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**Marco:** Ignorance is expensive, and most people seem to think that ignorance is bliss. But it's not because what you don't know as a real estate investor is costing you money, time and opportunity.

**Narrator:**You're listening to the millionaires unveiled podcast where you'll hear the stories and interviews of everyday millionaires. We will unveil their decisions, their strategies, and their current portfolio allocation. Now to your hosts, Clark Sheffield and Jace Mattison.

**Clark:** Alrighty, welcome back to episode number 96 of the Millionaire's unveiled podcast where we tell the stories and strategies of everyday millionaires and unveil their current portfolio allocation. On today's show we have an exciting guest interview with Marco. Marco is the host of the popular podcast titled "Passive real estate investing". He shared his thoughts on all thing’s real estate investing, including the 10 rules for successful real estate investing, including the ability and opportunity to invest in Real Estate outside of one's place or state of residence. We were recently interviewed ourselves on Marco's show, where we talked about our stories and lessons learned from the millionaires that we've interviewed. So, if you're interested in that, go check out our interview, our episode was titled, "Lessons from millionaires", and that was episode number 172. Last week on the show, that was episode number 95. We had done and part of what we're trying to do with this show is to interview those who are well on their way to becoming a millionaire, but also have great stories. We want to help inspire you as listeners, whether you've already hit millionaire status, or you are on your way. So, Don is a good example of that, he is a current net worth around 650,000, he's a teacher and has a great story on building wealth on any income. He shared his passion for teaching, details about his pension account and his investment goals for the future. Before we get into today's interview on real estate investing with Marco just want to thank our sponsor of City and Capital for supporting the podcast. Creating passive income is one of the quickest ways to create an established wealth. At obsidian capital their core philosophy is to enable qualified investors to create long term wealth passively through strategic real estate investments. Their team of experienced real estate professionals identify stabilized and value, add multifamily real estate assets that will provide strong financial returns to healthy risk profile, text incentives and additional benefits that come with investing in real estate. They pride themselves on a high level of integrity and have experience in acquiring and managing over $300 million in multifamily assets. Furthermore, their leadership has over 45 years of combined industry experience. Visit their website today to learn more about their streamlined investment process at www.obsidian capitalco.com. Once again, if you'd like to invest in our multifamily opportunities, feel free to reach out to us, our email is, millionairesunveiled@gmail. com we can give you a little bit more information about those opportunities and who we partner with, we have some great real estate syndicated opportunities there. If you'd like to be on the show, we'd love to hear your financial story, we're always looking for new guests and new stories and people to highlight our email again is, millionairesunveiled@gmail. com. We love when our listeners reach out and anybody who would like to share their investing story. But without any further delay, let's jump right into today's interview with Marco.

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

**Marco:** Yeah, it's an honor to be on your show guys, I appreciate it. So, you know, I've been a serial entrepreneur my whole life. I'm heavily into real estate investing, I love real estate investing, I love teaching and showing people how to achieve the same success that I have over the years and I really started when I was 18 years old. That's when I bought my first rental property, I bought it, fixed it up, leased it out, managed it myself. And you know, there was nothing special about me other than I was very determined to make it happen, and the whole thing was textbook. But the greatest lesson I learned from that was really not the process of investing and fixing it up and managing it but the fact that I actually kept it for a few years, sold it and took my profit and did what I did with it, which wasn't reinvest. So, that was a good lesson learned and I wish I knew back then what I know today. But if you fast forward to 2003, I decided that the time that I wanted to get back into real estate investing in a heavy way meaningful time, because I had just come out of a.com crash, if you will. And it took a couple of years to unwind that business and step back and reflect for about a year and I knew I didn't want a job or to get back into the corporate world. But I had a passion for investing and a love for real estate and that's just what I wanted to do. So, two things happened in parallel, one I started investing heavily and over the course of nine months, I acquired 84 units. And while that was happening, I had investors coming to me saying, "hey, you know, can you coach me or mentor me"? I really need the help and I see what you're doing. And my answer was no, I didn't have the time to coach and mentor anybody, I really didn't have the inclination. But I did say this, I said, I do see a lot of deal flow. And I'm more than happy to assign or sell you these properties that I'm not buying. And that's when the light bulb moment went off and I recognized that there was a untapped market, a niche in the market where people needed help, even though they were spending literally tens of thousands of dollars in education and boot camps. And I just designed my business around that need for investors to want to invest in a more passive way that ultimately became what I'm calling turnkey rental properties today. And so that's how the business was born, it was just in parallel with my desire to invest and grow my portfolio at the time.

