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**Jason:**The first of the month rolled around, and what do you know, I got a check from the tenant with a nice note that says, hey, I guess the property manager got out of the business and he just told me to send you the checks. And you know, if you need anything, give me a call, the tenant said, and I thought, well, that's a nice, friendly tenant. And so, I just kept self-managing the property for years. And it worked out great. I know, here's what's so special about that, I have never been to that property, I have never seen that property, I have never met that tenant, even now, years later, still, I've just never been there. And I never thought that you could self-manage a property from a distance like that.

**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 128? Clark, how's it going man?

**Clark:** Good, how are you doing?

**Jace:**Doing great, what's going on in your world?

**Clark:**Oh, nothing much, just you know, as this Corona stuff starts to hit, I was wondering to myself this last week, how and with everybody losing their jobs right and these record jobless claims that are going crazy, I started thinking, you know, you always hear how much people have in savings and how much in emergency fund and this sort of stuff and I was just curious, okay, what do people really have so I just googled it here quickly before this, and I know you hear different numbers every year right? I feel like this is constantly changing but this says the average household has about $8,000 tucked into a savings account. And it says about 65%, it's just an article I found on bankrate.com about 65% have less than six months in an emergency fund and if you're a couple, less than 35, you have $3,000 on average in a savings account. So, yeah, so pretty wild and we were talking just before the show, right, this whole thing, this is really our kind of our first market turn, obviously, we were young in 2008, we had some money in the market, but I was, what 18 at the time, 20 at a time, so, you know, I didn't have that much. And it's obviously even if it's a big percentage, it's not really a big number. But now with the market down I think 27% you know, since the market high as a recording this the beginning of April, it's making you wonder, right, how much should I have saved in cash? How much should I be in bonds or a little bit more conservative investments if something like this virus were to happen again.

**Jace:**Yeah, totally. I think it's not a virus, I think just in general, when opportunities, you know, potentially arise, there's an article back in 2014, The Wall Street Journal produced it's always kind of stuck with me, and actually it kind of was something that you and I had reviewed, I think couple times as we started this podcast, but it basically just went into, you know, millionaires and how their wealth's divided and the big crux of the article was, hint, it's not in their house, and it broke it down by top 1%, top 19% and then everybody after that, but no matter what, roughly, even in those higher echelons, top 1%, which I think at the time was $7 million in net worth and higher, for the most part, those millionaires kept anywhere from 10 to 20% on the low end, net worth wise, in cash. And I think that cash, you know, especially now is very valuable in a lot of people's eyes to be able to one, either weather storm in a business or two, be able to buy things on sale, whether it be stock market investments or potentially real estate coming up, you know, we just had the first month of, you know what rent payments were supposed to be due, mortgage payments supposed to be due, and I've got a ton of friends who, you know have rentals and for the most part, a lot of them have done well collecting rents this month, but a lot of them are really worried about what rent might look like, you know, come May.

**Clark:**Yeah, totally or even the weather personally, right? I mean, business look for options, either in real estate or in the market, or if one, you know, heaven forbid somebody were to lose their job, you can kind of weather that storm a little bit because who knows when the sirens going to pick back up again?

**Jace:** Yeah, everybody, we talked to, you know, recruiters and stuff, you know, for the most part outside of, you know, our business is doing okay, during this time at the moment, but, you know, who knows what the future holds, and who knows if we'll need to hire a few additional people to kind of help us through, you know, some crazy times or if we'll end up, you know, even trying to help some people that work for us, go find jobs somewhere else kind of thing. Because we, you know, go through layoffs or whatever, which you hope you never have to do but all the recruiters were talking to, or everything's on hold crossed every industry basically. So, interesting times for sure. So, today's show we've got Jason, Jason's got a worth about $12 million. He has primarily been a single-family home investor and we get into his story and how he's gone about allocating his wealth and building his wealth. It's going to be a fabulous interview. Jason's been on several podcasts, he's got several social media channels and several podcasts of his own. So, it'd be a great interview today. On last week's show we had Dave, Dave currently lives in Israel, he's a corporate lawyer before starting a couple businesses. He's written a couple books and he's moved all the way across the world. We talked to Dave about his cost of living in Israel, his new book titled Cash Machine and his views on financial independence and passive income. Once again, he's also graciously donated a copy. We recorded this on our last week's episode as well of his new book. And so, if you'd like to enter that giveaway, send us an email after you listen to this episode, we'll be redrawing for that book and then we'll send you a copy of that

