

00:00:01 Real estate who knew so many of you guys wanted to know more about it. On episode 33 of golden girls podcast, I was joined by my husband, Troy, to talk about our real estate journey. And since then, you guys have overwhelmed us in the best way with your support, your comments, messages, and questions about real estate. So many of you reached out to let us know that you two are interested in starting or growing your real estate investments.

00:00:23 And we love to hear that it just gets us so excited today. We're sharing with you our top tips, our best advice, things that we have certainly learned the hard way over the years as we've grown our real estate empire. We're talking about what you need to do before you start to invest in some of the things that we wish we known sooner on how to actually grow your real estate portfolio.

00:00:42 The advice we share is going to help you to be successful, to create a plan and take action to make real estate work for you and your goals. By the end of this episode, you're going to know the mistakes to avoid when you're starting or growing your own real estate empire, whatever that means to you. You're going to know why having your goal is the first and foremost and most important step to investing and how not doing this,

00:01:03 held us back and cost us a lot of money over the years. You're also going to know the questions you have to answer yourself before you get started. We're going to give you tips on how to have a solid financial foundation. Before you start to invest, how to reframe your mindset around debt, something we really had to do, why that matters and how to know if your home is an asset or an expense.

00:01:21 And trust me, when we say this is really important to know, we're also going to talk about the research you need to do and connections to make so that you can invest in real estate yourself. So listen up. I hope you enjoy this special episode, all about real estate and our best advice for you. Welcome to the golden girls podcast, where we believe you can have it all.

00:01:42 I'm your host, Lisa Michelle, 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 and we'll set goals.

00:02:06 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 style, get confident and truly have it all golden girl. Let's dive in. Well, hello there. Golden girls. Thank you so much for joining for another episode of golden girls podcast. I'm pumped for this episode because I'm joined with a very special guest again,

00:02:31 who is literally drinking out of a wine glass. As we record this, would you like to introduce yourself, bam, This is your husband, Troy, Michelle, Who brought himself a glass of wine and not me, which we're going to pretty much get to. You were late for happy hour. Not me. We're going to rip off that, that whole episode.

00:02:49 So I'm excited for this because today we're talking about our best tips and advice for starting or expanding your real estate empire. Last week, we episode number 33, which was our real estate journey, and we've been so overwhelmed and just loving all the feedback and comments that you guys have. So we thought we'd start by sharing a few of our, kind of like the big tips that we think really were game changers in our,

00:03:11 in our business and in our real estate journey. So should we get started dive right in? All right. Okay. Number one, this is the, this is like the biggest one. I would say, even just in the last 24 hours, I've had so many people messaging me saying, I'm looking at this place to invest. I'm looking at investing in this city or this place.

00:03:28 And the number one thing I would say is to start by knowing your goal and knowing why you want to invest in how it fits into your life, your income, financial goals and your plan. Yeah, I think it's pretty important. I'd say up until recently, we probably haven't had a ton of direction and exactly what we were doing and where we were trying to get,

00:03:51 which we've kind of fumbled our way through, but I don't think it was as efficient as it could have been. I think having a goal, knowing your why having that clear direction really helps you focus on where you're going and what you're doing. And it sounds so cliché because, well, one we're on the golden girls podcast, but, but second,

00:04:15 everyone says this, that figure out what you want before you go chase it. And it's so true. It's, it's so difficult to get to where you're going. If you don't know where you're going. So you really have to kind of set that intention. What are you trying to attain and work backwards from there? Are you trying to get \$500 a month to go on a trip each year?

00:04:39 Or are you trying to get \$2,000 a month to retire? You need to understand what that is you're looking for and then how do you get it? Yeah, I totally agree. And it is cliché and we also didn't do it for a long time. So how do you think that held us back by not having a goal and how do you think it holds other people back?

00:04:57 I guess at the same time, I think we definitely didn't scale probably as quickly as we could have. We very sporadically looked through different markets through different types of properties. We looked at condos and single family homes and duplexes, and we didn't really kind of tack down exactly what we wanted to do or why we just looked at everything. And when you're taking that approach,

00:05:26 it's really tough to find a deal that makes sense for you and your investment strategy when you don't have an investment strategy or know what you're truly looking for. I think one of the biggest things I find is some of the messages we've been getting or even conversations we've had with friends over the last few years, people say, what do you think about this market as an investment?

00:05:47 Or what do you think about this deal? And it's really hard. I would say impossible to answer that question. If you don't know what your goal is, right. You know, we've had people say to us, oh, I'm looking at, or I'm looking at Whistler, I'm looking at these different places. What about Vancouver? Is it a good investment?

