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**Shiloh:**What I did, was, rather than just working in these public behavioral health sectors and just kind of doing what everybody else did there, I sought out learning. And I think this is a big important piece to wealth building. It's not being content with what you know today, but constantly looking to learn and improve yourself and your skills. And so, I would constantly go to these trainings and even when my work wouldn't pay for it, I would take money out of my own pocket.

**Narrator:** You're listening to the Millionaires Unveiled Podcast, where you'll hear the stories and interviews of everyday millionaires, we'll unveil their decisions, their strategies, and their current portfolio allocation. Now to your hosts, Clark Sheffield and Jace Mattinson.

**Jace:**Welcome back to another episode of the Millionaires Unveiled Podcast, this is episode number 116. How's it going, Clark?

**Clark:** Good, good, how are you?

**Jace:** I'm doing great.

**Clark:** It was 65 or 67 or so here today so it's making me want to move to Austin.

**Jace:**Dang.

**Clark:** We don't really get that weather here in January.

**Jace:**Yeah, we had a little cold front, actually dropped through so we dip below the 60 mark, but we'll be back up, I think we're going to hit 80 next week one day.

**Clark:** What's the coldest it gets there in the winner?

**Jace:** I mean there's a, we'll get a day or two where, you know, it gets down in the 30s and 40s for the high you know, when a cold front comes in but typically we stay in the 60s, low 60s, high 50s is kind of the average.

**Clark:** When's the last time they got snow down there?

**Jace:**You know, we actually got snow, I think it was last year, maybe the year before, twice. But no joke, we had not had snow in like a decade I hear, but it's like 10 years was the last time before last year that there was snow here. But it's what you get in Central Texas, so we got to go to the mountains or go out west or north to see snow.

**Clark:** So, we are talking just briefly here before the show, I just read an article, an interesting article and I just kind of thought we could talk about that for a second. And it's a I think I saw it in the Wall Street Journal but is analysis done by Zillow on single family homes and just a couple sentences here it says, "one in eight owner occupied homes in the US, or roughly 9 million residences are set to hit the market from 2017 to 2027 as the baby boomers start to die in large numbers, according to an analysis by Zillow by 2037, one in four houses will be for sale. One eight of today's owner-occupied homes will be put on the market between now and 2027". So, just interesting, right as you start thinking about the millennial generation and younger, they tend to live more urban, right and to rent so it could have drastic effects, who knows if it will, right but this analysis by Zillow thinks that it will in the next what, 10, 15, 20 years here.

**Jace:** Yeah, I think it's an interesting trend to, one, pay attention to but then also to kind of see if there ends up being any price compression around that, right. The millennials, like you said are more willing and wanting to live in more urban settings and will typically, when they do buy will buy new versus buying, you know, a product that might have been built, you know, in the 70s or 80s and remodel, some do and obviously, we've got a lot of TV shows out there that talk about the remodel process, but that's typically not the preference for millennials and one, they're getting married later, not having as many kids too, which also kind of plays into them not necessarily moving to the suburbs. And I think another interesting thing about that is our parents' generation, the baby boomer generation typically would stay in a job or in a location with one company for a majority of not all their career whereas millennials have been more susceptible to kind of doing two to five year stance. So, and there's part of that, renting, so I think I'll be some interesting price changes based on that trend and maybe some of these homes that you know, are valued at amongst baby boomers that what their level is today will not be able to sustain that because the millennials in the next generation aren't willing to pay that price.

**Clark:** Yeah, I wonder, right, I wonder if this trend of living in the cities and having less kids and you know, does that flip back in the next generation, does that continue? It's interesting, but I'm reminded of, you know, an interview that we had this week, that'll launch in a few weeks or in a month or so, he was what, young 60s and he worked in the same career for 30 years, now retired, but worked at the same job, I think in manufacturing right for 30 years. And it is, I don't hear about it as much, right, anymore.

**Jace:**No, you don't see that. Well, it's hard too.

**Clark:** It's hard to see because you don't really have the data but very few people that I talked to now have been there for, at least on our show that we interview, right, have had the same job or the same employer for even 10 years or 15 years.

**Jace:**Exactly, it's getting more commonplace that really, it's 2 to 5 years, is kind of a the job change and the, you know, the change of changing of guard, if you will, where they're moving cities and getting a new job or maybe going into a different industry and we've seen amongst our friends to where, you know, most of our friends probably for the most part, 5 to 10 years’ experience, it probably been with two to three different companies, if not, 4 or 5, in some cases. So, yeah, it'll be interesting to see how that kind of plays out and pricing and then you also have the great influx of baby boomers who are going to probably want to get a second home or move south, warmer weather. You know, that guy you talked about, you know, he's talking about moving to Florida, and I know a lot of people that that's kind of the ideal with a banker who's approaching retirement in Texas, but he's still thinking about Florida. My attorneys just bought a second home in Florida, lot of movement down south, southeast. I think there's a report that just came out that Florida, by U-Haul that Florida was actually the number one destination for people moving this last year in 2019. So, definitely some interesting trends to pay attention to and see if prices adjust significantly on 80s and 90s type home product or single-family home product and if there becomes a bigger demand for single family rentals.

