

EPISODE 724

[INTRODUCTION]

[0:00:00.0] ANNOUNCER Welcome to the Real Estate Syndication Show. Whether you are a seasoned investor or building a new real estate business, this is the show for you. Whitney Sewell talks to top experts in the business. Our goal is to help you master real estate syndication.

And now your host, Whitney Sewell.

[INTERVIEW]

[0:00:24.4] WS: This is your daily real estate syndication show. I'm your host Whitney Sewell. Today, our guest is Craig Curelop, thanks for being on the show Craig.

[0:00:32.5] CC: hey, thanks for having me Whitney, I appreciate you having me on.

[0:00:35.9] WS: Yeah, my pleasure. Craig is a top selling real estate agent, investor, and author of the *House Hacking Strategy*. Just three years after being in debt, \$60,000, he was able to achieve financial independence. Largely through real estate investing. Today, I want us to hear exactly how he did that because the listeners and myself, we remember a time, or we're in that now, where we are just pushing for that financial independence that Craig has achieved in a great way. And congratulations first, Craig, on that. And just even writing a book, you know, about house hacking and we're looking forward to hearing your strategy and how you've accomplished that. I know the listeners as well. But get us started about, you know, your real estate background a little bit and let's dive into your story and how you achieved financial independence?

[0:01:22.8] CC: Sure, yeah. I started investing in real estate in June 2017. I moved to Denver pretty much just two months before that in April 2017 from a job that I absolutely hated. And so, being in a job that you absolutely hate, I think almost helps you. Because you realize how much you want to get out of the rat race and just kind of do what you love to do. June 2017, I bought

my first house hack. For those that don't know, a house hack is when you buy a one to four unit property, live in part of it, rent out the other parts, so that the other parts, the rent from the other parts covers your mortgage. And you get to live for free.

Likely even less than free, you actually start cash flowing. And it's a great way to really kind of build that foundation for real estate investing. There's a lot of great aspects to house hacking because you can just put a small amount down, typically three to five percent and, you know, you're also just learning to become a landlord. It's not like you got a property that's 400 miles away, you're literally going home to your investment.

It's a great transition into true real estate investing. Yeah, my first property there was a duplex. It was a — it's a two, one bed, one bath, up-down duplex. Just about five blocks you know, from Denver's largest park. In an area that was still a little bit sketchy at the time but was certainly gentrifying. I kind of played that risk card there where I was hoping to be in an area that would appreciate.

Three years later, in hindsight, fortunately it did. So that's kind of where it all started. Do you want me to go into all the numbers and everything like that?

[0:02:56.6] WS: You know, maybe you could just highlight quickly for the listener who is just getting into real estate. Maybe their desire is to be in commercial real estate because if they are — probably because they're listening to this show. I love hearing a house hacking story because it is a great way to get into the rental business. And just lower your expenses and start learning so much about the business for many people.

[0:03:18.6] CC: Yeah, for sure, I mean yeah, for the syndication stuff, it's a great start, right? At the end of the day, a syndication is just a massive — it's just like this times a hundred. You gotta at least know how one works really well. And then you can start scaling and then obviously the investor side and all that is a different story.

You know, I personally, as someone who may invest in a syndication, I would not invest in anyone's syndication, who has never invested in real estate, right? The really, the best part about house hacking is that you can get in for a low amount down, you can actually call

yourself a real estate investor. Really, after one, and you move out of that property and start having that as a traditional rental.

In that way, you at least have some sort of track record with your own money so that way it makes raising other people's money a little bit easier.

[0:04:03.6] WS: Yeah, love that. Tell me, maybe you could just tell us a couple of the numbers there. I mean, did it pay for itself while you were living there? Or were you living for free or nearly for free and just your couple of things there on your path to achieving financial independence and getting on a dip.

[0:04:19.9] CC: Yeah, for sure. What I did there was yeah, it was a duplex. I lived in the bottom, rented out the top. My monthly payment on that thing was about 2,000, a hair over \$2,000. So I rented the top half 1,750, lived in the bottom, that obviously didn't cash flow. My biggest goal was to cash flow. What I did was I rented out my bedroom on Airbnb and I made like a — basically like a cardboard box and curtain room divider in the living room, slept on a futon for a year behind that. And that is what — rented my bedroom out for about \$1,100 a month on Airbnb. Then I was cash flowing, living for free, and people tend to like that story. Because it was just kind of like one year of just like true grit to get through it.