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We'd love to share your financial story whether you're a millionaire or close to it, our goal is to get a broad list of guests and stories so you'd like to be on the show as a millionaire interviewee or one close to it, please reach out to us, once again our email is millionairesunveiled@gmail.com. I'm going to take a moment to thank all those who have reached out to us, who've got several interviews that we've done recently, pre-market, you know, downturn and post market downturn that obviously we'll be releasing over the next you know, three to four months, but always looking for new guests, keep the millionaire interviewees come in, this is a great time. If you're interested to get on the show and kind of, you know, help the younger crowd out. tell your story and, you know, we can all learn from each other. We appreciate you tuning into week after week. Enjoy the show, we'd appreciate you leaving a five-star review on either iTunes or Stitcher, it helps us grow the show and reach new millionaire interviewees. We've definitely had several new listeners write reviews in the in the recent weeks. We appreciate those. So, without any further delay, let's get in today's episode with Jason.

**Jace:** Jason, do you want to just give us a little bit about your background and kind of what you're up to now?

**Jason:**Sure, yeah. I have been in real estate for many years, I got my real estate license. My first year, I was just 19 years old, I bought my first rental property about six months later when I was 20 years old. I've been investing ever since. I've been in also in the real estate business, in the brokerage side, I had a company that I sold to Coldwell Banker years ago. And then I got into the 100%, investor side of the business, that was a traditional real estate company in Irvine, California. And since then, for the last 16 years, we've been helping investors acquire portfolios nationwide.

**Jace:**Wow, I want to get into some of this. But first, what's your net worth line today?

**Jason:**Well, that is an interesting question, because I don't know how to answer it for legal reasons. But I can tell you, I can give you an idea and I'm happy to do that. You know, there's an old saying, "own nothing, control everything". And so, I don't know exactly how that applies to me from a legal perspective, but I have many businesses and you know indirectly have many businesses and indirectly have lots of real estate that I'm beneficiary to. And I'm in the single-family home world, I've got part of a mobile home park, I bought with client of mine. I've owned a few different apartment complexes and all in all, I'd say I'm maybe, well, not me, specifically, but these, you know, entities and stuff are somewhere in the neighborhood of maybe $12 million, give or take. It's hard to tell because with businesses, you know, the real estate's kind of easier, but with businesses, you got to value them and you know, who the heck knows until you actually have a buyer right? That's the most accurate appraisal in the world as a buyer.

**Jace:**Yeah, it's an interesting thing, we haven't really talked about a ton on our podcast with businesses specifically, but you can go get a third part of my company, we go get a third party evaluation every year just to see what the market, you know, based on what a third party firm says, but like you said, you really don't know until somebody comes with cash to buy it.

**Jason:** Yeah, businesses are very complex, and a lot of moving parts and you know, who the heck knows what something's worth. If you look at some of the big deals that have gone down, like, you know, WhatsApp, for example, $19 billion, no revenue, you know, how do you, you know, Instagram, no revenue? You know, how do you explain that? Right. But, you know, apparently those acquisitions were worth it for Facebook, right? Everybody says that. looking back. I'm curious, how much does it cost you to get that valuation every year?

**Jace:**You know, I pay, I think it's 10-grand, when using the same, yeah, we've been using the same firm for, well, a lot in the last five years or so. And part of it mainly just for those of us that have equity, it's mainly just for our personal financial statement. You know, we're not trying to shop it or sell it, I think, realistically, you know, somebody who would buy us in our space is going to be a strategic buyer more than a financial buyer. And when we're looking at this valuation, it's really more on based on financial modeling and financial, you know, comps, than it is, you know, strategic buyer comes in, and they've got a bigger reason to pay a little bit more of a premium kind of thing. You know, for us, it's like, hey, we'll do it, everybody can put on their financial statement, we've got a legitimate source, you know, if anybody needs that kind of thing. I mean there's only a handful of us that that have equity, but that's basically what we do it for.