00:06:01 And the answer super irritatingly is it depends. It depends on what your goal is and what you want to do. If, for example, if something that's important to you and your family is to provide your children with a place to live while they're in school. Well, your investment might look different than if you're looking to retire in a certain place. Or if you're looking to create income to actually retire from your job,

00:06:23 fire retire early. Right? So all those things make a really big, big difference. And I think I agree with you. If we'd known, I feel like we would already be retired if we had known this. And definitely yes. Troy's rolling his eyes right now. Yes, totally. So how do you think this has evolved for us of knowing your goals?

00:06:38 Like what ha how has the impact been for us? Well, I think there's an end game. We're not just kind of aimlessly looking for properties. You know, maybe that fits, does that, is that what we want? Now we kinda know what do we put into it? What do we get out of it? What's the return on investment?

00:06:59 What is this property gonna produce for us? And you can very quickly eliminate the time that you would spend doing due diligence on a property. The time that you'll be looking at rents and going through a mortgage broker, and you're wasting everyone's time. If at the end, you're going to say, oh, this actually doesn't really look like a very good deal.

00:07:20 Whereas if you can very quickly filter out tens or hundreds of properties, you're not wasting your time. You're not wasting other people's time and you can more effectively reach your goal. Totally. So, I mean, this is the golden girls podcast. So I, the first step has to be, have a goal, but we say this for real estate.

00:07:41 And I say this with everything else, you have to know what your end game is. What is it that you actually want to get out of it? And I think as knowing that it gives us a filter or a lens to look through and make decisions with, which is why when people message us or talk to us about, you know, what do you think about this market or that market,

00:07:55 or this investment or this building? We can't really answer it unless you know exactly why. No, I ain't even just knowing the market, knowing what, what the rents are going to be. What's the goal, the going rates of, of properties in general. It's, it's really tough to make that decision, I suppose, on, on, is it,

00:08:12 is it worthwhile or not? So I think when people bring deals to you, it's tough to analyze it because if you don't know the market rents, you don't know the going rates for the units, the buildings, it's tough to determine what your return's going to be, how the building will perform. What's your exit strategy. And you really kind of need to be a specialist in whichever market you're looking at and for whichever strategy you're looking at.

00:08:40 Yeah, that's a really good point. I was just talking with a friend who was saying that, oh, she knows somebody that's a realtor. And that they're their city that their realtor terrain is boasting the biggest, the best investment in Canada right now. And I sort of like, well, in what sense, and they didn't know because there's a really big difference between is an appreciation.

00:09:02 Is it the best appreciating? Is it the best cash flowing? Is it the lowest vacancy? You know, all those different kind of metrics that other people might bring to you. You don't know how to analyze them if you don't know what your own goal is. And so that's why that, that totally is a foundation. And this is, I finally got Troy on board with goals after all these years.

00:09:19 Thank you to the podcast. We finally have a goal. Yes, he's rolling his eyes right now. All right. What's the second, second thing we want to say our piece of advice for people wanting to start or expand their empire. Okay. Secondly, you have to know what you're willing to sacrifice, what you're willing to, to get to your goal.

00:09:39 So for us, I think we've sacrificed in a lot of different ways and, and it's, it's easy to think. Yeah, Troy and Lisa had it easy because of this or because of where they lived or because of their jobs, or to start out, you know, perhaps people could interpret where, where we went and what we did as an advantage,

00:10:05 but that same advantage was available to literally everyone in Canada to go to Fort McMurray, to, to start that, that life up there. So I think you have to ask yourself, what are

you willing to sacrifice? I mean, to this day, I still commute back and forth to Alberta. I'm away for two weeks at a time away from my daughter,

00:10:30 my wife and my life, the weather in Vancouver. And it's all in service of our, I guess, ultimate exit strategy of not doing that. Like there's a shelf life on that rotational schedule, at least for me. And I don't want to be there when I'm 65, which some of the people I'm working alongside now and, and no disrespect to them,

00:10:55 but I just don't want to be there at that age. You know, waiting for retirement. I will find it earlier. So I think it's all up to what you're willing to sacrifice in that regard, but also in your day to day and your lifestyle, what w w how many, and I hate it's so cliché, but do you go for avocado and toast?

00:11:19 Do you have takeout coffee? Do you spend money on things that you don't need to spend money on to convenience yourself, or to create an image? Do you want to appear wealthy or do you want to be wealthy? Because there's a huge difference between looking at people's pictures on Instagram and seeing them with the latest Louis Vuitton purse or the latest, I didn't even know what the latest fashion because yeah.

