

EPISODE 1456**[INTRODUCTION]**

Whitney Sewell (WS): This is your Daily Real Estate Syndication Show and I'm your host, Whitney Sewell. Today we have packed a number of shows together to give you some highlights. I know you're going to enjoy this show. Thank you for being with us today.

[INTERVIEW 1]

WS: Our guest is John Rickgarn. Thanks for being on the show John.

John Rickgarn (JR): Thank you. Great to be here.

WS: Yeah. Great to have you on the show. Having lost both his parents to cancer in their 50s, John realized a deferred retirement plan might not work for everyone. John started real estate investing in 2016, for the fourplex by pulling money out of his Roth IRA, five years later, he owned several properties across four states and is involved in dozens of other investments and syndication.

John, welcome to the show. What are you paying a little more of a picture there for us so we can understand a little more of your background and let's jump into your expertise and some of the things that you're doing with your own personal finances; I think that could help us as well.

JR: Sure. Yeah, you already mentioned in my bio, just kind of a quick upbringing of mine, like you said, both my parents passed away of cancer, and my dad when I was 11 years old, and then my mom when I was 16 and... Ironically, it wasn't till years later, I kinda had my awakening moment, so to speak. I remember in 2014, my wife had just decided to walk away from her job and was looking to go back for a doctorate and become a teacher, she had always dreamed of being a college professor.

So at that time, I was thinking, okay, we're down to one income. At the time I was in sales, so you think, okay, gonna sell more, work more hours, work longer to work harder, and just was kind of thinking like, well, financially, we're sitting pretty good, we have a lot of money in our IRAs and 401Ks. And it just kinda hit me right there, I remember I was just sitting on my couch and I was thinking, well, what if I don't make it to age 65? And I was thinking about my parents, they passed away in their 50s, and then I was thinking, well, what's the point of saving all this money to a deferred lifestyle later on that necessarily isn't guaranteed.

And at the time, I was thinking, okay, I'm 31. If I was to essentially relive my entire life all that time period, then I'd be 62, that'd be 40, 50, 60 hours a week, and I still wanna be at the arbitrary retirement age that everyone says you should do. So it was kind of at that point like, Okay, I need to do something different, I need to find something else that works. Other than just working at a job 40, 50, 60 hours a week for the rest of my life.

WS: What were some of the first steps that you took, I believe we all have to have almost that aha moment at some point, right, and see that something's gonna have to change. We gotta do something different that maybe everyone around us at that time anyways, doing or things that we should do often. So what were some of the first things there that helped you to say, okay, I've got to change the way I'm thinking about my finances? And what did you do?

JR: Yeah. At the time, it was kind of the old adage, you don't know what you don't know at that point. So just random Google searches, how to make extra money in, and initially it was kind of, Well, this is a side hustle. Here's something you do in your spare time, and which isn't bad, but you're still trading time for dollars. Somewhere along the line, I came across a podcast, and at the time, like I said, I was in sales, so it wasn't uncommon to put 150-250 miles a day on the road, so I started just downloading podcasts.

I know there was one by Mac Theriot that I first came across and then get rich education with Keith Winehold, then just kinda start building there for learning about real estate, really like the buy-in, holon got introduced to passive income where you're not trading time for dollars, you have money coming in from rents and dividends and interest on a monthly basis.

WS: Tell the listener a little about how you view what we were talking about before we started recording a little bit, but elaborating a little bit on instead of having this dollar amount per month for passive and how you have your stepping stones to cover expenses.

JR: I can't remember where I first heard it, but several podcast webinars, I've listened to, 10,000 dollars a month seems to be the quote and quote magic number that everybody goes for passive income, and I first heard that. It's like, okay, 10,000 dollars a month, 120,000 a year. That's about when I make working 60 hours a week. So it just kind of seemed impossible to get that for, you know, from a passive income standpoint.

Later on, I started working on an Excel sheet and looked at, Okay, what are my fixed monthly expenses every single month, not food, not gas, not the ones that change for a month, a month, but your rent, your mortgage, your car insurance, ones that typically are the same month to month, and I noticed, okay, the smallest one is my Netflix bill, so 13 bucks a month. Can I get an asset that would provide 13 bucks a month passive income, and basically take care of that monthly expense.

Soon after, Fundraise, it's a crowd funded real estate syndication platform for non-accredited investors, started investing in that and then I actually came to 30, 40, 50 bucks a month eventually, so then that took care of Netflix and a couple other bills, and just kind of worked it from there. I would identify a bill, take the monthly amount and figure it out from an annual standpoint and okay, what's an investment that could pay this bill coming up next?