**Jason:**I think that is a really good lesson you're alluding to there and that is that when you have a business, or even a piece of real estate, and we can kind of compare those two if you want, many times the value of the business or the value of even a property, a little less so with the real estate, it's not just in the value based on, its own revenue and the multiple of that revenue. But based on the value of what it throws off to a potential strategic acquire. So, for example, the last business I sold to Coldwell Banker, I didn't think it was a very great business in and of itself, but I got a decent premium for it because it threw off a lot of business to title companies, mortgage companies, escrow companies, and home warranty companies, so many times that's strategic. Really, you've got to think of the value proposition that your business or even your property, and we can talk about some examples of that, throw off to other parties, that might be strategic buyers.

**Clark:**Totally. Yeah, we can discuss that. And I'm curious, you know, you started back when you were super young, you got your license, kind of take us through that journey, when you first started, what were you thinking? How is your approach to real estate and how is that kind of evolved over the years?

**Jason:** I was strictly interested in real estate because I grew up poor, and I didn't like being poor. I mean, not you know, I wasn't destitute poor but we certainly, you know, I didn't have money for clothes, okay, like nice clothes, you know, we used to buy my clothing at pick and save, which is now called Big Lots. Okay, so that that wasn't what the cool kids were wearing at that era, and I didn't like it very much. And so, I saw an infomercial when I was 16 years old for, you know, a real estate guru. And I got really interested in the topic just as an investor and I realized at that very young age, that income property is this multi-dimensional asset class and I still use that phrase, I realized it back then, even if I didn't label it that way, but it throws off return on investment in a lot of different ways and that's what makes it so unique. You know, in the world of the corporate raiders, I remember I used to be fascinated by Ivan Boesky, and T Boone Pickens and Carl Icahn and all those guys that you hear about. And one of the techniques they use, which is really an applicable to real estate investing is what everybody's heard of called the LBO or the leveraged buyout. And that is one of one of the many beautiful characteristics of income properties that you can essentially do leveraged buyouts. So, in the corporate world, in a nutshell, the way that works, and I'm no expert, by the way, I'm just giving the concept. Someone acquires a company, and they saddled the company with debt. And then they use the company's own income to repay its debt that they just saddled it with, right. And essentially, that's what we do with income properties, we might put 20% down and the bank puts up 80% of the deal and it's self-liquidating debt because the income from the property pays off the debt for us, and hopefully every single month, it gives us Tip, a little extra called positive cash flow. And just that one dimensional loan is phenomenal. But there are many other dimensions beyond that.

**Clark:**Yeah, when purchasing a property, you usually put 80% down, is that usually your LTV.

**Jason:**20%? down. yeah.

**Clark:**20%

**Jason:**Yeah, yeah, I always like to get as much leverage as I can, you used to be able to get more but the banks have overcorrected, and they've become very conservative. So, I doubt that the next recession or financial crisis will be led by real estate this time around, because the underwriting has been pretty solid, it's coming out of the Great Recession. So, but yes, leverage is a very, very powerful tool and there's another dimension to it that very few people talk about, in fact, I've only heard one other ever really talk about it and that is Sam Zell, the office investor that has a REIT, a real estate investment trust and it's called equity office. You know, basically, this is the concept of what I call inflation induced debt destruction. So, not only do our renters pay off our mortgages for us on our properties, but inflation also pays it off over time and that is a beautiful thing. Inflation is essentially a wealth transfer mechanism, okay. Most people think of taxes and redistribution, and, you know, we're in an election year, right, so we've got Bernie Sanders out there, that's sort of a redistributor, right, who believes in the socialist concept, and that's done through taxation. But a more powerful and less apparent method is through inflation, because as we borrow money and inflation occurs over time, we essentially pay that money back in cheaper dollars. And the lender gets the short end of the stick on that deal, because they're getting dollars that are worth less each time, we make a payment. And we are getting a property with that debt that appreciates and keeps pace with inflation, usually it doesn't do very much more than inflation, it's about par with inflation, no big deal. But when we leverage it, we multiply that return and then we pay the debt back in cheaper dollars. And I can give real example of this that happened to 10s of millions of people. So, it's definitely not an abstract theory, if you'd like to dive into some numbers, we can do that. Not sure--.