So, on last week's episode, we had Chris, Chris firefighter in New York City, he discusses both his career path and investing story. His net worth was 1.4 million, so that's episode 115, if you're interested in that. On today's show, we've got Shiloh, Shiloh is a counselor, and he has a remarkable story of getting out of debt and growing his wealth through real estate, and his net worth is just above 1.3 million. Looking to read more and better yourself in 2020 or do you have an ever-growing list of books you want to read? Well, our new sponsor Book Notes can help. Book Notes knows that you don't have enough time, money or patience to read all the books, we've been wanting to, that's why they created short, easy to read or listen-to summaries that help you learn, grow and excel in your career and life. The summaries take an average of 5 to 15 minutes to consume and are quick and easy way to get a base understanding of a book before you buy it. From nonfiction categories like finance, love, career, happiness and health to fiction and documentary, each summary highlights the key ideas of each title. Book Notes adds new content weekly including top sellers and trending books from each category. I've personally use Book Notes and listen to summaries of Millionaire Next Door, Grit by Angela Duckworth and Rich Dad, Poor Dad. Try Book Notes free for seven days, click on the link in the show notes and download the app to get access to hundreds of summaries of best-selling and new released books. We appreciate everybody listening to the show and supporting our sponsors. When you support our sponsors, you definitely help support us. Also, if you're interested to be on the show, send us an email millionairesunveiled@gmail.com, always looking for quality guests, and also those who've reached out in regard to our deals, appreciate you. We definitely have more in the pipeline so if you're interested in those, send us an email. Without any further delay, let's get in today's episode with Shiloh. Shiloh, do you want to just give us a little bit about your background and kind of what you're up to today?

**Shiloh:**Sure, so, I am by profession, a child and family therapist, and I have a practice in Mesa, Arizona. And I live here about half the week, I also live the other half the week in California because I have a couple of kids that do some acting. And so, I moved my family up there a couple years back, but I go back and forth. And so, when I'm here in Arizona, I spent a lot of time doing therapy with families and children but then I also do a lot of real estate on the side. So, that's what I do.

**Jace:**Awesome. And what's your net worth today?

**Shiloh:**Today, it's about 1.3 million.

**Jace:**And what's, how is that kind of allocated?

**Shiloh:**So, I have about a million dollars in real estate so just billion dollars of equity in real estate then I have about 300 in liquid cash.

**Jace:**And what's kind of the breakup of that real estate, single family, multifamily, what's kind of the breakdown of that million dollars in equity?

**Shiloh:**So, we have a commercial property that has 12 units, and that's where I have my therapy practice based out of, then we also have a mobile home park with about 19 or 20 units and then we have, the rest are pretty much single family residences. And so, we have about 45 or so single-family residences, and they're all in Arizona, we have a couple of duplexes and triplexes as well.

**Jace:** And are all those properties pretty close to where you are located there?

**Shiloh:**I would say the majority of them are within an hour to an hour and a half.

**Jace:**Okay, so fairly close. And with your therapy practice, is that some commercial office suites that you own in that building?

**Shiloh:** Yeah, so I own one building, and the building has 12 different suites.

**Jace:** Okay, cool. And then you've got the single family and then obviously, the mobile home park as well?

**Shiloh:** Yeah.

**Clark:**So, you mentioned here in these notes before the show, you touched on you spent about $75,000 in coaching for real estate. Tell us a little bit about that, you know, who was, what was the coaching or who was it and did you think it was worth it? Is that something you'd recommend?

