

00:00:00 You've probably heard that real estate is one of the best investments out there. But if you're like we were 10 years ago, you probably have no idea how to get started. Or maybe you have one or two rental properties or you're renting out a suite or a room in your house, but you don't know how to create truly passive income with real estate or how to grow your empire.

00:00:17 So you have more freedom in your life. Buckle up. You're in for a really big treat today because I'm being joined by my husband, Troy Michelle, in this episode, you're gonna hear about our ten-year real estate investing journey. You'll learn how he went from two to 22 rental doors in the last two and a half years, and what it took to get there.

00:00:36 You'll also hear the key mindset shifts and actions we took that allowed us to a get started and be expand our business really quickly in the last few years. Most importantly, I hope that you're going to stop telling yourself that it's too late or you're not ready, or you don't know how or stop being so afraid of failing that you never get started. We hope that you're inspired by our journey.

00:00:56 You'll learn from our mistakes, which you better believe we're going to share on here too. And that you'll leave this episode excited, excited to decide what's next for you in your real estate journey, whether it's just fulfilling your curiosity to learn more deciding to buy your first investment, or maybe your a hundred Welcome to the golden girls podcast, where we believe you can have it all.

00:01:17 I'm your host, Lisa Michaux and I'm spilling tangible tips, goal, getting strategies and real life stories to inspire you to tackle your biggest dreams. You're a woman who knows you're made for more, get ready to leave the excuses and self doubt behind by being vulnerable, sharing your truth and having honest conversations. So you can succeed on your terms together. We'll set goals.

00:01:41 You'll actually achieve by staying motivated, having fun and building a community of women, empowering women. It's time to tap into your best self, get confident and truly have it all golden girl. Let's dive in. Hello, golden girls and guys out there. This is a really special and a little bit of a vulnerable episode for a few reasons. Today.

00:02:03 We have our first male guest ever, and I have to say he's pretty awesome because he's my husband. Welcome Troy. Thank you. Thanks for being here, man. I am definitely a little bit nervous and also really excited to have you here. I think it's going to be a lot of fun. He's a lot quieter than I am. You should just know that right off.

00:02:22 So we've never recorded an episode together like this and we are very different people. This is your first podcast. All right. Yes. But we're just going to have fun and have a conversation and know that it's an whole new experience for us. But if we built a real estate company, I feel like we can probably do a podcast episode together too.

00:02:37 I guess we'll find out. All right. So a lot of you guys know that we are real estate investors and we haven't for about 10 years now and lately we've been getting a lot of questions about how we did it, how we got started, how we expanded and rather than leaving you guys in the dust, we thought, Hey, you know what,

00:02:54 let's share a little bit of our journey. So today we want to start by sharing with you our story, what we've done. And some of the pivotal moments that took us from no properties to two properties to 22 rental doors and our primary residence. So should we get started? All right. Okay. You are the one that got started with real estate first.

00:03:14 So do you want to talk and take us back to 2006 and your first foray into real estate? Sure. Yeah. In 2006 I had just finished college and I moved to Fort McMurray, Alberta with a new job, but I was hired right out of school. I was fortunate enough for that. And at the time it was a really tough rental market.

00:03:40 Tough to find anything tough to secure a place. I remember purchasing a paper every day after work and looking, Yes. And this is 2006. Have to like kids, if you don't know what he's talking about, It was in its infancy for rental, especially in informing Maria at the time. But everything came out in a local paper. I purchase paper after work circle,

00:04:06 all the new listings and half of them would be gone by the time he even called them at seven o'clock at night, by the time I got back home from work. So it made sense at the time to, to buy a lot of people were black cautioning against it because it was such a hot market. It, it was tough to get into multiple offers on,

00:04:30 on everything. But I knew that I was, I was planning to be informed McMurry for years. So it made sense to buy, not have a rental expense every month and to build equity in my own home. So that's sort of what drove me to it. So I bought a duplex, I guess it'd be considered maybe a townhouse. Yeah. Like half a duplex.

00:04:59 Yeah. Yeah. It was a townhouse, a three bed, one and a half bath townhouse lived there for four years. I think I'm just doing the math in my head. I think it five, five years ish. So once we got together in 2010, we were working for different companies, both of which had offered subsidies for rentals and for purchasing because the rental market was so overheated at the time.

00:05:34 And you had been on a rental subsidy that was expiring. And so it kind of made sense to purchase a property jointly and keep the other property as a rental. It had appreciated at the time, a fair bit, probably 30 or percent, but also the rental market was still pretty hot. So it made sense to keep it as a rental, which is what we did moved into our home together.

00:06:10 And that's basically how I ended up with a rental property. The first one, I love that it's really. So the house that you bought just to put this in perspective, this was in 2006, it was a patio home. It was a 1970s home. Like it was nice. It was comfortable, but it wasn't anything fancy. Nope. But it was the most,

00:06:30 I think you could even get at the time, cause you were fresh out of school as far as the mortgage, right? Yeah. Limited down payment and limited credit at the time. So definitely went with the most I was approved for, I think it was \$350,000 mortgage and I think I paid three 36 for that patio. Wow. So cool. Okay.

00:06:53 We also something that we try to have both talked about before this episode that we really wanted you to take away from this. What we don't want, I guess, is that we don't want you to listen to this and think, Oh, well I didn't start 10 years ago or it wasn't important McMurry or I missed the boat. And these are all stories that I think we've all told ourselves at some point,

00:07:11 and we don't want you to just listen and say, Oh man, well, if I'd done this 15 years ago, then I'd be okay. And yes, maybe it would be. But the point is that there's still opportunities now. And as you're going to hear in our story for six years, for six years together, as landlords, we only had one rental door and then went from one till four.

