage people, you know, real estate is a vehicle where it lets you get away with really, really bad decisions through time. So you can just go buy, and time will take care of all, it will heal all wounds. So I think there should be less consternation about what and where and exactly how we're holding on to these assets. Don't wait to buy real estate, go buy real estate, right? Don't wait, sorry. Don't wait to buy real estate, buy real estate and wait, just just wait it out. Real estate is an amazingly safe vehicle.

S Steve Trang 1:12:47
And Andrew has this question here is, are you hiring?

M Marck de Lautour 1:12:51
Absolutely. Yeah no, we are hiring. And actually, I think even if we have a corporate website, if you go to applyatsbd.com. It goes through all of our open positions currently. And I think there's six or seven on the list.

S Steve Trang 1:13:04
That's awesome.

M Marck de Lautour 1:13:05
Yeah.

S Steve Trang 1:13:05

Alright, so I want you to think about what you want to leave the listeners with, while make just a quick couple of announcements. Guys, we got our sales training coming up next month. If you guys are interested, send me a DM. And if you guys are getting value today, please like, subscribe, share, comment. It really helps us, helps the algorithms, we can create more millionaires. So what are your last thoughts?

M

Marck de Lautour 1:13:33

Thinking about speaking to your audience Steve, as I understand it, a lot of them, you know, could be kind of getting into real estate or you know, certainly been in just a few years. You guys are blessed, right? I mean, I'm just, real estate, I feel so passionately about that it's such a great vehicle, don't let anyone tell you otherwise. The most heavily marketed investment strategy out there is the stock market. Just invest money, the accumulation, accumulate, and then deplete and hope you don't run out. Real estate is an asset class, where you buy assets, they spit off passive income, and you never need to sell them. And if you buy enough of it, you got enough to live on, where you never need to sell the assets. Life changing prosperity through real estate. So don't lose sight of the fact that you're just trading and transacting and making a lot of money now to make yourself look really good. Just put some away and not cash in the bank. Leave it in the house, hold houses, hold real estate, and then send me a thank you card 20 years from now.

S

Steve Trang 1:14:32

Why do you think, this is just a follow up question. Don't normally do this. But why do you believe the stock market as a market is so much more boasting?

M

Marck de Lautour 1:14:40

It has to be you know, you're gambling right? I mean, you know. Why do I think that? You got to do something with your money. It's obviously there for a reason. I'm all about diversification. I mean, when I sit down with a wealthy individual, I don't tell them pull all your money out the market. I say if you have liquid assets that you're looking to diversify or get into something else then would be happy to cater to that need. But yeah, it's just a hyper competitive market. And it's something that needs to be done through someone else. Because it is extremely confusing. If you try and do that on your own good luck, right. Day trading, I mean, good luck. So, you know, hyper competitive, very challenging. And so it has to be done through a professional. But yeah, it's gambling mate.



Steve Trang 1:15:23

Well it feels like, it definitely feels like legal gambling. So if someone wanted to get ahold of you, how would they do that?



Marck de Lautour 1:15:30

So our website is mistakefreerealestate.com. My book is on there, the podcasts and then. If we have any wholesalers out there that are in any of those markets that I mentioned, Steve, that we're growing into, obviously, not on all of those just yet. But you know, we'd love to start working with more wholesalers. Like I say, I mean, we've paid out a million dollars last year in wholesale fees, and we want to double that. So we want to help your millionaires that are going to become millionaires. So yeah, go to info@mistakefreerealestate.com and we'll be ready to take some emails through there.



Steve Trang 1:16:06

Awesome. Thank you very much.



Marck de Lautour 1:16:08

Thanks, Steve.



Steve Trang 1:16:09

Absolutely blast. Thank you guys for watching.