**Shiloh:**So, that's a really good question. Would I recommend it? Possibly, depends on your situation. So, what happened was in 2014, we purchased the building and then in 2015, my wife and I are watching those shows, you know, Flip and Flop and other shows on HGTV were like, you know what, we could do something like that. And so, when we purchased the building, we opened up a large keylock so that we could have money available just in case everybody in the building decided that they wanted to leave. So, we had this money, it was just sitting there, it was available, and I called up my buddy Jason again and I said, hey, I want to do a deal with you. And he said, well, you know, I have, there's this deal I'm going to do, and you could be the hard money lender on it. So, I say, okay, and so this deal, it was a fun deal, basically, it was a drug house and people live there, they owned it free and clear, but they're going to be foreclosed on by the HOA, and by taxes and so they just wanted to sell it and you know, take that money and go buy something else that was smaller and in a town farther away. So, we got this deal and people kept breaking back into the houses we got, and it was a bad, bad situation. I mean, they they'd had the water turned off for months, but they were still using the toilet, you know what I mean? The plumber said it was probably the worst situation he had ever seen, worst plumbing situation he'd ever seen and so but what ultimately happened, the numbers were, we bought it for about 80,000 down and then they were going to hold a $40,000 note, and then we rehabbed it for about 27,000. And then what happened was, they got kind of impatient. They wanted, you know, to get that 40,000 back really quickly but, you know, we hadn't sold it yet and that was the term of the note. And so, we told them that we could, you know, I'd be willing to pay them $30,000 to, you know, satisfy the note. And at first, they're like, no, no, we don't want to do that. And then they call back like a week or two later. Yeah, yeah, we'll take that, that 30,000. So, the deal actually got better.

And so, when all was said and done, after we sold the property, my buddy ended up making about $47,000 on the deal, and I made about 13 and, you know, I had all of the risk, but he had all the know-how. And so, it was a really cool experience, because I learned, wow, I was able to make $13,000 doing this. And it was just a really neat first experience to have that win and then it started to open up my eyes to, hey, we can really do something. And so, that was our first deal. Then we went on to do another video that we ended up losing $5,000 on, I didn't really partner with my buddy on it, my wife and I did it. And we didn't run the numbers really well and so ultimately what happened is we ended up losing 5000 on it. And then another deal we did that we gained about $9,000 on it. And so, our first year, we made about $17,000 doing three properties, which isn't a whole lot, but I learned a lot. And, but after we lost that $5,000, it was funny because I went to one of the Rich Dad seminars, those three day seminars, and they talked about doing a, you know, an education program and, you know, there's different tiers, but you know, their highest tier, I think at the time was around $40,000 and I come home and I said, hey sweetie, I want to do this program, it costs $40,000 and she was amazing. She said, no. So, I said, okay, and so after we lost that $5,000 on that deal, she goes to her own seminar somewhere else and she comes back and she says, hey, sweetie, guess what? I signed this up for a program, a $40,000 program. I'm like, what? So, anyway, she did it. And I was just fine with it because I did want to learn more, and I wanted to get more education around how to invest.

And so, for us, the program worked really well for a few reasons. One is, I learned a lot through listening and through going to places and kind of going to seminars and things like that, I learned quite a bit from those, and I feel motivated. And then we also got to network with a lot of people through the seminar, which was really, really helpful. In fact, there was a guy that I met there, that gave me his bankers name, who ended up loaning us about a $1.6 million, the first year that we're really scaling. And because of him, I was able to continue to scale, you know, pretty quickly. And so, you know, today we own about 85 units all together and we've acquired probably 75 to 80 of them within the last three years since the beginning of 2017. So, no, yes, actually, yeah, since beginning of 2017. So, just over two years, almost three years, and a lot of our net worth has come from over the last three years. And so, for me, it was very much worth going to that education program, because there was also a coaching aspect of it and it was like a $25,000 coaching aspect, but I would say that, that was probably one of the things that was most helpful for us, was that accountability piece, because I mean, you can go to a seminar and you can listen to something and feel really pumped up for a day, a week, a month, and then you come back and you're kind of on your own trying to figure it out. But having that coach was really helpful for us, it kept us moving forward, setting goals each week and you know, trying to reach those goals and so it was really, really helpful for us to move forward.

**Clark:**Oh, good for you guys. And so, 80 units that you own now, that's all multifamily you said?

**Shiloh:**No, I would say about 45 of them are single family.

**Clark:** Okay, 45 single family and then the rest 35 or so about multi. So, does that mean 45 single family homes you have?

**Shiloh:**Yes.

**Clark:** Oh, wow. And how do you manage those?

**Shiloh:**So, it's actually not too difficult because what we do, we do a specific type of real estate investing where we purchase properties under market value, we'll fix them up, but we don't fix them up fully, usually, sometimes we do. But a lot of times we make them clean, livable, functional, and then we will sell them on what's called a lease option or somebody will come and they will lease them from us for a period of time, and then they purchase an option to buy the property from us and within that specified time period. And so, we're not looking for renters to come into our properties, we're looking for tenant buyers, people that want ultimately wants to buy the property from us. And so, we're just kind of like this middleman between, I can't get a loan from the bank right now but I'm tired of renting, and I don't want the landlord to be able to sell the house from out from under me. So, we fill that specific niche, helping people be able to stay, you know, get into a home that they want to live in, and then work on getting their credit where it needs to be and then they go to the bank, and then they buy the property from us. And so, we don't have to pay a lot of closing costs or realtor fees when we go to sell it. And we're also able to mark up the property about 7 to 10% because of you know how properties appreciate because we're doing like, three, four- or five-year options.

