

Spencer Sutton:

Hi, welcome back to another episode of the Birmingham Rental Investor. I'm your co-host, Spencer Sutton, with Matthew Whitaker. We are really excited to have one of Birmingham's legends, an investor legend with us. We have Walter Baker on the show to share his insights into this, to our real estate market. Walter, just thanks so much for joining us today.

Walter Baker:

Well, thank you for having me. I don't know if I like that word legend. It sounds like I'm old, really old.

Matthew Whitaker:

Well, one of the interesting things, Walter, is I've always been impressed by you. I always feel like you always had it figured out, especially when I was first getting into the business. I dare say I was a little bit intimidated too, by you when I first got in the business, because you've always really understood this business very well. I'm super excited to have you on the show.

Walter Baker:

Well, thank you. I'm always happy to talk about real estate.

Spencer Sutton:

Yes.

Walter Baker:

You're talking about what I did. I can remember going to a meeting, it was an investor meeting and a guy coming over from Mississippi. His name was Scott Britton. I don't know if he's still in the business or not, but I remember him. He started out his speech with, "I'm here to talk to you about lifestyle, not about making money." That had a profound effect on my wife and I. We heard that and we thought, "Well, now, that's what we're looking for, is lifestyle." I mean, money's great but I mean, you can have two Lear jets and two yachts and not be happy. To me, that's what real estate is all about. Lifestyle.

Matthew Whitaker:

Let's talk a little bit about how you got into the business. You've been doing this a long time. Tell us, what prompted you to get into the real estate business to begin with?

Walter Baker:

Well, I have a degree in engineering, but I got into business development fairly early on, basically technical sales and marketing because there's a lot of money in it and I enjoyed it. Wasn't the same old thing, working from a cubicle every day. You're out and about meeting people and trying to develop business for mainly software companies and things of that nature. I went through the dot-com era and right after that, when the high tech was booming. I got into companies which were venture-funded, where we got stock options and a chance to get super rich.

Walter Baker:

Well, all of those things were playing out in a year and a half to two years. The business was getting, in the high-tech industry, extremely volatile. Technology had come along to where a lot of stuff was

becoming commoditized. It didn't need help to promote. It was more like big marketing machines, like an Amazon or someone like that. I had toyed with trying something on my own forever, but it just seemed like a lot harder work than what I was having to do.

Walter Baker:

I had read about real estate seemed like all my life from the time I could read and how so many people, even if they did not make their money in real estate, they migrated to real estate in terms of holding their money and investing. Even the super rich in Hollywood, most of them own property all over the place. Now, that's where a lot of them stash their money. I was aware of that. To be honest with you, I sleep real well, and always have all my life, but a couple of times a year, I can't sleep at night and I just stay up all night.

Walter Baker:

I'll usually go watch TV, info commercials and things like that. Literally, about 20 years ago, I'm watching an info commercial about real estate. I took my wife over to one of these half-day seminars over at a hotel where they try to lure you in to get into their program and spend big bucks.

Spencer Sutton:

Yeah.

Walter Baker:

We didn't do it with that particular company, but it set me on a course to research. Within a couple of weeks I knew I wanted to go to a seminar. In my case, I was going to drive over to Atlanta and attend that. The seminar appealed to me. It cost a lot of money, but it appealed to me. We basically never looked back from that point on. Started going to multiple seminars and learning different facets of the business and the different tactics of real estate. That's kind of how it all started.

Matthew Whitaker:

What did that particular seminar teach you and how quickly after that first seminar, did you buy your first property?

Walter Baker:

Well, that's a great question. I'd say after that first seminar, a month later, I bought a little two-bedroom, one-bath house in North Eastlake. Now, you guys are from here so you know where that is. Not a place where most of us would want to live unless we have real good bulletproof vest and a few weapons of our own. I took that property. I wholesaled it to another investor for \$9,000. I literally quit my job. I left my position about two days before I had that check, before I actually closed on it.

Walter Baker:

I do not advise anybody doing it that way, but we had been attending seminars on weekends, kind of getting ready for it. I basically just set aside about a hundred thousand dollars. I told my wife, I said, "We burn through this, I go back to work or we build on it and we stay. We keep doing this." Well, that \$9,000, we did not book another deal for like seven months. At the end of seven months, we had a big short sale my wife had worked on. That was worth just a tad less than 97,000 net to us.