After that first year, I went and was able to save up enough money to then buy a second house, like exactly one year later. And this time, I bought a single family house where I lived in one room and rented out the other rooms. And you know, each of those properties once I moved out, it's cash flow is a little over a thousand dollars a month.

You know, you can see, I did that three, now four times. And you could see with three, \$4,000 a month plus. I've got some other investments, you know, \$5,000 a month is definitely baseline financial independence, I'm no Grant Cardone or anything but you know, I can comfortably quit my job and do whatever I want.

[0:05:39.1] WS: Wow, that's incredible, congratulations Craig. But it's interesting, you know, I love hearing stories like that too. Like, you lived in a part of this room or whatever for a year so you could Airbnb your bedroom to make it happen. I love hearing stories of guys and gals who

you know, did what it took to make it happen and because it's stepping out and doing what other people won't do, right? You know, to gain that success and you've done that.

Let's dive into a few things that you experienced there, as far as I'm sure, family or friends or people were saying that, "Craig, you're crazy." Or, "Why are you doing this?" Or, you know, "Why don't you just go get a regular apartment or a house or stop doing that?" Or what did you experience there and how did you combat those emotions to stay motivated and keep doing that?

[0:06:24.9] CC: Yeah, I just wanted to achieve financial independence so badly, once I heard about retiring early, I was like, "This is exactly what I want to do." And yeah, it did not go without any heartache, you know. My parents have always been pretty supportive. However, my grandfather who I do love dearly and still do. When I was living behind that curtain, I went back home and we had a beer together and he berated me. Calling me a miser and all of these things just to save a dollar and I was just like — "This is just like it's one year, it's just a stepping stone. This is what's going to get me ahead of anyone else or what I would do otherwise."

And you know, he didn't seem to believe it at the time but now, he certainly understands, kind of what was going on. And yeah, it's hard because no one in my family thinks that way about passive income or anything like that. They've all had that very hard-working middle class mindset.

[0:07:18.0] WS: Such a great point you just made there. You have to think about where you're taking your advice from, right? Or who you're getting that from. Is this person where I want to be? How did you change your mind instead? A lot of times, obviously, more story to that. But, you know, how did you change your mindset out of the way you were raised, potentially or this rest of your family to where you're at now?

[0:07:41.2] CC: Honestly, it really came from reading just like reading, I see the book behind you, Tim Ferriss *Four-Hour Workweek*. That was probably the book that got me into passive income. And I was like, "This is, like, changing the game." And I look at my parents and you know, again, as great as they are, they worked hard their whole life, they're still working.

They weren't able to attend every single event and all the things growing up while they were still there, somehow. But I just wanted to be there 100% of the time. And I say, "Okay, as a growing adult, you have to realize that your parents are human too." And they may have made some mistakes. And then you realize what mistakes your parents have made and you try to correct them. To me, that's just progress through their generational — through the generations. And ideally, in an ideal world, your kids are always going to be better off than you are, right? That's progress. That's kind of what I hope to be and that's what I hope my kids are.

[0:08:30.3] WS: Yeah, that's interesting, you talked about reading, we encourage our kids to read and then learning to read and you know, just — I'm reading more now than I ever have in my life. And I think similar to what you were talking about, you know, the more I started to read, the more my mindset changed, the more my daily habits changed and just self-discipline grew, right? In learning what had to happen.

What are some other key steps that maybe you made to gain that financial independence that maybe your friends were not making or even your family?

[0:08:59.3] CC: Yeah, it was really just increasing that gap between the amount of money you make and the amount of money you spend. I was spending like, in that first year, I didn't drink. I was, like, so focused on financial independence, never went out to eat, bike to the grocery store, bike to work. I actually rented my car out on Turo, which is like Airbnb for car rentals.

I was just like, basically, renting out everything I own, making as much money as I possibly could while sitting back and just saving as much as I could. And it was a fun year. It was a really big year, like, self-development and growth. I read you know, 60 something books that year, listened to a whole bunch of podcasts. And you know, that really gave me the foundational confidence in education to go forward and actually start taking action. Just a year later.

[0:09:43.1] WS: Read 60 plus books, that's incredible. I'm glad that you said that. I want to highlight that a little bit but I thought maybe you could go into, maybe a daily routine, you know? Or your daily routine. You're not going to read 60 plus books in a year and not have some structure, right? Have some self-discipline and have a time of day that you are doing that or that

you're focused on those things. What does that look like for you? How did that change and what is now just your daily routine to be that productive?