00:07:28 And then now we have 22. So literally 19 of them have come in the last, like two years. So we don't want you to hear this and think I wasn't informing Marie or I didn't have that

exact same opportunity. I think that it's not possible for you. Cause if you're always thinking that if you're always waiting for the market to crash, to find the right opportunity or you're just waiting to be ready,

00:07:46 you're never going to get started. And we kind of, we were just chatting about this too. We, there's still some opportunity in Fort McMurray. I think to this, we just saw an article a few weeks ago that was saying, and is now the most affordable? What is it? Income per capita housing in Canada. And we're recording this in Vancouver,

00:08:02 which is the exact opposite and like the world and the most expensive real estate income when compared to income per capita for memories the best. So we still think that there's some opportunities there it's just looks a little different. Yep, definitely. Yeah. So 2011, I moved up to Fort McMurray, 2010 in 2011, my company gave me a subsidy and we thought,

00:08:21 okay, let's buy another house. And that would've made us 24 years old. Yep. And how much into debt did we go? I think at the time it was 1.2 million that we owed on real estate. Yeah. It sounds like a lot even to this day, that that makes me a little scary. And I think the first night or two,

00:08:45 after we signed the papers, did you sleep? Because it was so nerve wracking and we had a couple of conversations coming out of that because we had to feel comfortable. We had to sleep again our lives and we still had to pay off the mortgages. So what, what, like, are you open to sharing any of the things that you thought at that time that made it easier for you to sleep with that much in mortgages at 24?

00:09:06 Cause I feel like that a lot of people would be nervous about that as we were at first, I think both of our incomes at the time supported it, like, especially on the other second house that we purchased jointly. The, because I had purchased in 2006 for four or five years earlier, the rental income at least paid the mortgage, paid the taxes and the tenants covered utilities.

00:09:30 So it was trying to think back, actually, I'm trying to think of what it was, cash flowing, but in any case it's yeah, it covered itself and, and made some money a couple hundred dollars a month and we had two incomes of our own. So, you know, even if you lost one income, which wasn't really likely, I shouldn't say likely,

00:09:57 but it was unlikely that we'd lose both incomes at the same time. So I was comfortable with that. We were able to service the debt and we were covering the debt on the original house and it was cash flowing each month. So I thought we were in pretty good shape and felt comfortable with both properties. Okay. You weren't way, way more logical about this than I was,

00:10:20 which kind of makes sense for us. I think just to your first point, one of the things that we've at that time, the bank approved us for way more than even what we ended up buying. So we kind of bought under like a house that was less nice than with a banquet have approved us for. So I think that, and that's something we've kind of done consistently at a few points in our lives.

00:10:37 And I just wanted to share that as a bit of a strategy, a bit of a thing that we'd done differently than maybe what most people would do is on our primary residence. We've always had a slightly less nice house than we could have, whether the bank send me code quote afford. And I also remember having some conversations and being like, Hey,

00:10:55 what happens if we fail it? Like what happens if like we're in debt and things crash and we lose our jobs and everything happens. And we both had to come to the come to terms and be okay with, if that happens while we're going to have to start over, we're going to have to, well, I guess, claim bankruptcy and we'll go live in our parents' basement.

00:11:14 And that'll, that'll be that. And I want to say that because I think there's a part of us that had to be comfortable with some risk to get into real estate because we could have sold your other house, made money on it and then just walked away and had a nice house and never looked at it again. But we thought, you know what?

00:11:30 We want to build something bigger than us. We want to create more income, but it did come with more risk. And it wasn't something that we just jumped right over. Like we actually had to think about it, talk about it and feel good about it. And I think something else there too is that we, we had confidence that we were going to be able to rebuild.

00:11:45 We were still young. And I mean, I feel like we're still young and even at 50, we'd still be able to rebuild because you always learn and that's how you grow. So it's not that we were irresponsible about borrowing the money or that we didn't care about it. It was just that we knew that we'd be able to figure it out, that we would be willing to do what it took to be successful.

00:12:02 And I feel like now, what does that almost 10 years later, it feels pretty cool that I feel like we've, I feel the same way. Maybe even more, more confident now than I did that. So that was basically our first jump into our first real rental property. And from 2011, 2014, we owned our house that we lived in and then we rented out what used to be destroys house.

00:12:26 So why don't you chat a little about our in 2014, what we, we did there, cause that was kind of a big change. So 2014, the oil prices globally were on the decline. And generally the, I think the world economy was kind of slowing a bit, but Fort McMurray is heavily tied to the development and production of oil. And a lot of the major projects were being put on hold or canceled up there.

00:13:00 So that coupled with the fact that the biggest problem that port Macquarie had was land, there was no land in Fort McMurray, which is what drove the lot prices up. Like our second house that we purchased in 2011, the original land price, I believe was 450,000 is what it was assessed at just the land, not the house, which is, it,

00:13:27 wasn't an Anchorage, it was big enough for the house. And I think there was, you know, maybe six feet, the lot line on other side and a small-ish backyard and not much of a front yard either. So it wasn't a very large lot for 450,000, but that's what happened is a couple areas of town had opened up large tracks of land and around,

00:13:52 around the airport was one and Parson's Creek North close to us was another. And I think I don't quote me on the numbers, but it was supposed to house 20 to 30,000 people. These master plan communities and Fort McMurray itself was only around a hundred thousand people at a time. So there was basically 30% of the size of the city was reopening. So I kind of saw that coupled with the price of oil on the decline and decided it was time to sell.

00:14:28 So we, yeah, we sold our rental property, worked out good. Actually the tenant had decided to purchase their own home and vacated in the summer of 2014. So we put it on the market, sold it that fall and then started looking for a new job, I guess, was the other big change. And this just in case, you're wondering how it's all coincides.