WS: I think it's interesting to think about it that way. And you know, checking those bills off. Okay, this one's covered by passive... Now, this one's covered by passive income, or what's my next investment that can cover this next bill here and even some goal setting there thinking through it like that. What were some of your first investments possibly? You talked about Fundrise, now maybe you've invested in some syndications, what were some of your thought processes there as far as getting started passively investing?

JR: Yeah. The biggest thing was just for me, just kind of starting small and building up from there, also, it isn't available now by Lending Club, used to be a platform that investors could pool their money together, and then for as low as 25 dollars, you would actually buy a portion of a note or a portion of a promissory note, and then it would give monthly and come from there. Fortunately, that's phased out, but there's a couple other platforms that are still available.

I started working on just like I said, the smaller ones from Fundrise. Realty Mogul and then dive into, like you said, my first four plex in 2016, this kind of two steps with that one of my mentors mentioned, hey, you've been putting a lot of money in your 401k, why don't you just cut that back down to what you get for the match? So I cut that back from about 15% down to 6, and that allowed for some extra funds for investing, and after listening to podcast it's thinking, Okay, I wanna look for a newer property in 1990s are newer, newer roof, newer citing 1% rule, etcetera, etcetera.

My wife even said, Yeah, you're never gonna find that. And ironically, we did. But it happened to be a four-plex. And initially I was thinking, Okay, there's no way I can afford this. And I remember a quote from Robert Kiyosaki, he always said, Don't say I can't afford this. Ask, how can I afford this? And just put my thinking cap, I was doing some research, and our advisor at the time said, you know, you've had your Roth IRA since you were 19, you can take your contributions outright.

Which I didn't know, I thought you just kept that until you were retired, so what the inner Dave Ramsey and... Susy Ormand just screaming, do not touch your IRA. I actually took the money out of my Roth IRA and that was the down payment for my fourplex and... Yeah, that was five years ago and just a built on that ever since.

WS: Nice, well, what was the change in mindset from or why not to just continue buying more four plexes, maybe you are, but instead of thinking more towards just being passive or investing in syndication...

JR: Yeah, the fourplex who just kinda fell into... We have worked with the real estate major at the time. Like I said, the numbers worked out good, pretty new property, and back in 2016, the inventory was a little bit higher and prices weren't quite out of, quite as out of control as they are today. From there... Got wind of a duplex, it was for sale, that was an off-market one that we decided to go after two years later. And back in 2019, then we did a road trip, learned about what's called turnkey investing, where you buy a single family property from a company where it's fixed up, got a tenant in it, ready to go.

And we kinda did things in reverse, we started with the fourplex, so I went to single family versus single family than going building up to a fourplex.

WS: Yeah. So what are your thoughts now on buying more smaller multi-family or things like that versus passive investing?

JR: Yeah, I've looked at a couple... I'm actually just last week, I was on a road trip down at Iowa, checked out a couple of markets down there, tend to go after the boring market, so to speak, where cash flow comes in consistently. I'm not an appreciation investor, I'd figure that's more of icing on the cake versus trying to chase some double digit year after year return like a Dallas Fort Worth or a Tampa Bay or some of the other crazy markets, so the other investors are going after, and since my goal is to have bills paid for by passive income appreciation equity isn't gonna pay those bills...

WS: Yeah. Well, I know a big part of something you like to do is the networking component, tell me about how you're doing that. Networking with other investors.

JR: Yeah, it started with a real estate conference in Indianapolis back in 2018, ironically networked with some investors that were in Fargo, North Dakota, just about four hours north of where I live, I'm actually invested with them on a couple of projects, listen to their podcast. They had some people that they were interviewing reached out to them, and it just kind of snowballed from there where... From LinkedIn invites, Facebook, Instagram, Twitter. I think the old adage, we're all six degrees separation from everyone else on this planet.

And kinda more you network, then you hear more of other people and come across recommended connections, if you have 16, 20, 50 connections and common... And just kind of

snowballs from there. And I'd like to bounce off ideas with other investors and others reach out to me as well.

WS: Speak to the... Just the infinite returns thought, tax deferred stuff. Maybe you can elaborate a little more on that.