[0:10:09.5] CC: So have you read The Miracle Morning?

[0:10:11.9] WS: I did about three years ago and it changed everything about my morning.

[0:10:17.1] CC: Yes, so Miracle Morning is where it was at basically. For those who don't know, The Miracle Morning was written by a man named Hal Elrod. And he goes and interviews the most successful people in the world and figures, "Hey, there are six things that most essential people do. What if you did all of them?" And there is an acronym called SAVERS. S stands for silence, A stands for affirmation, V visualizations, E exercise, R reading and S is scribing.

And so I would wake up, you know I used to wake up at seven. I would go from seven to 6:30 to six. And I have gone all the way down to 4:30 AM. So at that time, I was waking up at 4:30, doing that morning routine. And I allocated about an hour to an hour and a half every morning to reading. And read for an hour and a half every morning for, say, 300 days a year. Let's say I wasn't perfect, you will get from 50 to 60 books.

[0:11:05.1] WS: Nice, yeah I know that's awesome. You have to be purposeful. It is interesting you brought that book up because that was a book I read, you know maybe four years ago now or something like that. And that did change everything and I wouldn't say I've done everything that the SAVERS acronym lays out, however it did just make me think more purposefully with my time in the morning, right? And reading was a big part of it.

It has been, I read more in the last few years than I had my entire life and contribute so much to that. Anything else in your morning routine or just your daily routine that has proven to help you be successful?

[0:11:40.3] CC: I would just say getting in that routine, staying dedicated and don't fall into bad habits, such as, whether it is going out and drinking every night, whatever it is. I think exercise is a huge thing, make sure you work out pretty much every day. That just keeps your mind clear. It keeps your body looking good. It keeps your confidence up and all of these things and even

though you don't feel like it does anything, it does a lot but I would say those are the biggest things. It is just *The Miracle Morning* and exercising each day.

[0:12:06.7] WS: Any other tips for the new investor who is struggling to get started?

[0:12:11.5] CC: If you're struggling to get started, it either means you lack confidence and education, so learn. Or it means that you don't have enough money, so start saving. I mean I think it's either one of those two of those things. Or you are just not afraid — or you are afraid, which means like you need to just get going, right? Just take — everyone is afraid of their first deal so you just have to go ahead and push through it.

[0:12:30.6] WS: What's been the hardest part of this journey in real estate to gaining financial independence?

[0:12:36.6] CC: The hardest part was probably, at first it was being different from everybody, right? When you do this, when you do go through this journey, you accelerate your wealth so quickly that you really never are like anybody else, right? You start off and, I was looking behind the curtain, and everyone was basically thinking I was a poor man. But I wasn't, right? I was just saving a lot of money. And then you buy a second house in less than a year and that's pretty abnormal.

But at that point, I was probably at, like, the normal person living, living with their mates. But then when I went to year, year number three, number four, now I am starting to invest tens to hundreds of thousands of dollars in real estate. And people go, "How can you do that?" I'm like, "Well, remember when I was living behind the curtain? You know it all adds up and piles up to itself." So at really no point to this journey are you relatable to your peers so just be ready for that.

Embrace it and actually accept it because when you are un-relatable it means you are doing something pretty damn cool that other people won't be able to do.

[0:13:34.0] WS: Incredible that you brought that up right there. I mean that you're unrelatable, you are doing things that other people are not willing to do, even living behind the curtain. And,

you know people, what they think about you is just irrelevant, isn't it? I mean you just have to tune that out. Tune that out and ignore it completely and so you were good at that. It is incredible and now they're now looking at Craig, saying, "Wow, where did this come from? I didn't see it happen."

Craig, what do you see happening over the next say, six months to a year in the real estate market? Are you a buyer or a seller or are you waiting? What's your plan?

[0:14:08.7] CC: I buy. I try never to sell. You know, only if the property is really causing distress. Yeah, so I am going to continue to buy. You know I've got two more under contract out in North Carolina that I am working on now. I've got four in Denver. Once 2021 comes around, I will probably buy a few more here in Denver. Yeah, you know I am not really waiting for this big market correction that everyone tends to talk about.

I just try to buy, consistently buy good cash flowing deals. That way I can survive a market crash and I can thrive in a market increase, whatever the market brings, we can handle it.