00:14:52 This is right around the same time as my health scare and my whole realization of wanting to live in Vancouver, one do something different. And I remember one of the things you said to me was all right, we lived my Fort McMurray dream for a while. Let's go live yours. And so it kind of, all these things were happening around the same time just to layer in like my kind of personal health scare journey with the real estate piece too.

00:15:14 So even at that point we could have kind of cashed out and been like, okay, that was great for, you know, three or four years. And I think we even talked about it. We're like, do we want to continue doing this? Because we saw that or we had a sense and like, let's also say this we're not geniuses you're.

00:15:31 I mean, you're very smart, but at the same time, we didn't know for sure if it was going to go down, it was a bit of a, it was a, we thought, yeah, that's a good way to describe it, but we decided we didn't want to continue to invest. And there was a couple of key moments in here too.

00:15:46 And one of them was, I re I remember the conversation around, well, how do we be landlords when we're not living in the same city? And I remember you didn't want that hassle. I was like, well, what if, what if the toilet's leaking? Or what if there something happens and we're three hours away or five hours away or 20 hours away.

00:16:03 And that was something we had to overcome. Was there anything that you would say to someone else who's maybe in that same place right now thinking like, I don't want to be, I don't want to own a property in a different city than me. I don't wanna be quote an absentee landlord. My advice and the personal route that we've taken is to not truly be a landlord at all in terms of the day-to-day management of it.

00:16:28 So price that in to your purchase to ensure that management is, is included. A lot of times that he'll see cap rates thrown around a lot of times that doesn't include management maintenance survey agency. So those are a couple of things to consider when you're looking at a real estate investment. But that's what I recommend is if you're going to do this as a side gig or not necessarily your main income stream,

00:16:59 then I would probably look at property management because that in itself is, is quite a bit of work. Yeah. So I think right there is such a, that that was a pivotal thing for us to realize that we wanted to continue to grow to, in order to do that, we would have to be absentee landlords because the chances of us finding,

00:17:18 you know, 20 properties or a hundred properties or a thousand properties in one place was that we happen to live in. Also, it was pretty unlikely. And we also realized that if we wanted to scale that we weren't actually going to be able to do that because by the time we managed 20 properties or a hundred properties or 200 properties all on our own,

00:17:35 that was basically giving us like a second, third and fourth job. And we didn't want to do that. So now, like, basically from this point on, from 2014 onwards, we always made sure that any investment we looked at, we looked at through the filter of can this investment sustain itself while also your property manager to do the work. So it can be,

00:17:51 we can focus on the strategy piece and manage the managers in a way, but we don't have to do the day to day stuff. So that was a really big, I think, turning point for us too. Okay. And you came up with the idea of what our next investment was going to be. So why don't you share a little of what that was,

00:18:08 what we did. So we were looking at Colona, which was a market that we are maybe selfishly I eventually wanted to live in and therefore a market I think I wanted to be in. So we ended up touching base with a real estate brokerage in Colona and they sort of facilitated rent to own deals. So over the course of the next four years,

00:18:41 we ended up doing two rent, rental own deals in Colona. Okay. So for anybody who was like me, when you first came to me and said, let's try rent to own. And I said, what is rent own? Do you want to just give a quick synopsis on that? There's a couple different ways to do it, but we did sort of the tenant buyer focused route,

00:18:59 which basically the tenant selects the house that's available on the open market on MLS. And you obviously do your due diligence on the property, getting an inspection, that sort of thing. But you qualify for the financing. You put the down payment down. There's usually a small deposit that the tenant buyers will come up with upfront. And then you set up a payment schedule.

00:19:27 Part of their payment each month is a deposit building amount, which at the end of their term, they'll have built up a larger deposit to be able to couple with their initial deposit, to put a large down payment down on the property. And also they work to fix their credit while this is going on so that they can qualify for the financing and eventually purchase what is hopefully their dream home or at least something suitable for their needs.

00:20:02 Yeah. So it's, we really looked at it from a win-win perspective as we would get to. It's a great way to have tenants that actually care about the property because they're ideally going to purchase it from you. There's some security there because we had the deposit from them. They were responsible to responsible for the maintenance, which also helped because again, we were still in Fort McMurray at this point and they were in Colona.

00:20:24 So that helped things as well. And we ended up doing two deals and it was a great win-win because the family in the end ended up being in a great home and really happy with it. And they got, they got a really low price on it because the way that rent to own works is when you set sign, the initial agreement, you decide on a purchase price in the end of the term,

00:20:45 whether it's two years or three years, whatever. And we had a pretty like real, I don't want to use the real estate. I think it was three or 4% annual increase on the initial purchase price. So at the end it was, I think, I dunno, 12% or 15% compounded more than what we had paid for it. But at the time the real estate market in Colona was very hot and they ended up saving a hundred,

00:21:16 120,000, I think, on the, on their purchase, which was great for them, for sure. And, and it, it, we knew going into it, what we would be getting out at the end. So it worked out for us as well. I mean, it's always nice to look back and think it would've been nice to make that money,

00:21:33 but w w we made a nice return on investment doing the deal we did. So definitely happy the way it went. Yeah. Yeah. So that was so, as you can tell, we've done a lot of different things over the years. So in between, I guess, 2014, and when we finished our events own in 2015, we ended up selling the house that we lived in,

00:21:56 in Fort McMurray and moving to Vancouver, and we ended up buying the condo. We lived in Vancouver. And I think there's a couple things about that, that stand out to me. One

of them let's talk about this. Cause you kind of touched on at the beginning about what it was like to buy a house in Vancouver in 2015. Yeah. It,