Walter Baker:

In the next six weeks, about another \$200,000 worth of business broke, so we never looked back from that point on. I like to tell that story because so many people quit between month one and month seven.

Spencer Sutton:

Yeah.

Walter Baker:

Okay? Some people, and I've seen it in our coaching program, some people it takes a full year and some people even a little bit longer before things really start to happen. The majority of people that get into this business will drop out after just a few weeks or a couple of months. They don't wait long enough for it to happen.

Matthew Whitaker:

Talk about your mental mindset during that time, month one versus month seven. Do you recall if doubt crept in? Should I be doing this? Or, because you had kind of set an end, "I'm only going to burn through this a hundred thousand dollars," that you still had confidence that, "Well, if it doesn't work out, then I can always go back and get a job."

Walter Baker:

Well, I guess I always had good jobs, which meant you had to work hard at the job. I mean, they were high paid positions, but I mean, they expect a lot from you. I come out of the corporate world thinking that a 75-hour a week was normal. That was a benefit to me. I'm too lazy to do that now. I couldn't do it. My wife was of the same demeanor. I mean, she had worked in sales positions in different corporate positions so we were really times two working 70/75 hours a week. During that seven months, I could see things.

Walter Baker:

It looked like they were going to happen, but you're not a normal person if you don't have some doubt that this is going to all fall apart and it's not going to work. I kept all my contacts during that seven months. I wasn't a hundred percent sure by any means. I'd stayed in touch with friends of mine that I knew I could land wherever they were if nothing else, if it did not work out. I've always been a fairly religious person, but I can tell you, I was probably praying more during that seven months than normal. You're not human if you don't have some doubt.

Spencer Sutton:

Let me ask you, because you mentioned you wholesaled your first deal. You made that first \$9,000. You had another deal that was a short sale. Your strategies were kind of mixed in, right? You probably had been attending all these seminars. You got a lot of really good information on these different strategies. What all were you doing? Then, how did you maybe land on long-term rentals as the core strategy for wealth building?

Walter Baker:

Okay. These are great questions, guys. My wife kind of honed in on short sales. She had the ability to work with bankers, accept rejection, talk to them the way that they were expecting to be spoken to. She was just generating opportunities, but I was the guy out in the field, looking at the properties and deciding how much repairs they needed. We were both trying to figure out what the market values were of the properties. That's essential in this business.

Walter Baker:

You have to know your market, what a house will sell for, what it will rent for, what your returns are, that sort of thing. We had seven or eight things that we were doing all at one time, sort of, I guess you would say multitasking, which is really impossible. You learn how to dwell on something for a couple of hours and then switch over and figure out something else. We had all kinds of opportunities that we were working, not knowing what was going to happen first, second or third.

Walter Baker:

When it started happening, it started happening. Everything started working. The way that we got into rentals, go into the association meetings. I started noticing that guys were flipping houses like me for cash. Now, we were all excited and everything and some of them were making some good money, but we were all I guess like ADHD. We were hyper and ready to go the next day. It's the way we find our next big deal. The guys that owned like 30, 50, a hundred rentals, they were just easy going.

Walter Baker:

They're talking about where they're going out to eat after the meeting and talking about their fishing trips and their hunting trips. I kind of recognized that. One of the things that my wife and I did is we would identify an investor or an attorney or a real estate agent or a property manager, or somebody that we felt like been around longer than we had, knew more than we knew and we would take them to lunch. At least one of those people a week, if not several, one of the people we took out was Archie Phillips.

Walter Baker:

Archie passed away, I guess, about a year and a half or so ago. He owned like, at the time, I think 107 houses, 33 real estate places, and multiple acres of land out in Shelby County that he used for hunting and whatever he wanted to do on them. We were sitting down at lunch with him one day, he says, "Are you holding on to anything?" I said, "No. We're flipping it all for cash." He says, "Well, let me ask you something or let me just share with you." He said, "When you get up tomorrow, you have to make sure you go to work and keep on going."