JR: So it was a book of Andy Tanners, introduced me to infinite returns, kind of on a basic level. About 100 dollars into an investment. You earn 10 on the investment. That's a 10% return on your money. If you put in 50 and you borrow 50, still gained 10%. That's a 10% return on that investment, but it's a 20% return on your money or what you've put into the deal. The rest of it is borrowed, and if you get down to the point where you've invested money.

If someone in my Roth IRA, you take out the contributions, you're just investing with the earnings, or if you're a poker player, you're playing with house money, since you have none of your money in that deal, that's what's called an infinite return that you really can't factor in a return of that money. You have none of your own money in that, and that's how I built some of my investment streams over the years, back to the Lending Club, and example, I would take out a 0% transfer offer from my credit card, invest those notes, pay the moment payments, roll that over 12 months later.

Just kept compounding it. Early 2018, I took out my contributions and basically everything that was left in there was borrowed money from my transfer offers, fast forward to 2019, I paid off that loan and now it's just a residual income stream for me of infinite returns with none of my own money in it.

WS: Wow. Okay, what about your just outlook for financial freedom for yourself, do you have a timeline? Is you're thinking about those bills, are you thinking about different ways you're investing or some thoughts on how you're investing to get there as fast as possible.

JR: I wouldn't say fast as possible, I'm kind of at tortoise versus the hare, the tortoise eventually wins. Slow and steady wins the race... My goal though, is to be financially free by 2030, obviously if it comes sooner, even better, had to take a little step back with... Last year we had the covid 2020 that impacted us all, and inventory for rental real estate is a little tight right now, as much as I'd like to keep building up my round portfolio, I'm not gonna buy something just for the sake of buying...

It still has to meet my criteria, so whether that takes an extra six months or a year, so be it. I'd rather get something that, it's my criteria versus us buying something for the sake of buying and are hoping for appreciation.

[INTERVIEW 2]

DAVID ROBINSON (DR): Our guest is Bryce Robertson. Bryce, how're you doing today?

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BRYCE ROBERTSON (BR): I'm fantastic, Dave. Thanks, mate.

0:00:51

DR: Yeah. Bryce, also known as “Your Real Estate Mate”, is an Aussie-born real estate investing entrepreneur, number one international best-selling author, world traveler, and adventurer. He has raised millions of dollars and a culmination of success in mobile home park investing. Bryce lives the freedom trinity of financial, time, and location freedom. Bryce is also the host of the YouTube channel and video podcast, Freedom Hack Radio, co-author of “10000 Miles to the American Dream”, writes weekly articles for BiggerPockets, and has the number one top-selling mobile home park investing and capital-raising home study courses. So, Bryce, obviously, you've accomplished a lot in the world of real estate, and we're excited to get into your story and to your unique ability.

Many people get stuck in that zone of learning and educating, and learning and educating, and they never take enough action to get that first deal on a contract. What helped you to break through that?

DR: Just determination, man. Really the main motivating drive is these two -- what I started off with and that was that I had a day job and I didn't wanna have a day job anymore. I didn't enjoy it anymore. I'd been in that career for about 20 years, I want it out. I felt like a slave. I wanted freedom. So that drove me really, really hard, so that meant that I had to work even harder to work myself out of that situation. So I was very driven. I really didn't know all of the steps that I needed to take. I went out there, I dropped \$30,000 on a mentoring and education program, which ended up being essentially pretty useless. We didn't really learn anywhere near or get that much value out of it. But I suppose essentially, we did in some other capacities out of a mentor, that was my on-speed mentor, ready for me for any real estate challenges. So I had found a park, I wanted to put it on a contract, and I told you what my circumstances are -- I had a negative net worth, \$2000 in the bank, unseasoned credit.

BR: So I called up my mentor, no answer. Kept calling, no answer. So I called the people from the organization and said, “Hey, I need my mentor”. So finally a day later, he gets back to me. He says, “Hey, what do you wanna do? You wanna put this park on the contract? You got a negative net worth, \$2000 in the bank, unseasoned credit.” He said, “You're dreaming kiddo.

It's never gonna happen. You're not gonna do it. Why don't you just come back down to the club and do a little single-family deal like everybody else?"