00:22:21 it definitely felt a lot like it did in Fort McMurray in 2006, everyone said the same thing, the market's going up, it's too hot. It's going to crash. It's going to, and I mean, maybe, maybe it will. And who knows? It's it's only been five years and there's definitely signs of softening this year, especially with COVID,

00:22:40 but we sort of looked at it as it's our primary residence. It's where we're going to be long-term and paying rent is ridiculous. I shouldn't say it's ridiculous, but the prices are quite high for what you get. We knew that we wanted more than just a one bedroom place. We knew we wanted to be downtown. And so with the equity we had built up in Fort McMurray,

00:23:10 we were able to put a nice down payment down and our rent was not, I shouldn't say our rent, our, our mortgage payments and taxes were probably less than what we would have been paying for rent on something smaller than what we ended up purchasing. So I think worked out Totally. It was also, it was definitely a little bit scary. I had some of,

00:23:32 well, every news article you read, every headline was Vancouver market crashes, or it can't keep going up. Every expert was saying, it just can't keep going like this. I think we started looking probably in about January, February of year. And we started getting more serious around April may when you got a new job. And we would look at properties and they'd be sold right away.

00:23:54 And we came down to see a property and it would be sold by the time we like left the viewing. And when we moved down here, it got a little bit, you know, I can actually go to the showings, but it was crazy. Like there, everything was multiple offers going, you know, 50,000, a hundred thousand, 200,000 over listing price.

00:24:11 Like that was not uncommon. And we put, we put offers on, I think, three places before we got the one that we live in now. So yeah, it was, it was wild. And we definitely had to have some conversations around, are we comfortable with this? What if the market crashes and what would we do? And TRIBE kind of alluded to it.

00:24:31 But when our belief is that if we're going to live in the home, if we're going to love it, if it's going to be where we enjoy, then it really doesn't matter if it's worth 10 times what we paid for it or \$0. Because at the end of day, we still need a place to live. And we made sure it was something that we could afford.

00:24:49 And that was, you know, that was reasonable, but it ended the day, like if we wanted to upgrade while the neck and the market went up 10 times and the next place is going to be worth 10, there's going to be 10 times more expensive or vice versa. If the price was went down to 50% of what we paid, well,

00:25:05 the, if we upgraded, then that place would be cheaper too. So we kind of figured it's all right to just get in. And we were comfortable with the, with what we were paying, everything felt good and it ended up being, it ended up being really great so far, who knows. If we listen to this episode in a couple of years,

00:25:19 we'll be like, Oh, we should have sold at that time. Who knows? But, but we love it here. And it's our home now. I think it was about stability as well. We didn't really want to have to move, have to relocate. We have basically a whole household full of household things too. So I never enjoy moving probably as much as no one does,

00:25:43 but that was a big piece for me was, was probably the stability of it. And the security of having your own place. Troy likes stability. I wanted a big patio and it worked out okay. Something else I want to say about this decision to, to live in Vancouver and about the house that we bought is again, just like in Fort McMurray,

00:26:06 the bank qualified us for a lot higher of a purchase price. And we looked at the places and we actually put an offer in, and we're very close to buying a beautiful waterfront condo in Yaletown with gorgeous views. And it was about how I would have been probably half a million dollars or more, more than the place we ended up living in. And I remember we actually put in a bit of a lower offer and afterwards we're like,

00:26:31 Oh, we didn't, we didn't have getting it. And we thought about it afterwards. We were like, yeah, I'm really glad we didn't get it because if we had, it actually would have limited our ability to buy more properties because banks want to see how much income you have for personal financing anyways, and how much debt you already have. And so if we had used up all of our financing room on our primary residence,

00:26:54 we would have been blocked from buying more rentals. And so that was also a conscious decision we made at that. At that point after we didn't get that condo, we thought, okay, are we, do we still want to grow our real estate? Or are we happy with just the one rental? And we both decided no, like let's keep growing.

00:27:07 So we consciously bought a place that was probably half a million dollars, less than maybe more than what we could have bought pretty easily. And yeah, that was a really, I think, intentional decision that we wanted to, again, continue to grow live in the less nice place. It's still wonderful. We're really happy here, but it's, we could go to that nicer,

00:27:27 but we chose not to. One of the things I want to say is, you know, you talked about paying down our equity and Fort McMurry, and that is something that I just want to share as a tip for anybody that's that has a house or wants to get one. We, we had a pretty good incomes, but we also doubled down on our mortgage,

00:27:47 literally paid several thousand dollars more a month than our mortgage. And not everybody has to do this. You could, you know, if you can just do an extra a hundred dollars a month or, you know, 10% a year that you can put down on your mortgage or whatever that is, check with your mortgage rules, of course. But that really made a big difference for us because at the end of five years or four years or whatever,

00:28:04 that was, we paid off a significant chunk of our mortgage. We had, we had to pay a big fee to come out of it, but it wasn't such a big deal because we'd already paid down so much of our principal. So I think that's one thing that we did really well. We, we definitely had fun. We definitely traveled. We had,

00:28:17 we have a really, we live comfortably, but we did aggressively try to pay down our mortgage on our primary residence. And that helped us to, when we, it came time to move to Vancouver and be in a more expensive place. Yep. And even switching your payments from monthly to accelerate and biweekly, which basically means you make an extra payments,

00:28:38 two payments a year. Yeah, yeah. That it shaves, I think four years over four years off a 25 year amortization mortgage. So definitely something to look into that little change like that. You probably wouldn't even notice it off here, monthly pay and take four years off the life of your mortgage. Yeah. Yeah. That's really good. So I hope you're hearing,

00:29:00 there's lots of conscious little decisions that it wasn't just one thing or one action at one property that we bought that brought us to where we are today. It's been a lot of little decisions and actions that we've taken that have allowed us to be where we are today. So you don't have to be where we are in five years or 10 years or one year ever.