[0:14:42.1] WS: From your experience now that you've learned, what is something you would do differently now and say that first deal now that you know what you know?

[0:14:50.0] CC: I probably wouldn't have bought a traditional duplex. In the Denver market, what really works good is buying a single family home and converting that single family home into a smaller single family home. With the mother-in-law suit in the basement. And that is how you get the most sustainable cash flow. You also get some good depreciation. I got really lucky on that first deal and it is appreciated, like 200 grand. So I am happy about it but in hindsight, I didn't know I was going to do that.

So I would have likely gone the single family route but either way, you know that is how you live and you learn and you work out.

[0:15:24.0] WS: Yeah, what's a way that you have recently improved your business that we could apply to ours?

[0:15:30.2] CC: I started doing a lot more outsourcing. So you know, as a real estate agent, we have a transaction coordinator. She saves my life just through organization and getting a lot of the admin stuff done. I have also hired a VA right out of the Philippines, she's amazing. She takes care of all of the non-time sensitive things that I just don't really want to do and so between those two things it's great and you know we are starting to build a team out here too.

So the agents under me, I'm training and they are all house hackers or investors as well. And they're all great and we're just trying to basically level up, scale up. And I like to eventually kind of be a consultant to this whole thing, rather than an actual agent doing showings and all of that kind of stuff.

[0:16:14.9] WS: Nice, okay and you know tell me Craig the number one thing that's contributed to your success?

[0:16:21.0] CC: Consistency. I heard a quote the other day that I just almost want to be like — I am not a tattoo person but I almost want to get one tattooed on me that says "consistency trumps intensity." Because just doing one hour of something or even, like, half an hour of something every day over the course of two years will be a lot better than allocating that same amount of time over the course of two weeks. Because you would get burnt out and don't want to do it anymore.

So just be consistent and do something. *The Compounding Effect* by Darren Hardy is another great book that basically describes that exact thing.

[0:16:52.2] WS: Nice, I appreciate you making the book recommendation as well and tell us how you like to give back.

[0:16:57.2] CC: So I always try to at least donate some money each year to — usually, I don't have a specific organization that I am loyal to. But I enjoy just, with my friends on Facebook who are looking to raise money for something. I will always give them a little more than they would expect anyone to give them just so it's like a good feeling for them and a good feeling for me. And yeah, you know, I don't need as much of my time as I probably should but I feel like that kind of —

— I used to be a lot more of my time before I had a little bit more money. But now I am okay, not giving out my time and getting me some more money. And then obviously, just helping others and trying to put out content to help others build wealth through real estate investing. I've helped a lot of house hackers and investors out here achieve financial independence or come pretty close.

[0:17:42.4] WS: Nice, Craig I am grateful for your time. It's an incredible story that you have. Congratulations again just on your success. And doing the hard things that nobody else is willing to do. You know living behind a curtain for a year is not something most are willing to do to achieve anything, much less just having the consistent daily habits that you have talked about and just illustrated through your success. So Craig, thanks again for your time. Tell the listeners how they can get in touch with you and learn more about you?

[0:18:11.4] CC: Yeah, you can find me on Instagram. It is probably the best way. I am @thefiguy as in the financial independence guy and you could also at thefiteam.com, is our agent website if you are in the Denver area or you can always find me on BiggerPockets as well.

[END OF INTERVIEW]

[0:18:28.1] WS: Don't go yet, thank you for listening to today's episode. I would love it if you would go to iTunes right now and leave a rating and written review. I want to hear your feedback. It makes a big difference in getting the podcast out there. You can also go to the Real Estate Syndication Show on Facebook so you can connect with me and we can also receive feedback and your questions there that you want me to answer on the show.

Subscribe too so you can get the latest episodes. Lastly, I want to keep you updated so head over to LifeBridgeCapital.com and sign up for the newsletter. If you are interested in partnering with me, sign up on the contact us page so you can talk to me directly. Have a blessed day and I will talk to you tomorrow.

[OUTRO]

[0:19:08.9] ANNOUNCER: Thank you for listening to the Real Estate Syndication Show, brought to you by Life Bridge Capital. Life Bridge Capital works with investors nationwide to invest in real estate while also donating 50% of its profits to assist parents who are committing to adoption. Life Bridge Capital, making a difference one investor and one child at a time. Connect online at www.LifeBridgeCapital.com for free material and videos to further your success.

[END]