00:11:53 I don't buy clothes based on kind of the fast fashion model that has been impressed upon us in this society that we're in solely, because that doesn't help me get to where I want to go. And I mean, truly it is terrible for the environment, but yeah, that goes again, back to sacrifice. What are you willing to sacrifice? And our jeans,

00:12:20 a pair of jeans that are a year or two old, they're still perfectly functional. Is that, does I work for you? Or does it not? And those are all questions you need to ask yourself, because it is a sacrifice that you have that you have to choose. Yeah. We sacrifice a lot. We sacrifice, let me also say this.

00:12:41 I don't have any regrets. I feel really good about it. I'm glad with all decisions that we've made, how did, how do you feel about it? Do you, Yeah. I mean, it, I've never looked back on it and thought, man, I really wish I would've bought that pair of jeans. You know, I can't think of a time in my life where I'm like,

00:12:59 ah, these two-year old jeans are terrible. I can't believe I wore them out in public. So, I mean, you're talking about fashion pieces, but there's a lot of other sacrifices that we do too. I mean, we are the car that we drive. So we have two vehicles. We don't actually even ensure when we only drive one it's 18 years old and fully paid off.

00:13:18 And like, that's, you know, it could be seen, it's a sacrifice that we probably could have a nicer car. W I will say it, we could have a nicer car. We didn't invest so much money in our future. Right. Even, you know, vacations, we could probably take more, maybe not right now during COVID we could stay in nicer hotels.

00:13:36 We could have nicer rental cars. We could, there's a lot, there's actually a lot of levels of it. And we talked about it in the last episode, episode 33 on our journey, how even the house we live in is a sacrifice that we live in a less nice house than we could have afforded. So that those are all pieces of,

00:13:52 it's not just about, you know, fashion. It's literally the decisions that we're making every single day. Yup. I think it starts with that though, of, of a daily kind of routine and a daily, a daily sacrifice, if you will, that we, I have a good friend of mine had a girlfriend that worked a low paying job,

00:14:12 loved the work she did, but didn't make a lot of money. But every day she would stop by a gas station and pick up a coffee. And it was only a couple dollars, but it was that fact that, you know, you can make coffee at home for 15 cents. And if your income is not supporting a \$3 coffee, why are you buying it?

00:14:34 And, and it's not the \$3, it's the mindset, right? I mean, we're totally diving into like cliché, all the advice, you know, know your, why have a goal? Don't buy the coffee maybe to like, kind of ground this to when COVID hit. And I think I speak for a lot of us, where was a lot of financial uncertainty,

00:14:52 a lot of what's going to what the thing's going to look like. I remember distinctly feeling and thinking, I am grateful, so grateful for every dollar that I did spend that was fun for every trip we've been on. For every experience we had for every concert we went to for the fun stuff. And I'm also so grateful for every dollar that we have,

00:15:11 that is our security. That is our mortgage paid down. That is these different revenue, streams, and assets that we have that continue to pay us and having that stability. And I like, I think that's how, like, that is my wish for all of you guys listening is that you are aligned so aligned in what you're spending and what you're saving,

00:15:27 that when those times come, that you feel good about both of those decisions. And I think it's taken us a few years to figure that out. And I think it continues to change, you know, as our income changes or our family grows. All those things COVID does change a lot, but just, I feel really good about every dollar that we do spend and like that we enjoy it.

00:15:45 We are still loving her life. And I'm really grateful for the times that we did sacrifice that have allowed us to have that stability to when things were really crazy in like March and April of 2020. So I think that that's really helpful for me. Yeah. Yeah, definitely. And that's not to say that you can't have a coffee, it's not about the coffee.

00:16:02 It's about the mindset and what be intentional about what you're spending your money on. And if a three or \$4 coffee brings you so much joy each day, that that's what gets you motivated to go then? I mean, maybe it's worth it, but also could an automatic coffee maker replace that. So it's all about living within your means and spending the money on things that are important to you,

00:16:28 and that will make a lasting impression on your life. Totally. One sacrifice we haven't talked about yet, which is, I think a big one is time, the amount of time. And it was funny. I was literally just talking to a friend as well about time. And she said, wow, I was listening to your last episode. And you guys do a lot of work on this.

00:16:46 You know, it's not just an Instagram picture here. And they're saying, well, we've got a new property, or this is working out well, it's a lot of work. Yeah. I, as I said, I work away. So I work 12 hour days, which usually ended up being 13 or more while I'm away, 14 days on 14 days off.