**Jace:**Okay, let's unpack this a little bit. So, let's start at the beginning. You said you have been a lifelong entrepreneur and you started at 18. When did you know that you were going to be an entrepreneur?

**Marco:** It's funny you asked me this question, because it was only recently that I actually started to ask myself that same question. Because someone was asking me what my personal story was. And so, I had to start scripting this out and I kept going back as far as I could possibly take it. And I come to learn that the honest truth is I don't remember where that started. But I want to say it was almost baked into my DNA, because I went as far back as when I was eight years old when I had my first paper out, and I actually, quote unquote, hired my brother to come along with me at four in the morning to deliver papers. So, it goes back a long way, what I do remember though, is that I've been a serial entrepreneur. I've started all kinds of small businesses from an office coffee service to a small publication company where we were producing coupon cards like coupon books, but in the form of a like an Amex card and even while I was in school, I was always running a side business or two on the side. I've been involved in, I think three different network marketing companies, one I was fairly successful at, the benefit of that is it taught me entrepreneurship and sales. I mean, if nothing else, sales skills, I was a licensed real estate agent. I mean, I've tried so many things. And, you know, we were just talking about this off air about the whole thing about being persistent and been a common denominator amongst millionaires, being persistent. That is, one thing I would and could say about myself is that I never gave up even if I was, you know, kicked in the gut and knocked down. I didn't look at it as failure, I looked at it as that, okay, that didn't work. Let me just get back up and move on to the next thing because I know that business or that opportunity failed. Maybe it failed because of me, my ignorance, my lack of education, but I'm going to make it happen. I have a dream and I have this goal, I want to be wealthy and I'm going make it happen. I just need to find the right vehicle and ultimately it was real estate, that's what resonated for me.

**Jace:**So, how did you get the capital to get that first deal?

**Marco:**So, my parents got divorced at the age of 16. And as unfortunate as that was, what ended up happening is, I ended up living with my mother, and she couldn't afford to give me five bucks if I needed $5 you know, if I ever asked my mother for five, she'd give me 20. But it got to the point where she literally was counting pennies to make ends meet. And so, she said, you know, if you want any kind of spending money, you have to go get a job. So, she actually helped me get a job at the age of 16 as a bagger. I don't know what they call them now. But you know, at a grocery store, I was basically bagging groceries and collecting carts, and it was a well-paying job. And then I worked my way up over the years, you know, I ended up you know, being a cashier and then I started stocking shelves, but it was a good paying job and I was able to put money aside, enough aside that I could purchase my first property. And so, there was a credit union associated with that job and it made the qualification process a little easier because they already knew I was making essentially a W two income. So, the combination of me having some cash put aside and the ability to finance through the credit union with that employer allowed me to get that first property.

**Jace:**And what was it, was it a duplex single-family home, what kind of property was it?

**Marco:**It was a single family but not detached, it was an end unit town-home. I don't remember if it was two or three bedrooms, but it was a decent size, but it was a nice end unit. And it was in the northeast quadrant of the city which was a lower priced lower income area. So that also made it helpful in the sense that it wasn't an expensive property. But that's where I cut my teeth.

**Clark:**Awesome. And then you went on the buy you said 84 units in nine months. That's pretty amazing, were those big multifamily properties or smaller properties or what was the makeup of those?

**Marco:** Believe it or not, most of them were small, like single families and duplexes.

**Clark:**Wow.

**Marco:**I did ultimately venture out into small apartments, the first one being a six unit and the second one being a 20 unit, what helped accelerate that fast accumulation was two things. The biggest one being credit being easy, and this was back in 2004. When it was pretty easy to qualify for financing, you could virtually fog a mirror and get financing. So, that was very helpful because there were a lot of portfolio type loans out there that allows you to qualify very easily. You didn't have the 10 caps as you do with conventional financing. I mean, you still had it but you didn't have to go with the conventional financing. You can get commercial loans and you can get portfolio loans. The other thing too, is my ability to be creative with sellers because when you are in markets where there's lots of inventory, you have a little bit more negotiating power as a buyer. And so, I was able to structure low down and even no down deals. So, that way I was able to preserve whatever investment capital I had in order to do those deals.