**Clark:**Yeah. So, you so you borrow at today's dollars, pay it back at tomorrow's, right?

**Jason:** Right, essentially. So, it's an absolutely brilliant strategy.

**Clark:**So, I do want to get into numbers first, maybe though, let's talk about your first deal or your first couple of deals, whichever one stands out, because I think people listening to it, on this show and maybe others, you know, maybe there are people that haven't started and they don't quite know where to start or either the courage or they don't know what to look for. So, maybe tell us a little bit about your first deal, how much you paid, what it cashflowed, if it did and how long you held it?

**Jason:** I'm not going to be able to remember all of that, it was an awfully long time ago, but I will tell you, it was a little one-bedroom condo on Coventry Lane in Huntington Beach. I wish I knew the exact address because I did go to Zillow and try to look it up, but I couldn't find it. And I bought it from a client of mine, when I started selling real estate, part time, when I was in college, at 19 years old and 20 years old, I would place little classified ads in the Orange County Register newspaper, I would be selling government repossessed properties. So, properties that were in through FHA or VA loans, I would sell those properties. I would get the list that was published by the government and then I would place ads in the newspaper, and I would get a lot of calls on these little tiny classified ads and then I would meet the clients and drive them around in my Volkswagen Jetta and show them the properties. Well, one client I had a guy named Jim Wolf, he was a really good client, he was an executive, he was buying a bunch of rental properties from me. And he came to me, just six months into my career, after I had sold him a couple of properties. And he said, You know, this one in Huntington Beach I bought from you, I don't really like it, I don't think a one bedroom condo has enough appeal to the broader rental market, why don't you list it for me and sell it and I'll buy something else from you? And I said, Jim, I don't want to sell it for you, I want to buy it from you.

So, that was my first property, I bought it from a client of mine, okay. And I had a bad experience actually, my first experience could have ruined my real estate investing career. And thankfully, I didn't let it ruin my thinking and pollute my attitude about it because the first tenant, I put in that property, paid for a few months, and then they just stopped paying. And, you know, I was a young kid, I didn't really know what I was doing, I would knock on the door, I was very nervous, I was scared that they'd, you know, I don't know what they'd do. And I'd asked them to pay the rent and, and, you know, they just said, we don't have the money. And you know, they were just living there for free for a while and I got another agent from my office to go with me once and kind of back me up and you know, he was helpful and he said, look, you got to pay Jason the rent and, and they never paid. So, I had to evict my very first tenant. It was a bad experience. And I am so thankful that I didn't let that discourage me, right. I did end up right after that, I sold the property to another investor that needed to buy it for his 1031 exchange. And it actually worked out okay, I did make some money on the property, but cash flow wise I lost money when I had to evict that tenant and suffer the economic vacancy of them not paying me well occupying the house.

**Clark:**Yeah, it's tough to get through and keep going.

**Jason:** Yeah, especially at such a young tender age.

**Clark:** Yeah, you were 20?

**Jason:** Yeah, 20 years old.

**Clark:** So, now going forward, what do you look for in single family homes? Is there a specific metric you try to target?

**Jason:** Absolutely. And I've got a good video that's free on the front page of my website at JasonHartman.com, and it is a 27-minute video that explains how to analyze a deal. And it goes through every number on our Performa, which is a SAS software that, it helps you analyze deals by making these really nice performance. So, the first advice I would give to any anybody listening is you must standardize the document you look at, when you look at a deal. You must always look at the same formatted document, okay? Whatever it is, I like property tracker, but it could be a spreadsheet or anything, you've got to stop being a detective on every deal. You've got to have data standardization, very important. Okay. So, 16 years ago, when I started in the investor only business, okay, I standardized the data by using property tracker. And that's propertytracker.com. You know, I basically look for the first rule of thumb is just a property that will rent for approximately 1% of the value each month. So, if it's $150,000 property, if you can get somewhere in the neighborhood of 1500 dollars a month, you're doing great. I want to caution listeners that on the el cheapo properties, they're 30 and $50,000 houses. Those are, it's easy for those to look good on paper but in real life, they seldom work out that way. Because you have really low-quality tenants that have nothing to lose, and they just don't pay. And they know that the amount of money is too small to come after them for right. And so, those are problematic, okay. But we like quality properties in a and b neighborhoods that are below the median price for a given city. We like linear markets, where the properties appreciate in a very linear fashion. If you're looking at a graph, the opposite of that is a cyclical market where the graph would look like a roller coaster with big highs, glorious highs and really ugly lows. The linear market is boring, it just sort of chugs along.