00:17:06 So it gives me a lot of flexibility in that when I'm home, I'm home and I don't have to work on my corporate job, but I work on our business. And when I'm away, I still work after hours. After my 13 hour day, I go back. I usually Skype with you, my lovely wife and daughter. And after, you know,

00:17:28 half an hour, however long Sonoma will tolerate it. Then we say goodbye and I'll I'll work. So I put in maybe another hour or two, either researching deals, learning, or analyzing

deals, doing bookkeeping, you know, super boring things that you don't think about, but just kind of have to be done. So, so that's when I'm away.

00:17:55 And when I'm home, even for instance, today, I worked right, right up until now. So that's four in the afternoon. I dropped Sonoma off at daycare. I was home by probably 8:39, and I worked until four. So again, that was on our personal stuff. That wasn't my corporate job. So take the weekends off. We take the evenings off to go pick ups or to go spend some time with Sonoma.

00:18:22 And it's not, I guess the, like you said, the Instagram lifestyle of look how lavishly I live. Like it's, it's a grind. And I would say it's a grind with the caveat that it's also something that we enjoy. It's also something that helps us to grow both personally and grow our business.

So it's enjoyable in that regard. And it's not a hardship to be doing the amount of work that I do, 00:18:53 which probably averages out to like 80 or more hours a week. Yeah. It's a lot.

And I'm glad you said that because I'm like, oh, I really, really talking to people out of doing this. We just, we want to be open and honest with you guys about what we are doing and what it takes. And I think you nailed it there,

00:19:12 Troy, like, we enjoy what we're doing. We do take phone calls on vacations. And we do look at deals on vacations. We've I mean, our Colona condo, we bought sitting at a winery in Napa. Right. So it was terrible. So we, we do these things, but we enjoy it. And so like the things that we are sacrificing that yes,

00:19:29 we could probably spend a lot more time on Netflix and we could maybe sleep more or we could go eat out more or have fancier clothes or whatever. But for us, we feel like the quote sacrifices almost should have said, like in quotation sacrifices for this part, the sacrifices that we've made feel like they, they, they resonate for us their work where we're aligned with them.

00:19:49 Here's the question for you? How do you reconcile or are you okay with working so much when you're young versus like the Yolo mentality? How do you feel good about this? Yolo is you ought to look out. You only live. Oh, okay. Okay. Well, I think that we have married the two, yo let's call it yellow and planning for your future.

00:20:17 I don't know. I don't know what acronym you would call planning for your future, but a fire there's one for financial independence retire early. So I think we've sort of married those two concepts Again. Yeah. So I look back as I'm 34 now. So look back to the last, I don't know, 16 years, I guess, since I left home the things that I've done,

00:20:48 you know, the places I've traveled, most of which with you, the lifestyle that we live, where we live, how comfortably we live. And I don't think that I'm behind. Right. Like I, even from that marker of like, we've been to 30 something countries together, we've seen a lot of different places and seen it with friends. We've done just a lot of fun stuff.

00:21:24 I, I personally find it troubling to try and think that we haven't lived while we were young. Yeah, yeah. Yeah. And again, that goes back to the sacrifice, living in Fort McMurray, wasn't necessarily the best from a, what can you do on a day to day basis? There's definitely a great community up there. A lot of great people.

00:21:51 And that's, that's what we did was, was hung out with people. We had a lot of great friends, a lot of great memories, but the other perk was it afforded you the ability to go travel. So we traveled every quarter probably for sure. You know, sometimes even more often we did New York, several times, Iceland. We did central America.

00:22:15 We did Mexico. I, every time I try and name all the places I've been, I can never, never do it. So I actually have a note on my phone because when someone asks me, but yeah, I don't, I don't think we've made that let's call it sacrifice of not living because I think we have, Yeah. I think right now in the season of scaling this real estate business in my business,

00:22:43 we definitely have sacrifice. Like we haven't traveled like we used to and even before COVID, and I think that's been kind of intentional too. So, you know, we've had our, we've done a lot of great things. We're kind of saying, let's spend the next little bit of focusing on growing this business, maybe The baby and the business baby to doing those things.

00:23:01 So, yeah. Thanks for sharing that. I was curious, I think that's something a lot of people struggle with is how do you balance the planning for your future and being stable and working a lot to create those things with still living life and enjoying it. And I think a lot of it comes down to being intentional about it and about also like we don't fill our time with a lot of crap.

00:23:18 Like it's pretty, yeah. We're pretty streamlined. And I mean, if that's your goal, if you want to travel life to only live once that what's your travel budget and how do you make that a perpetual travel budget maybe is it \$5,000 a year? Is it \$500 a month, which should be \$6,000 a year? You know, could you make that passive income so you don't have to work to travel?