00:29:18 But if you just even take one or two of these little things that we're sharing and start to implement them, it'll make a difference in your life too. Like it did for us. Okay. So 2016, 2017 are a bit of a blur, I think, cause I was pregnant for a while, but we in there, we sold our initial Colona rent to own property.

00:29:38 We purchased another rent owned property to replace it. And then in 2017 was kind of a big year too. Do you want to talk about, you want me to talk about this? He's pointing at me. Okay. So that we ended up getting pregnant and we were going on a trip to Napa and it was a surprise to have our lovely daughter,

00:30:01 but when we were there, we were in Napa enjoying it and we realized, you know what? Napa is nice, but we really, really do love Colona. And there was a property that we've been looking at since 2011 since. Yeah. For, I guess, six years at that point. And we looked at it and we'd gone and looked at it.

00:30:20 It's a condo complex. We'd looked at many units in there. I mean hundred hot. I think we put in a few offers and never ended up pulling through. And then we were in Napa. We saw how crazy the real estate prices were in Napa. How, how wild it is to get into a winery in Napa. Everything's just so all about Napa.

00:30:35 And we thought, you know, we think Colona's is even better because it's got a Lake and we really enjoy the BC wines and it's close to home. And yeah. So I think that got us extra motivated to go and buy it. So I think we, I remember sitting at cliff winery and yeah, TRIBE enough or it was a little bit North but yeah.

00:30:54 And we were like, we found a place and we got in touch with the realtor and started putting in an offer for a rental in Colona. Yep. Do you want to talk a little bit about that property? Cause it's a little different, cause at this point we've done traditional rentals. We've done rent to own and then this one was deferred. Right.

00:31:11 So the unique thing about this complex is that it's actually previously was designed to be a hotel. So they built it, I think in 2006 or 2007. And that was right around the time that the housing market crashed globally and including Colona. So they sold it off as condos instead of having as a hotel and it's specifically zoned for short-term rentals. And we had kind of toyed with the idea of,

00:31:42 of doing a short-term rental place in the past. I think a lot of what held us back is there was a lot of uncertainty in the regulations of it. And because this place was actually stoned for commercial short-term rentals it, and it was one of the few properties in all of Colona at the time. I think there was maybe one or maybe two other ones that did this.

00:32:06 So it made it made sense to purchase in this complex, we found a, a unit that was perfect for, for what we, what we needed. It was fully furnished, which a lot of them do come fully furnished. Yeah. After all those years of looking, we finally just did it. And I love that you just bring such a different perspective to this.

00:32:29 I'm so glad you said all those things that you just did about the fact that Airbnb, like it was really uncertain. We didn't know what if it was going to be allowed, outlawed,

whatever, but we knew this building had potential because it was zoned. So that was really unique. It was also across the street from where we got married, which was kind of cool.

00:32:46 And we, again, we've been looking over years and years and years and they're in the property, there's one bedrooms, there's two bedrooms, a two bedroom plus dens. There's two bedroom loft units. And we did a lot of research to figure out which one had the best return on investment as far as what could you rent it for in the off season?

00:33:03 Which could you went to four per night in the, on season versus the purchase price. And so there was, I mean there was six years of thought that went into it, but yeah, we, we ended up purchasing that. And what we do is basically every year kind of from September til April May-ish yeah, we do a short or I guess a longer term short term tenant.

00:33:24 I don't know how to say that. And then in the summertime we end up doing short-term rentals. So that we've been doing that for a few years now. Yeah. And to back it, up to the regulations on it, I think since then Colona has implemented restrictions and actually the government of BC has implemented restrictions on, on short term rentals. So it's supposed to be your primary residence who can only rent it for half the year or less as a short term rental and a few other things.

00:33:56 So we are exempt from that, with this property because it's zoned correctly. So Yeah, that's a good point. Yeah. It was a, it ended up being great. It's probably our least performing property. In some ways a cologne has been a bit of a, it's been, it's had some ups and downs over the last few years in terms of smoke and fires and flooding and a few things like that.

00:34:20 But, and COVID yes, a hundred percent, but I would, you know, it's definitely one that we, I think the long-term vision looks good. Yeah. I guess we're always open to seeing things and changing, but for now we see the potential, there are still, so it's, it's pretty cool. So that's our, that was our purchase that,

00:34:39 and remember I was not drinking wine in Napa, so yeah, that was our decision there to, to purchase from there. And I think that year, I don't know if it was like something in us that wanted to start nesting, but then we also were like, okay, what else can we, what else can we get? I think we just sold our other rent own or something around that time.

00:34:57 And we thought, what else can we do? And funny enough, we started looking for, I should back this up a little bit. So then we always look for is properties that can cashflow. That's something that's really important to us. We don't want to subsidize any property. And as the markets are, especially around BC started getting hotter and hotter and hotter in that time.

00:35:18 And still to this day, we started trying to figure out where can we go and still cashflow positive. And that's what was one of the things that makes that colonial property unique is that because of the short term rentals, there's a higher rental income. And so it can cashflow positive. But our next one, we had to look all the way back to my hometown and over an eight,

00:35:37 which is so funny, cause it was kind of under our nose the whole time and we never thought about it. Yeah. So that was our first time going into multi-family. What was like, do you remember? I don't remember the thought process there, what we did and how we decided, but somehow we ended up thinking let's go for a duplex.