**Clark:**And so, they would just sell or finance those properties?

**Marco:** Some of them yeah, in some cases, I was even able to buy them, I was able to negotiate a lower price than what fair market value or appraised value was. But what we would do, and you can't do this today, unfortunately, or what I say so shifting, fortunately, because it created a mess back then. But if I was able to negotiate $1,000 on $100,000 property, this is a hypothetical example. I would be able to write that contract at $100,000 and then have credits made back to me in terms of maintenance and repair and deferred maintenance credits. So, I would actually get some monies back at the close from the seller legitimately, it was on the settlement statement for deferred maintenance items. So essentially, I was just getting money back to take care of deferred maintenance items, which didn't exist in some of the cases, but I didn't necessarily always put it towards those deferred maintenance items, I would, you know, I would just have that as a credit back in the form of cash, and it would lower my down payment requirement.

**Jace:**So what are I know, you kind of have some rules that you follow, and maybe some particular requirements, I guess you could call it when investing in real estate, what are kind of some of those rules that you follow to make sure some of your investments are successful?

**Marco:**Well, I'll just give you, I'll start giving them to you in an order because they really stack upon each other and we can go as far as you want. The first is really an investment in yourself, and that is building your own knowledge base because you have to educate yourself. The problem with a lot of people and I like to say this is that ignorance is expensive, and most people seem to think that ignorance is bliss, but it's not because what you don't know as a real estate investor is costing you money, time and opportunity. And if you want to become a great investor and get away from being just a good investor, or even a bad investor, you don't have a choice but to educate yourself, build your knowledge, currency, and learn to write, learn to ask the right questions and follow your own advice based on the input from the professionals you surround yourself with not following other people's advice blindly and not knowing whether it's good or bad advice. So, it's fundamentally important that you educate yourself and you do it on a consistent basis because there's no such thing as knowing too much, the danger is in not knowing enough. And so, this is why I put a lot of value in educating yourself, regardless of how you do it. It could be this podcast you're listening to, it could be, you know, books, which are inexpensive, it could be boot camps, it could be seminars,

it could be online resources, and there's tons of those.

**Clark:**Yeah, and we talked a little bit about this before recording that there's just so much available out there right now. Right? I mean, you have so many podcasts, I know you have a great podcast as well on real estate investing and there's other resources online, there's seminars, there's books, right, but there's just so much available and I think you're spot on and investing you with your yourself. Right, those that we've interviewed that have been the most successful, are the ones that have taken time out of their day or out of their week and worked on themselves or they've tried to learn, and they've continually learned, whether that's books, podcasts, you know, websites don’t matter. They've said, hey, there's so much I don't know, and I'm going to do my best to learn as much as I can. So, spot on there. 

**Jace:** What's the best way that you found for yourself? Is there may be a certain time of the day or a certain routine, or is it conferences or books?  What has worked for you?

**Marco:** Well, if and when I have time to read and I love to read, it has to be an evening and often it's later in the evening because I just don't have the time in the day because of everything that I have going on. But what I find convenient is audio. You know whether it's an audio book or a podcast, I can put those earbuds in my ear. And whether I'm driving or doing some work around the house or going for a walk, I can listen and educate myself. So, I feel like I'm killing two birds with one stone. It's just, you know, it's just so productive to be able to listen and learn while you're doing other things.