00:23:43 Is that your goal? So thanks for saying that You can combine the two that a little bit of sacrifice and a little bit of gumption and you can, you can travel. You can live not once continuously, So good. So good. Okay. The next little piece of advice that we have, and we kind of already touched on it, but I'll see if there's anything else you have to share to this.

00:24:06 It is. If you're not already, if you want to grow a real estate business, you need to live below your means. So you will need to get comfortable with debt, for sure. But you also want to have a cushion because things do come up. Do you have, I know we kind of talked a lot about the sacrifice and things that we don't spend money on and things that we,

00:24:21 do you have anything else to add to that piece to live below your means? Yes. I have some ideas. I don't know if we'll save them for maybe our mistakes episode. Okay. Okay. Am I, did I make mistakes? Probably. I think just, we generally, you know, Yeah. Okay. We'll save that for another episode.

00:24:47 Okay. I'm, I'm really excited to hear, he's going to say actually funny enough, the last episode of golden girls podcast is the money, mistakes that I made. So I'm curious to hear what you have to say, but I guess you guys are going to have to wait like me till the next episode where we talk about our real estate. Okay.

00:25:02 So another piece of advice that we have and tip that we have for growing your real estate business is to find ways to add value and to make more money. I mean, this is like a good universal tip, by the way, in any way, like if you're in a corporate job, the more value you can add, the more money you're going to make.

00:25:16 If you have a business, the more value you can add to people, the more money you're gonna make, how does this apply to real estate? And how do you see this? Why such an important tip? Well, I mean the whole point of this is to replace income that you're, that you don't have to work for, and you should be investing your vertical income with income.

00:25:38 That is passive. So what's the vertical income. So like your job. So your, your income that you make from your job, if you, at the end of the year could save up \$5,000 or 10,000 or 20,000 or whatever it is. Do you want to spend that on a new car? Or do you want to

spend that on an asset that if you do that a couple of times buys you a new car every four years or,

00:26:06 or whatever. Right. And it almost gets to be addicting in the sense that you're like, Ooh, I got 500 bucks coming in every month. That's, that's amazing. And then you're like, well, I don't want to spend that. What if I put that 500 bucks back into this and did this again? And then you say, oh,

00:26:24 I have \$800 a month or a thousand dollars a month or whatever it may be. And it, it, it transforms your brain or at least it did for me where it's the more money that you can make off your money, then you can make money off of that money and how much passive income can you truly attain? That's the question.

00:26:48 Yeah. And I'm sure this is something we're going to have to kind of go back and forth and over the next couple of years, because there's been times where I've said, okay, we're sacrificing too much, like let's live life and we've had to rebalance that. Right. So, Yeah, I think having a young child who is a great time to kind of reset because it's people,

00:27:07 well, it's expensive for sure, but I think people will argue this, but it's also a time where maybe it's not as easy to travel, especially if your wife packs up a whole car full of stuff for two Days, traveling In any case, it's perhaps a good time. Or I felt it was a good time to kind of kind of restock Diapers and money.

00:27:36 Yeah. So if you are listening to this and thinking, okay, well, I don't already have this money. How do I, how do I make more money? We had a couple of things that we said that we would do if we were starting over. And one of those things is to, if you already have a home to house Hackett,

00:27:50 which isn't term that you introduced me to, so it could be renting a room out in your place, depending on regulations, it could be Airbnb. You could Airbnb one of the rooms. You could Airbnb when you're, when you go away somewhere else in, especially in, I think most cities now have like a Foodora or a door dash. You know,

00:28:07 you could drive for them and build up some extra income, but, or start a side hustle. But when you're doing that, this, and this is important, I think this is what Troy was saying that I want to hammer home is when you make more money, don't just consume more because then you're just putting yourself into a rat race. The idea is to make more money and then take that money and invest it in by yourself assets that are going to continue to pay you and caution as toys.

00:28:31 That is definitely addicting. So you'll have to rebalance and figure out what the right or the right level is for you there. But it's definitely is exciting to see your money making money. So if you're like, I don't really have a lot of extra, we'll make a little extra for a little bit sacrifice for a short period of time, find ways to make that money and then invest that money into something that's going to make you more.

00:28:49 And I promise you're going to get addicted. You're going to love it. You're gonna send us a message and be like, this is so much fun can stop. And the interesting thing too is I listened to a fair few podcasts and there's people out there who are hugely successful, like multi-millionaires and they still house hack. They still buy a duplex, rent out half of it.