**Clark:** And when you say we, who is that? Are you doing this all with a partner?

**Shiloh:**Yeah, so my buddy Jason, who we got the first deal with, he and I are really good friends and I was just super enjoyable to do this with him because he has, well, he has a great personality, he's funny, he's fun. But also, just there's a lot of synergy there. I think what he could do on his own and what I can do on my own is nowhere near what we can do together. So, we've really been able to build a lot of our last three years of working together.

**Jace:**Yeah, so I just want to talk about that a little bit, because we've had a lot of millionaires on the show that do invest in things through partnerships, right and oftentimes, it either is one or a couple partners. How has that been beneficial to you? Obviously, I assume at some point, you've had disagreements or how have you guys been able to resolve that, if any?

**Shiloh:**You know that is a really good point. There are some people that make really good partners, there's some people that don't. My buddy is, he's laid back, but he's very capable and he also has a lot of integrity and I try hard myself to have integrity. And so, there's a lot of trust there between he and I and there has been you know, disagreements but we go back, you know, very quickly to, there's just disagreement, we go back to understanding, you know that we both have high value systems and respect for one another, and what we built and say, okay, what can we do to make this to our works out for both of us? And so, I mean, I wouldn't say that either of us are greedy. And we actually don't even live off of the real estate income that we make, that money just stays in that in the, in the business to create more money and then to be able to go and acquire more real estate. There's been times throughout this process where I've been really strapped and like, and then I'll talk with him, he's like, okay, tell me what's going on, let's problem solve. And then there were times where he was really strapped because we also do real estate outside of our partnerships. And so, sometimes I put, you know, a lot of money into one thing and now all of a sudden, I'm, you know, pretty leveraged, and then he's done the same thing. And so, we've been really supportive of one another and understanding and helpful towards one another.

And so, I think partnerships have a huge, huge benefit. And that's one other thing that Dave Ramsey talks about, he's like, partnerships, the only ship that never sails or something like that. And I disagree, you find a good partner, and you guys can create a ton more than what you could do on your own. I don't know, with he and I at the beginning was just kind of a handshake deal and then as we kept growing and growing and growing, like, we should probably get something in writing so that, you know, so that expectations are, you know, pretty set, because really a lot of frustrations stem from under my expectations. And so, if, you know, he's expecting one thing, I'm expecting something else, and that's where a lot of partnerships, you know, fall apart. So, we had our CPA come and help us, you know, write up some agreements, so that it was more in writing so in case this happens, then this would happen, in case this happens then the other thing would happen, and so now it's more of kind of a more formal thing, but even with it being formal, it's great to be able to go to work and, you know, work with a best friend. You know what I mean?

**Jace:**Sure, yeah, totally. So, I want to dive into these 45 single family homes, because I think you guys have a kind of unique niche, right and kind of a niche that you're catering to, maybe walk us through one of these from how you find a home to then buying it, what type of financing is it? And then maybe, you know, I assume you probably had some issues with tenants, right, that maybe couldn't make payments or didn't quite turn their credit around but maybe walk us through a typical one of these 45 single family home deals.

**Shiloh:**Sure. So, went to a seminar, even though I paid for coaching, and then after that year long program, I really still liked to learn more and more. And so, my buddy and I go to this little three-day training where they're starting to talk about lease options. And so, we learned about that and we're flipping at this time, 2015, and 16 were about flips. And then we're just noticing the margins are getting smaller and smaller, so we decided okay, let's just try to stop, let's take this and do a lease option with it. And so, we were doing five year lease options that first year that we were doing it back in 2017 and we're running the numbers, just trying to figure it out and like, okay, and so we found somebody that wanted to live in the property, and they gave us, I think at the time it was like a $5,000 option fee and that person is still in the property. In fact, we haven't evicted anybody from any of our properties, we're in our we're in the middle of our first eviction right now. And this has been like three years. So, really, the tenants take pretty good care of the properties. We have had a few that have decided to leave the property for a better opportunity somewhere. You know, one person said, hey, you know what, we want to buy this property, but I just got this great job offer in Texas, we got to go. And it was great because they were able to leave, they didn't have to worry about selling the house and they were happy because they got this new opportunity and we were happy because we retained ownership of the home and we were able to increase the option strike price for the next person, they came in with the option fee and now they're in that house and they're happy. Again, we're happy because we were able to increase the value of the house or the price of the house. And then we had somebody that wanted to go up north and get more land and one person actually wanted to downsize because they wanted to have a smaller home with less than a payment, but it's really worked out really, really well.