**Clark:**Right. Kind of multitask there. 

**Marco:**Exactly. 

**Clark:**So, let's keep going with these rules. So, the first invest in yourself and what else?

**Marco:**So, you know, you mentioned it not too long ago about setting investment goals. And that really is my second rule, it's great to have a dream and you should follow your dream. But for people who wish to be rich, they never make it happen because it's nothing more than a wish. But if your wish is to become, you know, rich or wealthy, you need to convert that into a clearly written specific goal and it needs to be what I call smart, specific, measurable, attainable, realistic, and time stamped. And if you can do that and then break it down more granularly into steps or an action plan. And you start executing on each one of those little bite sized pieces, guess what you're going to ultimately become financially free, you'll be financially independent, because you've set in motion, the steps that you need to take in order to make that happen. So, the fact that you write it down, create some sort of energy in the universe, something happens in your mind and your subconscious to put you on the right track, you will start to notice and see the things that you need to materialize those dreams and those goals. And it's been proven time and time again, that you are statistically more likely to achieve whatever you've written down, those goals. But just by the fact that you've written it down and you think about it, so you know, we've you and I know you guys have heard this time and time again that it's important to write goals and you know, the greats like Brian Tracy, Zig Ziegler and Tony Robbins they all tell you to write it down. But you know, don't gloss over it, just take it seriously, actually just do it for yourself, take out a journal or a goals journal and write it down. And you'll find that you will start to materialize these things. So anyway, I don't need to belabor the point, just set and right investment goals.

**Clark:**I think you're spot on. But it's hard, right? So many people, you hear it over and over again. And you know, I'm sitting here thinking, you know, yeah, I know it, but I could be better at it. Right? I could set more ambitious goals, I could set more goals, I could review my goals more frequently. Right. And, I think there's so much to improve on just in that area of goal setting, probably for each of us.

**Marco:**Yeah, I like to, I'm kind of nerdy, you know, analytical and I like to do it in a spreadsheet. You know, I don't have a journal. But I'll create it in a spreadsheet, and I'll have a tab for each year because every year I'm revising my goals. I might review them and tweak them over the course of a year. But I'll have a tab for every year and then I'll break my goals into different categories, my financial, my personal, my business, my family, my health goals. And so, I like to track it in a spreadsheet, and then I can pull it up on my phone anywhere I go.

**Jace:** So, let's dive into this just a little bit because I'm curious kind of how applying all this in your life. So, you have what four or five buckets of goals, personal financial, etc.

**Marco:**Yeah, so what I do is I just categorize that tab into my business goals, my financial goals, my health and fitness goals, my family goals, my fun and recreation goals, and then my personal and spiritual goals.

**Clark:**Awesome. And then how many goals do you have in each of those buckets?

**Marco:** I used to put too many to the point where it was too much to accomplish. And right now, I try to keep it down to two on average, but it will range from like one to four, but on average, it's probably about two.

**Clark:**Got you. So, maybe what 10 to 12 to 16 goals or something?

**Marco:**Overall, but that spreads across those different categories in my life.

**Clark:** Yeah, of course. And you do it once a year, but you're always reevaluating throughout the year,

**Marco:**Not so much reevaluate and reviewing.

**Clark:**Right, okay. 

**Marco:**Yeah, you want to keep them fresh in your mind. Like, some people will literally read them every day. And I know one person who actually writes them out, rewrites them every day.

**Clark:**Oh, wow.

**Marco:** And so, you know, think about the power of that, you have your goals and you're actually writing them down every day. Talk about fresh on your mind.

**Clark:**To stay focused on what your kind of working for. Awesome. 

**Marco:** Yep.

**Clark:**Okay, what else on your rules? Let's keep going here, I think they're all interesting.

**Marco:** Okay. So thirdly is to never speculate. And, you know, this kind of ties into the whole thing about, you know, loose and easy credit back in 2003 through 2006. You know, this is part of the problem of, you know, having that housing crash the other great recession that we went into in 2008. But there were a lot of people who call themselves investors that weren't really investors, they were just buying property and speculating for quick short-term gains, you know, over the course of 6,12, 24 months. And the problem with doing that is that real estate is a slow-moving asset class. So, when you're, which is a benefit, but when you are putting your money into an expensive asset in a particular market that you hope will continue to appreciate because it has been for the last two, three years. And then all of a sudden, that market talks out and buyer demand diminishes, and it's harder to sell it and now you have to start doing price reductions and it's in your equity on papers disappearing, guess what, you're going to be stuck with a property that you might end up losing money on by the time you sell it and pay your selling commissions and your closing costs. And that's what a lot of people were doing. I literally know people who are making hundreds of thousands of dollars, if not more essentially flipping, they were buying and building new construction homes back in 2004, and five, and in the beginning, they were doing well, and I don't call those investors, I call them house flippers. You know, they're speculators, they're running a business or at least essentially running a business. But when you speculate, you take on a risk, and you have to know well, what you're doing in terms of picking the right markets, and sub markets and neighborhoods to be able to, you know, buy property and ride that wave for the sole purpose of just flipping it for an equity gain, not for cash flow.