00:29:07 And there's three bedrooms on the side there and live in one rent out the other two. So, and there's, I can't remember the names I wish I could, but there was a couple I just



listened to you. Same thing, same story. They're multi-millionaires, that's what they do. There's a realtor super successful, same thing. How's hacks. So make sure you're utilizing your,  
00:29:29 your space effectively, I guess, is a good one. Look around how can you make your asset and make you money Such an important thing. All right, here is an interesting, interesting tip, a piece of advice that took us a while to really get comfortable with, and it is to pay off your bad debt. Can you talk a little bit about this?

00:29:54 I mean, we all learn about debt in high school, but yet, somehow we all still seem to find ourselves in, in it. Yeah. So high interest debt is terrible. One because you're paying a high interest on it, but it's typically also consumer debt. So, you know, shopping, I don't know what you're buying clothes or shoes.

00:30:19 I can, I can say that also. I should have a caveat. When I say this, I've never had a ton of consumer debt. I've never, I can't think of a time of care to balance on a credit card. I haven't had a line of credit that wasn't used for an investment purpose. You're thinking who is this guy? Go and listen to the last episode where I tell you that I had all of those things.

00:30:39 I had the line of credit. I had the shoes, I had the purses and a whole lot of debt that was high interest debt. So don't feel like you're listening to this guy. Cause then as I listened to you and I'm like, wow, you're just, just perfection. You did all the right things. Like I did a lot of wrong things and that we've figured out how to get on the same page together.

00:30:56 So you can make a lot of mistakes and still be here. So I just have to like tone you down a little bit, babe. So, Well, I just wanted to make it clear, like I'm not speaking from experience in terms of yes. In terms of bad debt, but what it does to you is inhibits your ability to borrow money.

00:31:15 So if you're ever trying to qualify for a mortgage, say for your first rental property, you are affected by that debt. The bank looks at how much you earn and compares that to how much debt you can service. What, how many, which one you can, you can pay each month to service that debt. And there's a ratio. And when,

00:31:37 when you have more debt, you are lent less money. So it inhibits your ability to borrow, to get started. And then the other part of it is if you're trying to make, I don't know, 10% a year, 15% per year on your real estate investments, but you're paying 28% on a credit card. It doesn't make sense to pursue that.

00:32:00 It makes sense to pay off your debt first and then get squared away with starting a real estate business because you're, you're, you're losing 10%, 15%, 18% right off the bat. So path high interest, high interest debt, right away, mortgage brokers, they can help you with these kinds of things like the debt service ratio too. And making,

00:32:25 figuring out where you're at and today's interest rates are so low. It's a good time to restructure some of these things, right? Like we even just did some restructuring ourselves. It's historically low interest rates worldwide. So definitely a great time to look at consolidating debt. Especially if you have a home and a home-ec home equity line of credit. If you have some,

00:32:47 some equity in your house, you can take that out to pay down this debt again, don't go rack up your credit card to refill that closet. Yeah. Well, or just empty a balance on your, your credit card, but use that, that low interest rate to avoid paying so much interest. Yeah.

That's good. One thing I want to talk about here,

00:33:14 this is something that I learned from Robert Kiyosaki's book, rich dad, poor dad. This is like a major shift for us. And our thinking is a lot of people think about like, oh, my house

is my biggest asset. And what we believe is that your house is actually not an asset. And why is that? Because it doesn't make you money and you're always going to need a place to live.

00:33:35 And that's like a part of why we weren't. We talked about this a little bit, but part of why when we weren't nervous buying in Vancouver, because we always needed a place to live. And even if our place save is worth \$30 million, it wouldn't matter because the waterfall one would be \$50 million. And if our place is worth 200,000, well then waterfront would probably be 400,000.

00:33:52 Like it's all relative. Right? And because our home doesn't actually make us money, we want it to minimize the amount that we spend on it. There's a few exceptions to this. You know, if you have a house that has a rental suite in it, or let's say you buy a duplex or triplex, then you live in one part of it.

00:34:07 You've got roommates. If you can, Airbnb, if you can use something like this open space or rent your spot to film studios, that's a bit of an exception to this. But generally speaking, your, your home is on asset. No, definitely liability. And that goes back to living within your means. If you, I think I'll talk about this a bit more on our next podcast,

00:34:28 but if you don't got Me so excited for what you're talking about, I don't even know if you don't need a three bedroom home. Why are you in one? I'll leave that with you, Boy. I hope he doesn't want to move. I really don't want to move. Okay. One other, actually, this is an interesting, notable exception about your house and how to make it actually be a bit of an asset.