And so, the way that I manage it is the real estate coach that I had, he kept stressing the importance of having an assistant and I thought, you know, I'm going to have to pay the assistant and I don't know if I can afford it but he kept emphasizing it and so I eventually got an assistant. And I tell you what, that was the best decision was to go ahead and get an assistant. And I got an assistant and she did pretty well at the beginning. And then she had some issues kind of come up with her life and you know, she went through several difficult things and just it was very difficult for her to continue to accomplish the tasks that I need her to accomplish. And so, I found actually, there was a bird dog for another wholesaler, and we bought a property that she had found. And so, we had lunch with her, one day, my buddy and I, and we just chatted with her and she was like, really, really impressive, spoke both English and Spanish and she really liked real estate, liked, you know, talking with people, and she had a great way of talking to people. And so, we kind of gave her a couple of things to start doing and so she did really well. And so, we gave her more and gave her more and then all of a sudden, she was doing so well but I started to lessen the other assistant's work tasks, and then I have this assistant, you know that the new one kind of take over everything. So, she manages everything. So, basically, I'm the property manager, but she's my assistant, she really takes care of almost everything. And to be honest, the single-family homes that we have those 45 are very, very low management intensive, I would say each home probably takes about a half hour a month to manage. And that includes, you know, when they pay the rent and things like that so, it's really not that big of a deal. The think that takes most of our time is the mobile home park that we have and that's kind of a Class D mobile home park. And so, there's just a lot of things that she has to go and, you know, talk with tenants help out and, you know, go there and take care of a lot of things over there.

**Jace:**Yeah, let's discuss a little bit of the transition. You know, a lot of people, I think get started in real estate and maybe they start with their primary residence that then turns into a rental or something or maybe they started in single family, much like you did, and then sometimes they decided, hey, I want to transition to multifamily or some small multifamily and then, you know, I've even heard of some people going into the mobile home parks, which is what you've done, why did you decide to go into that and kind of what's the metrics that you've used to kind of value those and to decide that you're going to buy it, a 20 unit, mobile home park?

**Shiloh:**So, that’s another reason why, you know, going, having a partnership is helpful. So, again, my buddy Jason, he, I would compare him to the human version of the Swiss Army knife. I mean, he's very, very versatile, he's great in multiple situations. It's kind of like if I were trapped on a deserted island, you know, I love my wife, but I wouldn't take my wife, I would take my buddy Jason because he would figure out a way to construct a boat, and then get us off the island but before that, he was able to figure out a way to, you know, take possession of the island, then we'd come back and he builds huts, and then he gets people back to the island to vacation or something. He's that kind of person. And so, he's always looking for opportunities and deals and so he saw this mobile home park that came up for auction basically, it was an estate sale that needed to be sold immediately so it's going to be sold at auction. He just did a lot of the research and trying to figure out you know, the numbers, and then what was interesting is they gave the wrong address to the place that was going to be auctioned at. And so, it was just my buddy and one other person that showed up to the auction. And so, they started auctioning it, we were going to buy it for upwards of like, 550. But what happened was, you know, they started the auction like 420 and then, you know, he raised his hand and the other person raises their hand then he raised his hand and then the other person said, you know what, I can tell you want this you know, worse than I do. And so, he just backed off and so we ended up getting the property for, I think, it was 460.

**Jace:**And kind of, what was your thought process in going and doing that instead of maybe going after a multifamily unit or something else? What was kind of metrics, what were you looking at, rent rates and everything with the mobile home park?

**Shiloh:**So, this mobile home park, if you took like the cap rate, it was like a 16 cap, so which is, you know, a lot of multifamily are looking at five, six cap, you know, they're happy with a six cap, it's hard to get a seven or above and this is going to be a 16 cap. So, basically, it was just number wise and we also, you know, been talking about mobile home parks and, you know, thinking about it. And so, when, when the opportunity came, and he had a lot of experience doing, running the numbers and doing the research, so when the opportunity was there, we took advantage of the opportunity,

**Jace:**And how are you typically financing these deals and working with bankers to kind of leverage, you know, their expertise with what you got going on to be able to scale at the rate that you have?

**Shiloh:**So, we have a great team that we work with. And so, we have, you know, we work with maybe five different hard money lenders, but there's one hard money lender that we've worked the best with so far and he sees what we're doing, he sees the success that we're having and how we're getting these properties and so he can lend us, you know, within just a few days, you know, we just show it to him, show him the numbers, like that makes sense. And so, what I do is I create an email chain that includes my accountant, the title company, the hard money lender, my insurance guy, the seller, myself, my partner and my assistant. So, I create an email chain with everybody involved and I say, okay, we want to buy this property, this is how the number is going to work and I send it out to them, and then they just start talking to each other and they take care of pretty much everything and then I just go and I sign the docs at the end.