**Jace:** Yeah, that makes sense. So, Marco, just in the sake of time, where can somebody go and learn these 10 rules of investing that you have?

**Marco:**Yeah, I have this as a sticky post on our blogs on our two websites, it's always at the top. I can give those out if you want.

**Jace:** Yeah, totally. 

**Marco:**So, our main website which is actually undergoing a complete redesign and rebuild for next month, but it's, noradarealestate.com” NORADA", noradarealestate.com. And then the piggybacking website with the sister website that links back to this one is, passiverealestateinvesting.com. It's really the home of our podcast, but they connect to each other.

**Jace:** Awesome. Once again, that's the 10 rules of successful real estate investing. Just to shed some light on what you do you talk about being market agnostic. Why does that matter? And what does that mean that somebody can invest in essentially any market in the United States?

**Marco:**Well, this is a good question that kind of ties some of the things we've been talking about together. The United States is made up of over 400 metropolitan areas and if you include many of the micro markets, we are over 600. What people need to understand is that there's no such thing as a national housing market. It doesn't exist, you can't point your finger to it. But what we do have, is we have a country made up of hundreds of smaller markets, call them micro markets, if you will, that all operate independently off each other. Now, economically speaking, there are some things that tie this together. It's kind of that global umbrella when we talk about interest rates and policy as it relates to housing, but outside from that the drivers that drive real estate markets are pretty much geographically local. They're at the regional and local level and often these are hyper local events. So, what's happening in let's say, New York City is different than what's happening in Houston, Texas, which is different than what's happening in let's say, Provo, Utah. So, when you understand that all real estate is local, because of different supply and demand dynamics and different drivers within each market, then you'll understand that things like jobs and job growth, population growth, whether positive or negative, are all driven by these different factors economically, financially, business wise, and so when you understand that, then you understand that you should be putting your money to work for you in markets that make the most sense. And what we look at our fundamentals, the economics and of course the inventory and the cash flow. So, we as a company are operating in 22 markets right now because we've chosen those markets because we have the right teams on the ground, we have inventory, there's good supply and demand dynamics and more importantly, the numbers make sense. You can invest in single family homes or whatever it may be, could be apartment syndications with you guys but when you choose the markets based on the health of that market and the availability of product and the right team, and the rates of return, now you're being objective, now you're being intelligent, now you're being rational about your investment. You're not being emotional, or being illogical because you feel that you need to invest in your backyard, your local market, or you feel that you should, you will do well in a particular market where your brother in law or your sister lives, you know, that doesn't make any sense. You have to be rational and objective and when your market agnostic, it allows you to do that, to look at things for what they are, not what you expect them to be or what you hope them to be.

**Jace:** So how would somebody be going about and valuating, something like that in these other markets?

**Marco:** So, a lot of the information that you would use to do that is available online, for free, much of it is for free. And Google is sometimes your best friend. But if you do your research on a market, and you look at what I'll just generally refer to as the health of the market, that's a good starting point, because some investors make the mistake of looking at a deal quote unquote, is basically the property and it's like, I can present you a property and the numbers will look good on paper, maybe it's even least and it's got decent cash flow, but the condition is good. And when you step back and you look at well, where is this property? Well, it happens to be in a rough neighborhood with high crime, poor school districts and it's in the middle of a war zone in the heart of Detroit, you still want that property, you can't pick up the property and up-root it from the ground and move into a better neighborhood. So, you know, this is actually my sixth rule of my 10 rules of successful real estate investing, and that is to take a top down approach, you should always start by selecting the best real estate markets that align with your investment goals. And so, when you do it that way, and you work your way down, you will make the right decisions because you'll be in a good market. So, to your question, you know, some of the things we look at and this is all stuff you can find online is, what are the main drivers in that market? What is the job environment? Are their jobs and is their job growth? You don't want to see declining job growth, you want to see ideally flat or growing. Is there population growth? Both organic and in terms of net migration. You know, a simple example of that is, you know, there are a lot of people moving out of California right now and often these are people who either can't afford to live in California, or they are high net worth people, and they just want to get away from the tax situation. And they're moving to places like, well were, but still are, Phoenix, Las Vegas, places in Oregon, and one of the biggest recipients of California have been the Texas markets, all the cities in Texas. So, when you see that dynamic, you know, and this is why Dallas has been exploding over the last, you know, four or five plus years. But all the markets in Texas have because you have a good business climate, low taxes, low to no taxes in the state, you know, affordable housing, and from an investment perspective when you can buy 100 or $150,000 home that rents for about 1% of that per month, meaning it rents for 1000 a month to 1500 a month respectively, then you know that the numbers will probably work out in your favor. So, these are all the things you should look into. And when you start to put those pieces of the puzzle together, you'll start to recognize markets that makes sense from an investment return and a fundamental perspective.