Examples of cyclical markets are places like the West Coast of the United States, the northeast of the United States and South Florida. These are expensive markets, they don't make sense, the land to improvement ratios I call that the LTI ratio, they're out of whack. So, we don't like those types of markets. We like cyclical markets, where land is cheap and most of the value is in the improvement the house sitting on the land and where you can achieve that 1% per month number. Okay, cash on cash return, we like to get, in this market. We'll take what we can get, okay, it's not as good as it used to be nothing is because properties have appreciated quite a bit and rents always lag appreciation. So, rents are slow tag increase, but they eventually catch up, at least in the linear markets. And we like to see cash on cash returns above 7% annual, if possible, and overall return on investment, when you add all these multi-dimensional areas where you get your return from is typically well above 20% annually.

**Clark:** Wow, thanks for sharing. So, one term land to improvement, can you explain that for maybe somebody who's not familiar with that?

**Jason:** Yeah and I can understand why people wouldn't be familiar because I made it up. It came out of my own head. I can tell your listeners how to dramatically reduce risk when investing. This is something it took me 19 years to discover. I was going along in my real estate career, buying, many of the properties I bought didn't make any sense. They were speculative. Getting older, I don't like to speculate, I like sure things, I invest for yield rather than appreciation. And here's what happened, I'll just tell you a little story about it. I was buying one of my first out of State properties. This is back when I lived in Southern California, and I was buying this property across the country. I had an insurance broker, right where, near where I lived in Irvine, California, her name was Jennifer and she called me up and says, on that rental property you're buying, we're going to give you $135,000 worth of insurance. And the light bulb went on in my head and I realized something at that moment, something very important, that was the value of the improvement, the house sitting on the land, a little single-family home. If it burnt down, the insurance company would pay me $135,000 to rebuild the house and I knew by deduction that I only paid I paid 159,000 for the property. So, by deduction that meant that the land value was $24,000, okay. Now at the same time I was buying a house for myself to live in, in Orange County, okay, and that house was $815,000. Jennifer was also insuring that house, I was buying the house to live in for 815,000 and then I was buying the house out of State for 159,000, the contrast was absolutely fascinating. Because Jennifer said, on the house you're moving into, we're going to give you $159,000 worth of insurance and I thought I'm paying $815,000 for this house, yet you're only giving me $159,000, sorry, I misspoke, 156 of insurance for that house sitting on the land. So, the land value of that property was something like $660,000. Okay, my math may be a little off, I'm not looking at anything this is just, okay. But the concept is the land value on that property was like 81% of the value on the house I was moving into, the land value on the out of State property was tiny. So, here's what I realized, the property I moved into went up in value pretty quickly, the market was booming, it was going crazy, interest rates were declining, and the market was booming. That property went up in value. So, I called my bank and I said I wanted to refinance it and pull cash out to buy more rental properties, okay? That's a concept of equity stripping, I want to have control of that money, but not necessarily in the property itself. Because in the property, that equity is at risk, in the property that equity is sleeping, it's not working for us. So, we want to maximize leverage, so long as we have that self-liquidating debt, okay. So, the appraiser comes over and says, congratulations, your house has gone up in value, you bought it for $815,000 and it's now worth 1,000,003. And I thought, do I love real estate or what? It went up by $485,000. That was wonderful. That was a great deal, right?