And so, that's kind of the way that we've systematized it and so we just connect everybody, they do their piece and then at the end, we have this property. The way that we're being able to scale, is we find properties that are well under market value, that after we have, you know, got the property up to the level of rehab that we want to get it to, it's still only about 75% of the ARV, the after repair value. And so, you guys know about, you know, Bigger Pockets, and I'm on Bigger Pockets, posting a lot and they talked about, you know, Brandon Turner talks about the BRRRR strategy. And so, it's basically the BRRRR strategy but I'm now trying to coin what's called the BRRRRLO strategy. So, basically, it's the BRRRR, the buy, rehab, then you take rent out there, and you do buy, rehab, refinance, repeat, and then you just add lease option on there. So, that's how we've been able to scale so well is that we can get these properties well under market value to where it really, our all-in price is only 70 to 75% of the ARV. And then that banker that I told you, I got that contact from the education program I went to, he was able to just look at the properties and then rather than seasoning all of them, he didn't want the first few to be seasoned but then when he saw what we were doing, and that it was working, he's like no, just bring your properties and then we'll just start giving you loans.

And so, again over a year or period of time, he gave me about 1.6 million in loans, over 16 different properties. And then all of a sudden, he said, okay, our underwriter said that we can't give you any more loans. So, then I had to go to another bank, and start working with another bank to give me more loans. And so, I did that for a while and then after I did that, then that bank said, hey, we can't do anymore so I had to come to another bank. And so, I started getting more loans from that bank. And then the second bank, there was a new banker that came there and he said that I could take all of these properties and I could bundle them into a large portfolio loan, so that I switched from doing these single family loans and I had to do a lot of commercial loans for these single family loans, then I was able to bundle them all together into a large portfolio loan, and they were able to amortize it over like 30 years, and so the payment went down, our cash flow went up, it worked out really, really well.

**Clark:**And what rate are you looking at on each of these loans?

**Shiloh:** So, right now they're under 5%.

**Clark:**Okay. And then I know we talked about this, oh, go ahead.

**Shiloh:**So, basically, our partnership kind of works this way, my buddy and I will go find some properties but he has some expertise in running the numbers, making sure the numbers are good, because I can present a property to him thinking, hey, this is a great property, he looks at it, he's like, no, it's not a good property, here are the numbers. I'm like, oh, okay. And so, that's really, really helpful. My job is I'm the money guy. So, basically, I find money to do these deals, so after we hit, you know, started to do this and started to get, you know, some traction, what happened was, we had a lot of our money like in these in these properties. And so, I went to lunch with somebody one day and he said, why don't just take out some seconds, have some investors come in with some seconds, like really? And so, I thought about it, I'm like, you know, we have enough cash flow on here that we could bring somebody in as a private money lender, being able to take out, you know, our cash flow and still have the property be leveraged under 80%, pay that person, you know, your 8 to 10% on their money and then we're still able to make, you know, 200 bucks on the property, they make 100 but now we have all of our money out. And so, over a couple year period of time, I was able to raise about a million dollars in private money loans and these loans were from, you know, between 10, 20,000, some of them were 40, some of them were 100 but we were able to get all of these investors.

And so, it was really, really great the way that we did that. And then what we did in order to help them feel like they were getting quite a bit out of it, is we put them on like a WhatsApp group to whereas we're rehabbing these properties, we kind of show videos and then we'll answer their questions, they can comment and they can ask questions and they have access to us to learn and they're also earning money on their money whilst invested, or whilst linked to us. So, that's really how we were able to, you know, get a lot of private money loans in order to help us continue to scale.

**Clark:** And what were the terms on those private money loans, just curious.

**Shiloh:**So, we did, you know, one of three ways, first, somebody could partner with us, well not really partner, they could lend to us, when we purchase a property, and then, you know, we'll have to bring in like 5000 or 10,000 to purchase it, the hard money lender will bring in the majority, but we still need to bring in a little bit. So, we have a private money lender come in, fund that portion, and then they fund the rehab. And then after it's all said and done, again, we're still only about 70 to 75% of what the ARV is. Then when we get a loan on it, we're able to pay back the hard money lender and the private money lender, and then they were able to get their 8, you know, 8%. So, it's 8% if they lend it to us for one year or less, it's 9% if it's two years, it's 10% of the three or four years. And then after we got the properties under long term loans, if we still had some of our money's left in the property, and if they were still, you know, the banks would lend us up to 70% and so we could get a private money lender to come in with 10%, they would get a portion of the cash flow, we would have our money back, we would be able to take that money and then go and put it to the next deal and the next deal, the next deal. So, that's how we were able to scale so quickly, is because we learned how to manage debt really, really well.