**Clark:**Yeah, I think it's good advice, and it's interesting to think about right. What about the people that have concerns, let's say they live in you know, Provo, Utah, you mentioned for example, thanks for the shout out because we both went to BYU, which is right there. But what if they live in Provo and they say, hey, I want to invest in a property but maybe it's overpriced here and I want to invest in Texas, right? And they're concerned about A, not being buy the property, B, you know, who's going to manage it? I have to find a good property management company. I don't really know anybody in the area. How do you kind of help people or what's your advice to people to get over those concerns?

**Marco:**So, it's the one answer, the one-word answer is mindset. The reality is that people have figured, a lot of people figured it out and a lot of people know that it doesn't matter whether the property is down the street from where you live, or 2000 miles away, which is how I was investing from Southern California, back in 2004. When I was buying all those properties, if you have the right mindset, meaning that you are market agnostic, you will understand that you will do better in other markets that makes sense, then the market you live in, assuming you live in a market where there's no inventory, or the prices are too expensive, like the markets we talked about, like coastal California, New York, New Jersey, places like that. So, it's really nothing but a mindset and you just need to think about it rationally to get over that hurdle. Now, many people have figured it out, but there's still other people who just falsely believe for whatever reason, maybe it was a guru, maybe it's their family. But they think that the only way I should be investing is if I invest in a property that is driving distance away and that I can drive by it every morning on the way to work and I can see it, I can touch it, and I know it's still there, that's just crazy. Because first of all, you shouldn't be managing your own property 99% of the time, you should have professional full-service management companies managing it. And they're available in every market all around the country. And whether you vet them, or you have someone else vet them, like us, you know, and that's one of the, you know, services that we provide it's just baked into the cake with the turnkey real estate investing experience. But regardless of who's doing it for you, when you have management in place, and you have all the team players on your team, you can do this. So, it becomes infinitely easier after you've done your first or your second deal because then you look back and you realize Geez, there's really nothing complicated about this. If you do it right, meaning you're following a system it is virtually hassle free, and your success is likely to be higher, having the right team and investing in the right markets then trying to go at yourself and investing in an overpriced expensive market or a market that doesn't provide the rates of return. So, mindset is the first thing. The second thing is just having the right team players. And again, like I said, before, you can vet these people on your own, you could work with someone who's already done that work for you. And a lot of these resources are online that you can use to look into and research and vet out different providers, regardless of whether they're turnkey providers, property managers, new home builders, real estate brokers and agents, lenders, you name it.

**Clark:**Yeah, I think its great advice again, and provides kind of a safety net for people are a little bit of an understanding of how they can invest outside of their home state because I think initially it's a little nerve wracking, right. But we've had so many investors and there's so many millionaires that we've interviewed and the couple that come to mind is the guy who lives abroad and owns 20 single family rentals in the United States and other person lives in one state and owns eight single family rentals in a different state. So, it's definitely possible, right? There are people that are doing it, no question.

**Marco:**Yeah, not only is it possible, but it's nothing new. People have been investing in real estate all over the country from all over the place, including remote places like Japan and wherever else for decades. This is nothing new, this is not a new concept. It's just new to somebody who hasn't heard it before.