I literally just hung up the phone and I never called that guy back ever again. And that was my second motivation. I was like: Yeah, dude, you're gonna tell me, I can't do that? Watch me. Right now, I'm gonna do it. So I ended up calling on one of my other mobile home park, I suppose, mentor, someone who had a lot of success in the mobile home space. He said, "What? You've got a park? But under any circumstances, do you have it on a contract?" I'm like, "No." "Dude, you need to put that under a contract. I'm gonna send you a contract right now." Boom! I put it on a contract. All I knew was what the next step was. I didn't know how I was gonna raise the capital. I didn't know how I was gonna do all the due diligence. I just knew that I needed to get it on a contract. So I did that. And then once I got on the contract, I'm like: Alright, what's the next step? I need to do inspections. I need to take a deeper dive there.

BR: We do need to do that. Boom! But there -- and we need to get financing. We need to raise capital. And I just took it step by step. If I had a setback and thought about how I was gonna do all of those steps, I probably would have just said the same thing as my mentor and told myself I was dreaming. But I didn't wanna do that. And so I just took it step by step.

DR: Yeah, and thanks for sharing that because there are so many that get stuck in this analysis paralysis phase because they look at the entire project. It's daunting to think about everything that goes into taking down one of these bigger deals. I've found a thread of consistency among those that really take massive action early on, and it's just that -- it's focusing on the one step that's in front of them, and then the next step after that, not getting overwhelmed by the entire complexity of the deal. I love that you mentioned early on that after you got this first deal under your belt, anything was possible. You were standing 10-feet tall. Talk to us about that moment in your life and in this journey for you. And what kind of impact it had on your trajectory moving forward?

BR: There's a monumental shift. It busted any myths or doubts that I had about myself, about what was possible. Because even though my determination on the inside of me was saying: Screw you to my previous mentor and that I was gonna go out there and prove it, I still don't know how I was gonna do it.

BR: And when I actually did it and I achieved it, I looked back and I was like: Wow! That wasn't even that hard, especially if I compare the, I suppose the slavery that I went through for the 20 years before and how hard I had to work in a career just to earn money to live essentially paycheck to paycheck. And then I looked at what I did in a short few-month period and how much that changed my life financially. And that if I could compound that and do a couple of deals like that a year and just like, the possibilities are endless. So fast forward, I kept on going. I kept on syndicating deals. And then after two and a half years, my wife and I were fortunate

enough to be able to retire ourselves and become financially free. I looked at that and I'm just like: Wow, two and a half years compared to 20 years? And it was much easier to do it in real estate and business. Even though culture or our mind would tell us that it's so much harder, but it's actually significantly easier to do these entrepreneurial things, in my opinion, than it is to wake up at 5:30 in the morning.

BR: Go to the daily grind. Do something you don't really wanna do. You have to ask your boss for time off and then just have the thought of doing that for the rest of your life. It was just an absolute no-brainer to me. So that when we became financially free, I then became very, very compelled to share my experience so other people could replicate it. They don't necessarily have to do it in the mobile home park space, but just: Hey! Here's what I did in two and a half years. It wasn't actually that hard compared to what all of you are doing there on a daily basis, and just kind of screaming from the treetops that you can live free. I truly believe that anybody listening to this podcast or watching this on video, you can absolutely have financial freedom and live free.

DR: Love that. And that's a great segue into this topic of what you call the freedom trinity: financial, time, and location freedom. Maybe you could just talk to us about what that means to you.

BR: Yeah. So essentially, that was something that I was trying to achieve in the beginning before I was even an entrepreneur. Traveling around the world is to have time and location freedom and just be anywhere. Do what I wanna do and enjoy my life. I never had the financial aspect nailed. So when we were focusing on getting all of this started in America, that was the focus. It was the financial component. But once we became financially free, now a massive weight was lifted off our shoulders. And I realized I don't have to work anymore. I can work if I want to work. I can do what I wanna do. And then, now I have free time.

See, a lot of people, they might be financially successful, but they don't have any spare time to do anything. They're essentially slaves to their business, slaves to creating wealth. In my opinion, that's not freedom. Sometimes we have to do that for a short condensed period of time to get to the next level. Sometimes I still do that and I obsess with work for a short period of time. But I know that there's a light at the end of the tunnel because I want time freedom as well. Because ultimately, what's the point of making all of this money? It's not about things we can buy, it's about the experiences we can have or what we can do because money is no longer an issue or a limitation.