**Clark:**Wow, good for you guys. And then Congrats, obviously, on your success. So, where do you think you go from here? Is there a goal of net worth? Is there go for passive income? Is there a number of units’ goal, anything that stands out?

**Shiloh:** Yeah, so I think my buddy and I each have a goal, about $20,000 of passive income per month. So, that's the goal. And that's just the money goal but really, the main goal is to have freedom of choice, the ability to choose what would we want to do, and I really enjoy being a therapist. I learned a lot. I done a lot of, you know, continuing education and in learning how to really help that parent child relationship, that's my specialty. And so, I, and I do it pretty well and I'm able to help a lot of families. And so, I don't see myself not doing that but at the same time, I may not do it for as many hours as I do now and I might be able to go on, you know, some more meaningful vacations with my kids. So, I've been able to take my kids to Costa Rica, you know, we go on a trip, my child and I will go on a trip, and have a wonderful time, just, you know, my daughter and I went two years ago, and then my son and I went last year, and then my younger daughter and I are going to go in January. And so, those trips are amazing. There's so much fun, and I enjoy being able to do those things with my kids. And so, really the goals are to be able to have freedom of choice and I find that having this passive income will help create that.

**Clark:**Yeah. Are you, Shiloh, are you very open with your net worth and some of this passive income and things that you're doing with people around you, or is it hard to kind of balance that to know who to tell and what to keep private or how do you manage that? That's kind of a question that's come up from a couple of our listeners, right is, hey, if you're wealthy, and you're a millionaire, and who do you let in on that, who do you not? You know, I think people's kind of struggle with that balance sometimes.

**Shiloh:**It's true and it's interesting, because I find that that is the case. I was with my wife at a reunion recently, a high school reunion and was talking with a buddy that I've known and, we were talking about real estate investing. And he said, yeah, I've been using real estate investing, and I said, that's awesome. He's like, yeah, I've gotten to, I think he said three or four units. I'm like, that's awesome. Then he said to me, how many properties do you have? And I said, I've got 85. He's like, oh, and then the conversation just didn't go anywhere. I'm like, it's, I tried to kind of turn back on me and I keep asking some questions, but it's interesting. It's like when somebody sees that somebody is doing something that's outside of what they would consider even, you know, a realm of normal, they have a hard time knowing how to relate. And so, yeah, I don't share with a lot of people my net worth unless I know him really well and unless there's a purpose to it, because what's interesting is the people that I know and love, my friends and family, I can tell them, yeah, I've 85 units, I'm a millionaire for about a year and, and they're just like, they don't, none of them ever come up to me and say, Shiloh, will show me how you did that? Help, I'd love to be able to do that too, can you show me? None of them do that and so I find that by telling them--.

**Clark:** Why?

**Shiloh:**Yeah, why tell them?

**Clark:** I mean, I same question. But why is that you think, what's holding people back?

**Shiloh:**You know, it's so interesting, I don't know why. A lot of people, like if somebody were to come to me and say, like a buddy of mine, if we went to school together and he comes and he's like, yeah, 85 properties and you know, I've been a millionaire for a year or two. And if I had a good relationship with them, I'd say, dude, will you show me how you did that? I'd love to know how to do that. But most of my friends, I've had like one, one buddy of mine, he'll call me, he's like, all right, man, tell me what's going on, there's this duplex, you know, these are the numbers, should I get it, how do I do this? And so, it's fun to chat with him about that. But, yeah, people, nobody asks me, will you show me how to do it? And so, I don't know, I think it's just paradigm, they have a thought that, you know, they don't understand it. It's something very foreign to them and unless you can see yourself at a certain level, a lot of times, it's just like, oh, well, okay, well, I don't know what to say now.

**Clark:**And some people may not just be interested in that, but that's okay, too, right? So, I just want to end here with some rapid-fire questions for you. What's the most expensive pair of shoes you've ever purchased?

**Shiloh:**So, I, you know, I don't spend a lot of money on things that go down in value, so I'd say about $100 pair of shoes. Well, I spent like 150, it wasn't my money was my parents money when I was a kid and I was leaving the country for a couple years, they got me a nice pair of shoes I think around 150 bucks.

**Clark:** Okay What about a car?

**Shiloh:** With that $13,000 that I made on that first deal, I went and bought my dream car, which was 2012 Toyota Prius, C glass, pearl color, tinted windows.

**Clark:**How old were you if you can remember when you became a millionaire?

**Shiloh:** I think it was just last year.

**Clark:**Okay, predicted age or retirement, I guess we talked about that. How much do you spend a year, do you know, household spending?