00:35:56 Yeah. I think There's some economies of scale with, with multi-family versus single family homes. You got one roof, one utility into the building, one garbage provider, you know, there's a lot of things that you have to tenants and not have to have two repair bills. Yeah. So this was our first adventure into it. We looked and we ended up buying a duplex and that's been our little,

00:36:26 like the little engine that code, it just kind of keeps chugging along, has actually been a really great little investment and the town continues to change and evolve. And I think we've, we've done a good job. Like we all our properties, we want to make sure they're comfortable that they're safe for people. And I think it's helped kind of just improve even that neighborhood a little bit by,

00:36:45 by investing well in it. So if you're keeping track that we're now in 2017, which means that for the first six years of being real estate investors for six years and for 12 years of Troy being a homeowner and real estate owner, we only had our home and one other, one other rental. And this is like 2017 was really the year when we started exploring a little bit.

00:37:10 That's the year we went from just one rental to three doors and kind of got us, like, I feel like things have exploded since then. So do you want to chat a little about 2018 and what we did there? I mean, besides having our daughter who is, we had her that really exploded her life too In February. Yeah. Yeah.

00:37:33 We kept looking around in port Alberni. We were looking more at multi-family versus single family or a condo or anything of that sort. And we happened upon a six unit apartment building, but made sense, you know, in terms of income and expenses and bought it. Yup. That's the short story. That might be a silly story, but what I,

00:38:02 what is really, I want to point this out too, is we especially you now you've done, you do a lot of this now you're always looking for properties and you are always like, you have that and you get the MLS listings from realtors. You're always on there yourself and you're always putting them into a spreadsheet to see, does this deal make sense?

00:38:21 Yep. And you probably have, I don't know if you look at probably hundreds of deals a year. Oh yeah. And we maybe buy one or two. So just to put that in perspective, so you guys understand how due diligence we do, especially, especially you do a lot of this, how much research and to find the right properties. Like we're not interested in just buying any property.

00:38:45 We want to find really great properties that cashflow that have potential for us to add value and that we think has, has stability and adjustability is a big value for you. So you know, something that's not super overinflated or at least we don't think it is that basically what we're trying to do, what we do is we buy businesses in the form of real estate and the property has gotta be able to sustain itself.

00:39:07 Yep. Is that accurate? Yep. Anything else want to add to that? I think it, it was a bit and the building was an inevitable disrepair, definitely needed some work we had when we first purchased it. There was of the six units. There was probably three furnaces that were literally deemed unsafe to, to run by the gas fitter that we had inspect them.

00:39:35 I had them replaced obviously immediately, but there was water how water tanks that were years and years and years, I think one was from 93. So that would have been like 15 years, 25, 25 years old at the time. So yeah, I think it had been neglected over the years, which was great for us. It was able, we were able to get it at a reasonable price and,

00:40:03 and add some value to it. We also transformed, I think we just went there this past summer to check in on it. And I remember walking up to the property and thinking, wow, this place looks good versus the first time that we walked up to the property, I thought, Oh my goodness, what have we done? So I think it's something that has improved the neighborhood has improved the lives of the people that live there and yeah.

00:40:33 Something that I'm happy to have been a part of. Yeah. I'm really proud of that too. Yeah. That's cool. Thanks for sharing that. That's awesome. So that was kind of our first really bigger apartment building. And that really, I think, would say that got us really interested in multifamily. And from there we started looking, so how the heck do we end up on the East coast?

00:40:57 Well, BC is not, not that I can find any way is not, not a lot of great opportunities in terms of cashflow. A lot of realtors are actually advertising cap rates, I think 5%, 4%. And as I kind of mentioned earlier, a lot of them don't actually factor in maintenance management and vacancy. So you're, you're getting really,

00:41:21 really low in terms of intention of your return. You're not making money, you're not making money. You're not cash flowing. You're not even, you're not even breaking even you're, you're paying monthly into it. And that's even with, you know, 25% down on some of these properties. So it's not very lucrative. I think a lot of people are purchasing properties based more on appreciation.

00:41:45 They think the market's going to appreciate 10% or 20% or, or whatever, which is a different strategy than what we're going after. So we realized BC was kind of no longer for us. And we started looking at other markets. Yeah. So that's what took us to the East coast last year too. That's 2019 to do some exploration. And it took us until this year 2020 and right in the peak of COVID to put an offer in and get it accepted and take possession of a 13 unit apartment building.

00:42:19 Yeah. But I guess to back it up, It's not like we just found one. We, you know, we had put in half a dozen, maybe 10 offers. We had looked at dozens of properties, you know, maybe 40, 50 properties over the course of six months. And so it's a lot of backend work or maybe front-end work that,

00:42:45 that you don't necessarily see, but it's, it's what you gotta do to find what you're looking for. Yeah. I'm so glad you said that. Thank you for backing that up. Yeah. It wasn't like we got an email in our inbox. We're like, Oh, here's this property that makes a couple thousand dollars a month. Like cha-ching, that's definitely not how it works.

00:43:02 And I think we'll both be the first to tell you that, that there is a lot that goes into it. We were out there on the East coast for, I think seven days we looked at, we went to a couple of different cities. We went to many different showings or in sitting in coffee shops and anniversaries punching numbers in and trying to see what made sense and getting to know different neighborhoods and,

00:43:22 and that, so yeah, there is a lot that goes into it behind the scenes, but we also have fun doing it. Yeah. Yeah. Well, that's definitely something I enjoy. I hope you do as well.

Yeah, I do. Yeah. That's fun to work with and do it with you too. Yeah. Yeah. So that was our,

00:43:38 that was our big property. That was our big purchase this year. And that one, I think also kind of unlocked new things for us as well. The way we cause the property was pretty

underperforming in a way that we'd never really like another property is definitely we're underperforming a bit and we knew we could add some value. This is one that we knew we can add a lot of value to and that's kind of addicting.