00:34:47 And that is through the Smith maneuver, which sounds like something I would like Mr and Mrs. Smith, Brad Pitt. But what is it? What is this? It's much more boring than that, but basically you take your home equity in your, your primary residence. And now I should, I should say this is Canadian based strategy because the U S has much different tax laws.

00:35:12 And of course I'm not an accountant. So always consult someone other than me, an accountant for, for advice. But essentially you take your, your equity out of your house, whether it be by a home equity line of credits or a refinance on your house and use that money to invest into real estate. And the difference is now that if you've taken say a hundred thousand dollars in equity out of your primary residence,

00:35:43 and you can prove that that \$100,000 is used for real estate investing, you can deduct the interest on that a hundred thousand dollars, because it's been used for investment purposes. You can't deduct it on your remaining \$200,000 that you owe on your house, but the a hundred thousand used to invest, you can. So it gives you a strategy to use capital that perhaps you didn't even know you had to start your real estate empire.

00:36:16 And we've done that a couple of times in different ways. Yeah, I'm sure we'll talk about that more somewhere down the road, but just wanted to touch on that. That's basically, we don't really think that a house is an asset. We that's why we strategically bought less expensive homes. Unless you can do some of these things, unless you can kind of house hack,

00:36:32 rent out your place or use a Smith maneuver to help you get started or help you create the income to get started. Did I miss anything on that? I think we Got it. Alright. Okay. Alright. So that was paying down the bad debt. One thing that's been really critical for us, I think is to reframe our relationship with good debt and that's debt that makes you money.

00:36:53 This is something that I think took us a while. And if you're looking to start or expand your empire, reframing your relationship is going to make a big difference with debt. So

what would you say to someone who has grown up who is, I think a lot of us have hearing debt is bad or it's bad. We shouldn't be in debt. We should pay off our debt.

00:37:09 First. It's more being mortgage free. Like what do you think there? I think it's like you said, good debt versus bad debt. So are you paying interest on a pair of shoes or a shopping spree you went on or a trip you went on Really getting knocked down. It's an easy one to pick at, but are you paying interest on that because it's a consumer product or a choice you made for whatever reason to buy something or are you paying interest on a loan for an asset that is paying you?

00:37:45 So is if you have a \$200,000 mortgage on a place that is paying for that mortgage and paying out its expenses and paying you monthly a hundred dollars a month, \$200, \$500. I don't know what, what you're looking at, but that to me is good debt that's that's debt that is servicing itself. So to speak, you're not worried about paying it.

00:38:14 The asset pays itself. What do you think is the biggest thing that helped you get more comfortable with good debt? Was it literally just popping this into a spreadsheet and being like, oh, okay. This, you know, I can see income coming in and I can pay off the debt. Like Probably part of it that I would say part of it was actually just doing it.

00:38:32 And I think it's super scary at first when you're like, oh, I'm taking on, oh, I don't know. It's a 200, \$300,000 in debt on this deal. And you know, it makes you sit back in your chair a little bit maybe and think about why am I doing this? But it goes back to the why, why are you doing this?

00:38:50 How's it going to get you closer to your goals? What are you going to do with this money? Is this asset going to pay for itself? And if the answer is yes, then it almost seems silly to not do it in the end. And it's definitely kind of a leap of faith that you have to take. But once you do it,

00:39:11 then again, it's sort of like, Ooh, can I do this again? How much money will you give me? So It gets a little addictive, the good debt, the good debt. Definitely. Yeah. I love that. Okay. I have two last tips and then we're gonna wrap it up for this episode. One more is to when you know your goal to actually start doing a lot of research and you guys probably heard in the last episode,

00:39:34 you've heard today, we do a ton of research. So how do you vape? Like when you know our goal, what'd you do now? Which cause we have one, what do you do? What do you suggest people to do to start researching? If they know what kind of investment they want, where do they go from there? That's a big question.

00:39:53 There's some notes here on the screen. Well, I'd say find a, if you're looking at a real estate, find, find a market, find something that is comfortable for you. Whether that's something that's local, whether that's something that's interprovincial international, find a market that's comfortable for. You find a that matches your goals, matches your expectations of income that matches your or appreciation or whatever your metric is.

00:40:25 Find a team and find a realtor, a property manager, a construction team that will help you because if you're not, or even if you are in the market, unless you're an expert on all of those things, you're going to fall behind. And I say this from experience in that you really need to lean on those people who are experts in their field to do their jobs well so that you don't have to learn.

00:40:59 What's the best type of flooring that I should install in here. Or what's the market rent in this unit should have an idea of it. But the property managers, the realtors, they know this neighborhood gets this much rent for this size of unit and they can walk through, look at the condition of the unit, tell you exactly what you should expect.