Then it became: Well, okay, I've got the time to do what I wanna do, and I've got the financial freedom to have the capacity to do things financially. Now I wanna be able to do this from wherever I wanna be. And so the next step was to set up so they didn't have to be dependent on being somewhere in a specific location. Let me give an example of the Freedom Trinity and

how this worked in my life. So in the beginning of 2019, my wife and I were going to a surfing trip down in Costa Rica. It was meant to be for three weeks. We're gonna go down there. Do a little bit of surfing, check out some properties, maybe open up some kind of backpackers hostel or something like that, check out some real estate. We've got about 10 days into it. We're like, now the opportunity that we thought, it is in the vibe we're looking for. And so my wife said, "Well, let's go down to Chile". We're gonna go down South America. So we got a plane ticket. We went down to South America. We started hiking in Patagonia. We went to Argentina.

Next thing you know, we spent three months in South America and had an absolutely amazing time. We're in the Amazon jungle trekking. It was phenomenal. And then after about three months being in South America, my wife says, "Hey, you know it's really cool, and we could stay in South America, but I'd really love to go to Europe right now. I just found some kick-ass plane tickets to France. You can surf over there, let's go over there." She got me hooked on that, "Hey-you-can-go-surfing-over-there". Funny thing is, we got there, I never even went up surfing. But we ended up spending three months in Europe, traveling around wineries, eating at Michelin-star restaurants, staying in castles, have an absolutely amazing time. And the interesting thing was, when we started out, we were gonna spend three weeks. We ended up spending six months. We went to 20 countries. While we did that, I launched my book, I launched new investments, I was building my business as I was away. I was probably working somewhere between half of a day to two days a week and traveling all over the world having these amazing thing experiences, but yet still growing my business at the same time. And so that was a real-life example of how the Freedom Trinity showed up for us in our life.

DR: That's great. And I want to bridge the gap a little bit, or maybe just give the listeners some context. When you first started focusing on mobile home parks, got yourself educated, and took down that first deal, give us some context as far as the time frame. How long ago was that when you took on your first mobile home park deal?

BR: That was 2015.

DR: Okay, perfect. So, look at this, here we are two years into it. So, by roughly 2017, you're financially free. In 2019, you have yourself in a position to be able to take a trip that was supposed to be three weeks, turns into six months and your business didn't skip a beat. What a wonderful example of what this business can do for those that really want to put their head down and make it happen. I'm wondering, in the time that we have left, if you wouldn't mind just sharing some practical strategies or tactics that you've used in your business that's helped you achieve what you've been able to achieve.

BR: Everything revolves around self-development. It's not that I have the skills of understanding how to do transactional deals like, yeah, that helps, but it's only like 20% of what we need to know. It's in understanding how to solve problems. It's understanding how to be the man you need to be or the woman you need to be to communicate what you need to communicate to effectively achieve what you need to achieve. It's all about self-development. So really, for me, I'm on a continuous path of peeling layers of an onion to get over my own shortcomings, to continue working through that. I mean, it's something that's probably gonna continue for the entire rest of my life. And it's really just spending a lot of time -- I like to read books, I like to meditate, I do take a lot of courses. I like to have conversations with friends on these kinds of topics. I search a lot on the internet and I watch a lot of videos. I'm just always continuously learning, and we instinctively know what's the biggest block for us right now. What's the one thing that if we change in this given moment right now that would have the biggest compound effect of positivity in our life. And if any of us are honest with ourselves, we can just stop, close our eyes and breathe for a couple of minutes and we all know what that is. And so that's what we need to work on.

BR: That's what we need to change. That's what we need to shift, and as soon as we nail that, we move on to the next thing. In the beginning, I came from Australia where we have tons of slang in Australia. So my communication was completely off. I would be telling jokes to people when I first got to America. I'd get to the punch line, I thought it was awesome. And then people will be looking at me googly-eyed, "Dude, I've got no idea what you're talking about. You've lost me like five minutes ago." So I had to literally change my whole vocabulary. Then I had to learn all the business and investing language. So, there's just a lot to learn, a lot that we need to do.

But these stories about some... Donald Trump, for example, became a billionaire and then he went to zero, became bankrupt, and then he went to a billionaire like that overnight because he'd already built the connections. He'd already established who he is as a business person, so he had the capacity to communicate. Have the resources to do all of these things, and that's really what makes us successful entrepreneurs. It's building that foundation of who we are, how we communicate, how we can handle stress, how we can handle things, how we can solve problems, and continually growing to be better people.

[END OF INTERVIEW]

[OUTRO]

Whitney Sewell: Thank you for being with us again today. I hope that you have learned a lot from the show. Don't forget to like and subscribe. I hope you're telling your friends about Real

Estate Syndication Show and how they can also build wealth in real estate. You can also go to LifeBridgeCapital.com and start investing today.

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