**Clark:** And how long?

**Jason:**Oh, a year. It was amazing. It was an absolutely speculative, psychotic market. It didn't make any sense. And listen, I want to be the first to say, I didn't know that that would happen, okay. I had this girlfriend at the time, Monique, she was trying to talk me out of the deal. She said, you're paying way too much for that house. It was like the best lot in the neighborhood and had a great view and it was more expensive than all the other houses and I just liked it, so I bought it. And I got lucky, I just got lucky, that's it, okay. Hey, I'd rather be lucky than good. And so, that house now, the question is what It went up in value like that, which component, whenever we buy a property, we're buying two major components, we're buying the land, and we're buying the improvement. Okay, the house sitting on the land, or the apartment building sitting on the land, the improvement in the land needs to be segregated. And guess what, as investors, oftentimes we don't segregate these things. We don't think of them separately, the way our insurance company does, the way our appraiser does, and the way the tax collector does, we should think like they do. We should view the two components separately, and I created a whole system for this, I call it the Hartman risk evaluator, because it was so enlightening to me that you could reduce risk dramatically by investing and understanding the LTI ratio. We've all heard of the LTV ratio, the loan to value, but this one I call the land to improvement ratio, LTI ratio, I coined that term. Okay? And when we invest, if we're not wanting to speculate, if we're not gamblers, if we want to be prudent conservative investors, we will always be investing where the LTI ratio is mostly in the eye, the improvement, that's where the value is.

See, if you think about it, every apartment building or house or whatever is sitting on that land is nothing more than a package of commodities, copper wire, petroleum products, glass, steel, lumber, concrete, you know, all of these ingredients that go into build a house or an apartment, and those commodities are in demand worldwide as the population increases and the middle class, expands around the world, more and more demand for all those commodities. They're not attached to any one currency either. Okay, so they have their own intrinsic value. The old saying that every human need three things, food, clothing and shelter, right shelter. So, the shelter is made of these commodities and the commodities have reasonably stable prices. The land however, also I guess you could call that a commodity, but it's not a very logical one, land values fluctuate wildly. So, take my, out of State property that I was buying, okay, versus the property I was buying to live in. The land value of the out of State property was only $24,000. If you wanted to rebuild that house, even if it was during the Great Recession, when things were really bad, it would still cost about 135000 to rebuild the house if it burned down. And if the land went down in value by 50%, I would only lose $12,000. But if the land value went down on the expensive house in which I lived; I would lose $500,000. Land values are volatile, improvement values are not that volatile. They're a little bit volatile, no question. You know, they fluctuate too, but not nearly as much as high land values do. Thoughts, questions?

**Clark:**No, they're really interesting, right. Something that I haven't heard before. Interesting that you learn that so early too. How old were you at that point when you were purchasing that home?

**Jason:**Oh, I don't know. I'd have to think about it. But, you know, it took me 19, it was 19 years into my career before I figured that out. And it was really that call from Jennifer, that's what that's what made me realize that, you know, if you invest in low land value, what we call linear markets, you're going to protect yourself from downside risk. Now, the disadvantage, though, is that, you know, in a boom time, where the economy is expanding, where interest rates are artificially low, where people have lots of money and there's a wealth effect from, you know, asset prices increasing, many times those cyclical markets, the ones I don't like anymore, okay, on the west coast of the US, the expensive Northeastern markets, you know, New York, DC, Boston, South Florida, Miami, you know, those expensive markets, LA, San Francisco, Seattle, right, San Diego. Those cyclical markets, all have high land values, there's no exception. And around the world, it's the same way. You know, the vast majority of planet Earth is a boring linear real estate market. There are only a small number of exceptions. So, let's go around the world and it's the same thing. There’re only three types of markets on planet Earth, linear, cyclical and hybrid. Now, one of you lives in New York City, that's a cyclical market. Another one of you lives in Austin, that's a hybrid market, okay. And I own property in Austin myself. So, those are hybrid. Austin used to be more linear until it had its huge population explosion, starting in I guess, the 90s, okay. And Austin has become hybrid because it got more expensive and land values got higher. But around the world, think of all the cyclical markets, they're all the trophy markets, Paris, London, Hong Kong, Dubai, you know, markets like that, Singapore, right, those are all cyclical markets, glorious highs, really ugly lows, they are the risky markets. But, you know, if you're somewhat wealthy and you've got, you know, some risk capital, it's okay to, you know, put 10% on speculative stuff. I just find that the older I get, the less I want to do that. I just like to relax, invest for yield, I like cash flow and, and inflation induced that destruction and not having to worry about trying to time the market which is a fool's game. Timing the market rarely works. Okay, rarely works, yeah.