**Shiloh:**Yeah, we spend a lot, I would say we spend over, you know, over $100,000 and so my income as a therapist is what goes to support my living expenses and I have a house in California and I have a house in Arizona. But also, what we do is we do a lot of house hacking and so in California I've a tenant in a guest house in the back and he pays 1500 a month. So, I brought my, you know, house costs from like 4300 a month down to like 2800 a month. And then in Arizona right now, I'm just in the process of finishing up a loan on this large home that I bought, it has six bedrooms, five bathrooms, and I rent out all of the rooms to, you know, to single guys and so it brings in about 4200 a month and, and so I'm there living, you know, among the tenants until next year, when my family comes back and then we'll sell the house in California and then we'll you know, live in the house in Gilbert. But so, I would say, my living expense is about hundred thousand a year.

**Clark:**Okay, and then as much as you're comfortable sharing here, what's been your range of income through your working life and you can include the real estate income as well here?

**Shiloh:** So, you know, I started off after I finished with my master's program, earning about 40,000 a year. And I felt really good because most social workers that I knew of were not earning 40,000 a year right off after graduation. And so, I felt good about that and I got up to about 42,000 a year. And then I was laid off because of the recession and everything and then I go, and I start working in another facility, and I was making about 40, you know, three-ish, and then when I worked another one for about 40, and then my, but what I did was rather than just working in these public behavioral health sectors, and just kind of doing what everybody else did there, I sought out learning and I think this is a big important piece to wealth building. It's not being content with what you know today, but constantly looking to learn and improve yourself and your skills. And so, I would constantly go to these trainings and even when my work wouldn't pay for it, I would take money out of my own pocket to go to these advanced trainings. And so, then, you know, after being a social worker for three years, I've been given this job is as a supervisor, now I'm making 55,000 a year and I'm like, well, I have arrived. My wife and I went out and had our first you know, hundred-dollar meal together and it were, you know, this is the treat, we've arrived. And then I got demoted from supervisor. And a lot of it was because of my mindset. I don't know if you guys have read Cashflow Quadrant, but my mindset wasn't that of an employee, it was that of a small business owner, because everybody in my family owned their own business.

And so, when they told me to do something a certain way, and I thought it would be better to do it differently, I would do differently. And so, that didn't work very well when I was in a large corporation. And so, I got demoted, I was earning, you know, 37 again, and then I went off on my own, and the first year going off on my own, as a therapist, I probably made about 70 and then you know, the next year I made about 90, and somebody asked me, if I would ever make over 100? I'm like, I don't know, I have to work a ton. At that point in time, that's when it kind of turned to where I need to figure out a way to create more income. And that's when I decided to start investing in real estate, to start flipping houses and I thought, okay, if I could just flip four properties a year, then that would be an extra 40,000 and we would be able to go on vacation and do this and save for retirement. And so, my thought was, man, if I can make $120,000, that would be fantastic. And so, I did that. And then going through that yearlong training program, there was a guy named Robert Shimon and he wrote a book called How come that idiots rich and I'm not and he's a great guy, and we sat down, have lunch with him, but he talked about having something called quantum goals. It's like, take your goal, and kind of like how Grant Cardone says, you know, 10 x that goal. He said, take your goal and make it a quantum goal, you know, multiply that goal, he didn't say by 10 times, but basically was the same concept.

So, after going, you know, to that seminar with him, I said, I don't want to do four properties, I want to do 20 properties a year. And so, it was at that point where my glass ceiling broke and I realized I can do a lot more than what I originally thought I could do. And that's when we started to really, you know, realize these gains. And so, it's really hard for me to say how much I earn because I earned money for my real estate or my counseling business. And then a lot of the money in the real estate stays in the real estate in order to acquire more properties. But my account, let's say, probably around 350 or 4, I don't know exactly. Real estate is what creates our wealth. I live off of my counseling income, but the real estate is what creates our wealth.

**Clark:**Yeah, I was just going to close here with advice, but I think you ended with it, seek out learning, you know, I think that's obviously what you've done and a big part of why you've been successful. So, again, that's Shiloh, congrats on your success, net worth of 1.3 million, 80 units, 45 of which are single family homes, 35 multi and some bunch of lease options in there. Thanks, Shiloh, for coming on the show tonight. Really appreciate it.

**Shiloh:**Thanks to you guys. I really appreciate it. I listened to a ton of your shows, you guys do a great job.

**Clark:**Thank you.

**Narrator:**Thanks for listening to the Millionaires Unveiled Podcast with Clark Sheffield and Jace Mattinson. For more stories, investment opportunities and information, check out our website at millionairesunveiled.com. See you next time when you'll hear from another everyday millionaire.