00:44:01 That's fun Area of town. Even my realtor, I think at first was a little bit uneasy about bad area of town. And it, I think it's transformed just with us and with a few other people on that block that have purchased and renovated and rehabilitated their properties that it's changed and it's changing. It continues to change. So our rents are higher than what we expected,

00:44:31 which is always nice. And we D we didn't of course go with a very conservative estimate, but yeah, that's and the real estate market out East is also starting to get hot as well. So it's, yes. It it'll be interesting to see what it, what happens when we go to refinance it here and see what, what the valuation is at,

00:44:59 but I think we've done okay on it. Yeah, we did. You, you've done a lot of the work on this, so thank you. You're here. Amazing. Thank you. And that's one, like we've had to do a lot of renovations, obviously. We're not only is it COVID and with a lot of travel, but we're also on the other side of the country.

00:45:15 So, you know, we've had property managers look after that and that's like a whole new level of comfort for us too, and exploring that, but I think it's gone well, we've again, we just made sure we factored in all those costs and as we were doing our analysis and that we were overestimating in some cases just to be super cautious and super conservative,

00:45:33 but yeah, it's, it's been really good. And I'd say that has probably changed our strategy because in, in case you're wondering when we started this whole thing, like 10 years ago, we didn't really have much of a strategy. Did we know? It was like, Hey, we just have this spare house. Should we keep it or sell it?

00:45:48 Let's keep it. Right. And now I'd say we're definitely a lot more strategic and educated, but it's come from 10 years. Yes. So w how would you describe our strategy now or what we're doing? I think a lot of people have questions about like strategy. What are we doing? So probably most people have heard of the Burr method, which is buy rehab,

00:46:11 renovate, rent, refinance, and repeat, which is essentially what we're after. So look for an underperforming property and rehabilitated, like in this case, the property, we're just talking about six of the 13 units weren't even habitable at the time needed some roof work needed a complete replumb of the entire building. It needed, you know, holes in walls,

00:46:44 fixed, it needed paint, it needed flooring and needed kitchens and needed a lot of work. And so, yeah, w our strategy is to look for properties like that, that are underperforming, and then get the rents up on the building, take it to a commercial lender to refinance, get a more attractive interest rate than what you might be paying if you're using a hard money loan,

00:47:08 or if you're using your line of credit or whatever, whatever other means you're using to initially finance it, get it refinanced with a bank and take that. Hopefully if you're, if you're, if you're lucky or if you're you've planned properly, take your initial investment back of it and go do it again on another property. Yeah. So never can know what we're doing.

00:47:36 Well, I hope so. Anyway. Yeah. I think we knew, I think we've learned a lot and that's pretty cool. Pretty cool to learn. So now, and this is probably, this is something that

everybody comes up against. Well, most people come up against some point is there's only so much that you can borrow personally. Cause when you finance a property,

00:47:57 personally, they look at your personal income. And obviously there's a, there's a ceiling to that. And even if you make a couple million dollars a year, there's still a ceiling there. So we started heading that, which got us looking at different kinds of financing. So we've did, we've done, we've looked at commercial financing before, and initially we were a little resistant to it because we were like,

00:48:15 Oh, it's, it costs more. But really what we've done is we've just said, okay, well, if we can still make money, if the deal still supports it, that's okay to pay a higher interest rate. It's fine. And now we're exploring more creative financing options and we've got some private investors coming in that are helping us finance some properties and kind of like the rent to own.

00:48:33 I would say we're doing, looking at more win-win situations a little bit more creative than the traditional kind of just rent out one property, one door, which is pretty exciting to be doing. Yeah. Yeah. Okay. So to end this off, I want to just ask you, Oh, is there anything else that you wanted to say, I guess I should ask that.

00:48:54 Did I miss anything in this journey? I think we covered the high points. Yeah. Okay. Yeah. There's, we're going to share more. Don't worry. We're gonna share more, but let me just enough on this for anybody listening, like what is it about real estate that you love so much? Yeah. You, I thought, I thought you were asking the broader audience.

00:49:19 What do I love about real estate? I think I enjoy the analysis of it, which sounds weird, but totally. And, and in that, I think it's the opportunity to, to see what is isn't there, what it could be. So like the last property that we purchased, I remember I saw it, it popped up on the MLS and I immediately told my realtor to get over there and have a look at it alongside our property manager.

00:49:51 And they got over there. We, I think we actually put an offer in before we even, we hadn't even seen it. Or when I say we, I mean our realtor or our property manager had even seen it, locked it up and then got kind of all the details of expenses and, and that, and I remember just thinking, Holy smokes,

00:50:19 this is amazing. And then COVID hit in March and just due to some issues with the seller divesting of the property, some personal issues they had, we actually had the opportunity to walk away from this. You know, we had gone to the closing date and we couldn't close due to some issues on their end and, and COVID was happening. And there was a lot of panic in the world and a lot of uncertainty and we,

00:50:50 you know, are you asked me, like, are you sure you want to do this? Like, and we had the opportunity to, Cause at that point, the governments were saying like rental freezes, like you didn't have to pay her rent. And so I was like, Oh my gosh, we're going to buy this building with 13 units and 13 people not paying us rent.

00:51:08 And so we're going to be on the hook for that plus our other 11 doors plus our own property. It is scary. Yeah, it definitely was. But I remember at the time thinking, there's no way we can let this go. This is, this is what we've been looking for for so long. So I think that opportunity is really what I like about this.

00:51:32 I think the other aspect of it is the passive income. So all of our properties that we've kind of talked about that we still currently own are managed by property managers. We

don't really have much to do in the day-to-day a little bit of bookkeeping. And you know, if, if there's expenses that exceed, I think it's a thousand dollars or \$500.

00:52:01 It depends on the property manager, they'll call or email and ask, what do you want to do? But typically it's kind of a no brainer that if the washing machine died, that we have to replace the washing machine, for example. But now that that system is in place and there's someone managing it. There's no work required and yet it continues to pay us every month.