**Clark:** So, I know we're coming down to the wire here, Jason. But just one question, I was thinking when you were comparing these two properties the one you were going to live in and the one you were purchasing out of state, did you hire someone to manage that? Did you self-manage, did you use to self-manage?

**Jason:**Good question. Yeah, I am a big believer in self-management from a distance. And I have property managers and I self-manage, I do both currently, okay. And the way I look at it is if you have a good property manager, just keep them, if they mess up that maybe a sign that you want to try self-managing. And I have this happen to me on a property in San Antonio, Texas that I still own and basically, what happened is the property manager got out of the business. And I had my assistant Karen, researching, you know, I need a new property manager for the San Antonio property, find me one. And she found a couple that she liked and, you know, one of them sent over the property management agreement, and I just was busy, and I didn't get around to signing it. And the first of the month rolled around, and what do you know, I got a check from the tenant with a nice note that says, hey, I guess the property manager got out of the business and he just told me to send you the checks. And you know, if you need anything, give me a call, the tenant said and I thought, well, that's a nice, friendly tenant. And so, I just kept self-managing the property for years and it worked out great. I know, here's what's so special about that, I have never been to that property, I have never seen that property, I have never ever met that tenant, even now, years later, still, I've just never been there. And I never thought that you could self-manage a property from a distance like that. But I also realized I owned another local property, a rental property in Irvine, California, at the time that I bought this other one I mentioned earlier, and I remember I had one tenant stay there for three years and he moved out, his name was Josh. And when Josh moved out, he told me he was moving. And he said, hey, I'm out and I'm going to mail you the keys. And so, I went over to the house after we moved out, just to inspect it, I was managing it myself, it was, you know, 10 minutes from my own house where I lived. And I realized when I went there that I hadn't been there for three years and I thought it wouldn't have made any difference if this property was in Texas, or Arizona or Georgia, or Indianapolis, or you know, Memphis because I hadn't been there anyway, you know, it didn't even matter that it was 10 minutes away. So, we teach people how to self-manage. And we also, vet and recommend property managers. Our clients do both, they can do whatever they want. It's, you know, it's their property. But we really believe in the empowered investor and so we provide tools and assistance to self-manage, or to help you manage your managers. You can do it either way. whatever you're comfortable with.

**Jace:**Yeah, that's awesome. I'm glad you kind of brought that up that I think some people especially live on the coasts or in Clark's neck of the woods, they get nervous about investing out of state sometimes. Yeah, so just to kind of wrap up here, Jason, what are some of the mistakes that you would encourage our listeners to avoid and maybe couple that with some advice that they can kind of take home with them to kind of take action and move forward?

**Jason:**Oh, gosh, if we want to go over mistakes, I think we need a whole other show. There's a lot of those, gosh, you know, gee, whoa, what a couple of nuggets. Well, first, you know, buy the property right, learn how to analyze a deal, standardize your data, use a consistent, pro forma for every deal you look at. People will send you properties in all sorts of different formats and you've got to get it down to one format, it's too easy to make mistakes, if you're not looking at standardized formats, it standardized data. The numbers will change with each property, but the layout of the document on which you review it should be the same every time. Fill in the blanks, this number goes there, that number goes there, it's very easy to make mistakes when you're not standardizing things, huge. And that video on the front page of my website, JasonHartman.com, a great lesson on this, okay. So, I think standardization is the first key, learn how to analyze a deal, standardize the data and buy right. That's the first step obviously, is to buy right.

**Clark:** Yeah, that's awesome once again, that's Jason Hartman, appreciate you coming on the show today.

**Jason:** Hey, my pleasure, happy investing to everyone and check out that video I mentioned at JasonHartman.com.

**Jace:**Thanks, Jason.

**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.