**Jace:**So, where can people find you and kind of talk about what you guys are up to? Now I know you also have a podcast, right? And tell us what you're up to and where people can find you.

**Marco:** Yeah, so I'm, you know, I'm continuing to educate people and grow the business. It's just what I love to do. And, you know, we have a lot of free resources and articles available on our two websites. We have the podcast, the passive real estate investing podcast, which is a weekly podcast specifically to educate people in in the real estate investing space. And it's really designed for anybody and everybody, whether you're a newbie or a very seasoned investor, so we really try and cover topics that span the gamut, even talking about mindset and you know, happy and honored to have you guys as guests on the show as well to talk about, you know what you've learned from the millionaire investors and millionaires that you've, you know talked about in the past or invest or interviewed in the past, but really I'm just following my passion. You know, my mission is to help a million people create passive income and wealth through real estate and you know, by providing that free education is part of the way that we're going to do it. But what's coming down the road is, you know, the release my new book, and I intend to give it away for free. So, anybody who's interested in that, you know, can just sign up for our newsletter and we will announce it when it comes out at the end of the summer, early fall.

**Clark:**Awesome. Can you tell us what it's called yet? Or you're keeping it private?

**Marco:** No, actually, it's named after the podcast. It's just simply called "Passive Real Estate Investing".

**Jace:** Awesome. And I listened to a bunch before we came on, before we connected, and I thought it was great. Just to host the topics and some guests, I'm not a guest, so some great advice. Before we wrap up here, as you look at investing in a property or somebody looks at investing in property, are there certain criteria that it should meet? Is there a certain you know, cash on cash return or investment return or some sort of upside anything particular that you look for?

**Marco:**Yeah, there is some subjectivity to that, you'll talk to different investors and they'll have different criteria or expectations based on you know, their interests, their risk tolerance, the markets that they want to focus on by choice, not because they just happen to be there. But generally speaking, the inventory that we have ranges from a cap rate, a capitalization rate of 6% to 9%. Generally speaking, with full leverage, meaning 20% down, those cash on cash returns will increase and they can go up to 12 to 14% cash on cash, and then more broader rate of return is the total return on investment, which is when you start to include the equity growth, both from amortization of the loan, as well as price appreciation, which happens over time. And when you start to look at all the benefits or all the dimensions of real estate, combined, your total return on investment tends to increase and go up into the 30% range. We have deals that if you look at a five-year projection or five year pro forma, it's not uncommon to have an internal rate of return of you know, 20 to even 30%. It just depends on the market in the location and you know, the numbers on the property. But I'll give you guys a quick litmus test. This is something that your audience can use to just evaluate their backyard, their hometown, their city versus other markets. And this is a very general metric, you could use it and look at it at the market level, the neighborhood level, or its best used at the specific property level. But essentially you just take the property price, whatever its price or current value is, and you divide that into the monthly rent. And I'll give you a simple example. If I was to invest in $100,000 property, this is a three-bedroom home. And by the way, these are real examples on our website. But this is a hypothetical for your show. I want to see that hundred-thousand-dollar property rent for right around $1,000 per month. That's what we call a 1% rent price or rent to value ratio. Now it's acceptable to go down to as low as around 0.8%, which means it's an $800 monthly rental on $100,000 property that'll still work, especially considering that I can raise the rents over time and increase that, but you want to target right around 1% and we have a range of about 0.8% to 1.2%. When you're outside of that range, it should start to raise questions or red flags because it could mean that you're in an either overpriced market on one hand. Or on the other hand, you're in a very sketchy low-end neighborhood. So, the numbers are definitely going to look good on paper, you're going to have a high rent to value ratio. But you happen to be in a very questionable sketchy community or neighborhood or maybe a war zone. And you don't want to be there either.

**Jace:** Yeah, that's great advice and a quick tip, so appreciate you sharing it and appreciate of course, you are coming on the podcast again. That's Marco Santorelli, he has a podcast called the "Passive real estate investing podcast" and also a company called "Norado Real Estate". You can check out, so thanks for coming on the show Marco. We really appreciate it.

**Marco:**It's my pleasure, guys, this was an honor. So, thank you very much.

**Narrator:** Thanks for listening to the Millionaire's 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.