00:52:25 So that's the, the two aspects of it that, that I like. Hmm. That's awesome. Thank you so much for sharing. Thanks. I, we should also say this too. Like when we say that we were nervous about having to pay for 23 properties and during COVID we also like we have a runway, right? Don't forget, this has taken us 10 years to get there.

00:52:45 We have, we have a backup plan, we have savings. So we knew we could even if the worst case scenario happened and no one could pass rent, I want to say there's like a couple years of one way that we had it. We were like, we could still support this if we, the worst case scenario happened. So none of this is real.

00:53:02 It's about being reckless. I think we're, it's taken us time to get here. We make good decisions. And we do, we work at the risk level that we feel comfortable with. So, and I think for me, I don't know if you can relate to this too, but the more properties we have, it feels like each one is less risky.

00:53:22 Yeah. Like, well, the first one, it was like, okay, we're going to pay \$400,000 for this property. That feels so scary. Cause that's the only like \$400,000 that we have. Whereas now it's we already, we kind of have a buffer, every investment that we, we make, we know that like our it's like our global portfolio,

00:53:40 right. It's are all of the properties that we have together. The chances are that they're all going to drop significantly at the exact same time. So it feels like we're a little bit hedged, which is a great feeling. It just feels safer now, Even from an income perspective that if one person isn't paying their rent out of 23, if two people aren't paying their rent,

00:54:01 you're not panicking about how you're going to pay the mortgage each month. You're you you've planned for this. Right. You, as I said, planned for vacancy costs in your, in your estimations. Yeah. Yeah. That's awesome. Yeah. Thanks for sharing. I think what I love about real estate so much a part of it, I actually really do enjoy working with you,

00:54:23 I guess, to enjoy working with me. So just say yes, but like it's fun to work together and chat and strategize. I think we're both really different people and bring different things to the table, which is, I think works really well. Sometimes it's challenging, but I think for the most part, it works really well. And I just think it's really cool.

00:54:42 And I love looking at properties. I love understanding what makes a property unique and who might enjoy living here and what would it like? How could we make this a better place for them? And because when we add value, that's when we get value back too. So I think that that whole experience is really fun and that's, it's been a cool kind of side house for us.

00:55:01 I think it's becoming more and more, a bigger part of our overall kind of life goals and picture of our financial future. And I'm really excited for that. That's pretty cool. Yeah. Did you wanna say anything else before? No, I'm sure I'll be back for another year. Oh, you're going to be back. Yeah. Yeah. Thanks hun.

00:55:21 You are. I just love how you bring a totally different perspective. You share information that I never would think to share talking cabarets and spreadsheets and you love it. So thank you. I'm sure anybody listening is going to learn a lot from you. Thank you. And we'll have you back. So trust me when I say that there is a lot more than we can tell you,

00:55:42 we had to cut this down, but we are just getting started. And that's our story. That is the last 10 years of investing. And now, you know how we went from two to 22 rental doors in two and a half years with a two-year-old all the twos. And I hope that this is giving you a little bit insights and what it took to get there.

00:56:00 But the biggest thing that I hope you get out of this is that you heard the mindset shifts, the decisions, the actions that we've taken over all these years they'll allow us to a get started and be expand our business really quickly in the last few years. So if you're listening now, it is your turn is your turn to stop telling yourself that it's too late and you're not ready that you don't know how or being so afraid of failure that you never get.

00:56:23 If you are even the least bit inspired by our story, I hope that you use this as motivation to take action. You've learned from many of our mistakes and you're literally years ahead of where we started because when we first started, we'd never listened to a podcast or read a book or an article what really may say investing really ever. So yeah, Troy is nodding his head.

00:56:42 He's like, Nope, never. So you're ahead of us. So now it's time for you to decide what's next for you in your real estate journey, whether it's just fulfilling that curiosity you have, or maybe it's time for you to decide, to buy your first investment or to look at expanding to your hundredth. If you want more episodes like this,

00:56:57 as TRIBE mention, he's happy to come back and we would love to hear from you. So stay tuned for more episodes. Our next one, we're going to share our best advice for starting or expanding your real estate empire. And we're pumped to share it with you guys. In the meantime we are, I just introduce us. So you know, it's pretty cool.

00:57:13 If you've got questions you want to answer, you want us to answer for you, go to Lisa, michelle.com/ask a question. And of course I'll link to in the show notes and what you can use. You can actually leave us a 92nd voicemail. And so if you leave us a voicemail, we will do our best to answer your question on a future episode.

00:57:29 And we would love to hear from you. We're super curious about what you want to know and how we can help. And as you can tell, Troy is kind of a genius here. He's pretty, he's pretty great. So that's it. Golden girl, golden boy, golden people, everyone listening. Thank you so much for being here for this episode. I hope you've enjoyed it. If you haven't already,

00:58:16 please take a moment. Hit subscribe on this. A lot of the episodes I'm gonna be doing the tour are going to be bonus episodes, and you're only going to hear them if you are subscribed. So make sure you go and do that. And please take a moment to leave a written review. So we continue, can continue to do this and get the word out there to more people.

00:58:33 So a big thank you to you again, honey. You're the best. Thank you. You're welcome. And we will see you guys on the next episode. Thank you so much for listening. If something spoke to you, send me a message by sharing this episode and tagging me on social media. If you know someone who loved to hear this episode,

00:58:51 please share it with them too, because I love surprises. Make sure you subscribe to only girls podcast today. It's the only way to find out about bonus surprise episodes and make sure you don't miss a single beat on your golden journey. Thanks again for listening. And I will talk to you in the next episode of the golden girls podcast.

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