00:41:24 And for example, the place, the last building that we bought, we've never to this day, we were still never actually being in it. Never seen it in person seeing it through pictures. It looks nice. I seen it seen it's through the property manager's eyes and the, the realtor's eyes, but it's not something that we've actually seen. So there's a lot of,

00:41:47 I guess, trust involved in that. And you have to make sure you have the right people with you when you're doing these To start building your team. Yeah. Yeah. That's a good advice. It's also starting to get all the information you need so that when you find a property that you're actually ready to put in an offer and ready to do due diligence.

00:42:04 So, you know, having an idea of what are taxes like, what are some of the zonings like Troy mentioned, property manager, realtor, insurance inspections, like all those kinds of things you want to have, do some of that research that, you know, approximately what properties go for and what makes sense for you. So also if you're listening to this and you're like,

00:42:24 wow, I don't want to do any of this. I do not want to be a landlord. What are some other ways that you've seen people invest in real estate? You can even, you can invest in REITs, real estate, investment trust, which is publicly traded, essentially like a stock through your online brokerage or through your a financial advisor. You can be a joint venture partner.

00:42:50 If you wanted to kind of maybe get into the actual mechanics, let's call it of owning real estate. You could be either the working partner or the money partner. So if you had money, but you don't want to do the work, there's tons of people out there finding the deals and doing the, the remediation of the property and managing it. So you can partner up with them or conversely for you are willing to take that on,

00:43:16 find the deals you can try and find someone with some money to fund your deal. You can get into private lending if you have money. So you can get some pretty attractive interest rates. If you privately lend, people are looking for money to purchase properties that banks won't necessarily fund. Especially when you get into multi-family, there's a certain kind of income expense ratio that you have to meet or conventional banks won't even land on it,

00:43:48 much less want to lend you to, to turn the property over. So there's some opportunities there. Tip, I would say, this is one that like we didn't do for a long time, but it's certainly would have helped. And that is to always be learning. So we are currently a part of a kind of mastermind mentorship program, working with a mentor.

00:44:09 You do a lot. What else do you do? I listened to a lot of podcasts. There's both real estate and just business podcasts. There's a lot of good entrepreneurs that even if you're not doing the same thing, that they are, you can take a lot of lessons from the things that they are doing. And then yes, actually I listened to the episode with my cell phone.

00:44:33 It just today anyway, read books. So I just, yesterday ordered a couple of books. Again, one was business-related and one was more real estate focused. So I was just trying to learn what I can. I do a bit of traveling. So I either read or listen to podcasts on the planes and trains and automobiles, and then also network.

00:45:04 So a lot of what you can learn is from people who are kind of at the same stage as you. I think obviously you're not going to go to like grant Cardone and expect to, for him to be able to mentor you and you know, he's well for free or, or I think he's just kind of at a different level than even we are right in and far beyond us.

00:45:28 So don't look to someone who is 20 steps ahead. Look for someone who's two or three steps ahead of you and kind of work with them. And I think a big part of that too, is offering up value. You can't just go to someone and say, Hey, mentor me. And they kind of let your brain, Can we do coffee?

00:45:48 We're pretty busy. Anyone who's doing cool things is probably pretty busy. Yeah. And I think the expectation of someone to spend their time with you is, is sort of unrealistic, especially when they could be spending that hour or two or three doing great work of their own or with their family or doing things that they want to be doing. It's not realistic to expect them to do that for free.

00:46:13 Yeah. Cause we paid free pay for mentors and that's I think an important part to say it's important to invest in yourself as you're investing in real estate too. Yeah. Yeah. Cool. All right. Well thank you for being here, babe. If you guys love more episodes like this, we want to hear from you stay tuned. Sri already has apparently a whole bunch of stuff up his sleeve.

00:46:33 Our next one, we're going to answer some of your questions and whatever heck L stories got to share. We've already got a few more questions from you guys and we had to really hold back on answering them. So in the meantime, if you have more questions and you want us to answer it, go to Lisa, [michelle.com/ask](https://michelle.com/ask) a question and you can leave us a voicemail there and we'll do our best to answer your questions on a future episode.

00:46:54 All right. My golden friends, thank you so much for listening. And if you haven't already take a moment to please hit subscribe. So you don't miss out on any future episodes and leave us a written review so we can continue to get the word out there. You are so awesome. Thank you again. And I will see you on the next episode.

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00:47:31 Thanks again for listening. And I will talk to you in the next episode of the golden girls podcast.