Walter Baker:

If you want to take a trip to Europe for three weeks or a month, you're going to be hurting when you get back." He says, "I can go away for a month and I don't even have to call in hardly." Just, he said that, "You might think about investing in some real estate that you hold on to, to make your life easier on down the road." Well, I went home that night and those words resonated. Now, one of my biggest regrets, and we do have some regrets from this business, is that I didn't hold onto more of those properties that we sold and flipped early on.

Walter Baker:

I wish I had them now. I heard one of the wisest men concerning real estate I've ever spoken to. A guy named Peter Fortune Otto out of Tampa. I heard him say one time, "I wish I had never sold a single house." I think he started when he was like 17. He said he wished he'd held on to every single house he'd ever bought.

Matthew Whitaker:

It's kind of like the Warren Buffet way of investing. You're buying for the long-term. Just buy it, hold it for forever. Talk about the transition from being a house wholesaler, a house flipper to a rental. Was it a change in mindset that had to happen? You obviously probably still flipped some because I know you still do today. Talk about that transition and how you generate the cash and bought these rentals.

Walter Baker:

Well, first of all, we did the same strategy in that we looked at the guys that had a lot of properties and seemed really happy and we hung around them as much as we could. We invested in them. I never took them to lunch or dinner or took them to play golf or anything like that, or I didn't pay for it, insist on paying for it. Just really tried to do something for them since they were generous enough to spend their time and their expertise with me. We were hanging around those people, but now we were flipping houses and then taking the cash.

Walter Baker:

We were making an average about 41,000 per flip. We were taking a little more than half that money and buying a house with it. Now, I had some money stored up too, but we were doing about four to eight flips a year at that time and we were buying four to eight rental houses per year. We built it up very quickly and we turned some private lenders that we had that were doing the retail investing with us into rental investors. In other words, long-term money. We were borrowing money from them, but when I would do a flip, I would try to pay them off very, very quickly.

Walter Baker:

That's a lot of how we accumulated our rentals. Then when we got up to about 30/35 properties, there was enough operating cash. The rentals were generating enough to buy another property. We were just clicking along like that. I just became familiar with the rental aspect of the business. It was like another arrow in the quiver. I didn't quit doing the flip or the short sales or anything like that.

Matthew Whitaker:

You mentioned education, being around people that are successful, people that want to do what you do. Talk about the value of education and how you've gone about through your career investing, continuing to invest in yourself from an education standpoint.

Walter Baker:

I lost a lot of money in the stock market in about 2000/2001, whenever they had the big reset.

Spencer Sutton:

Yeah. The internet bubble.

Walter Baker:

Yeah. I lost a lot of money because frankly, I didn't know what I was doing. I was just riding the wave listening to CNBC or whatever it was. Financial channels and just riding the wave, but when it tanked, I didn't know what to do. I didn't study it. I never went to a seminar on how to invest in the market and it bit me. It bit me bad. When we did get into real estate, I told my wife, I said, "I think education is going to be the key, if we don't educate ourselves." We went to a lot of seminars.

Walter Baker:

The problem with seminars is that they're not connected. You got one little aspect of the business, but then you got marketing to figure out how to get this opportunity to apply that strategy. None of those things are tied together. That's part of the reason we came up with our mentoring program, is to tie it all together. That's kind of tough about this business. I think that's why a lot of people go into coaching programs to where they're spoonfed what the next step.

Walter Baker:

In my opinion, I know that we could not have done any of this business without educating ourselves, and that was obviously a lot of reading. I am a voracious reader. I'm a speed reader. I do a lot of reading, but also a lot of seminars. At the time we were going through seminars, most of the coaching programs were about getting your act together or getting you motivated. We didn't need that. We never entered one of those. We were motivated because we wouldn't eat if we didn't generate some money. We never suffered from that. I think education is critical.

Walter Baker:

Anybody that goes out there, I call them crop dusters, because they fly by the seat of their pants. As one seminar teacher said many years ago, I'll never forget it. He said, "You're going to go to a seminar one way or the other. Your tenants may take you to their seminar and that's what you don't want. You don't want to go to-

Matthew Whitaker:

That's pretty good.

Walter Baker:

... a professional tenant."

Spencer Sutton:

That is good. That is good.

Matthew Whitaker:

Give me two of your favorite real estate investing books.

Walter Baker:

Well, we started with Ron Legrand. Ron doesn't know me from Adam and if I pass him on the sidewalk, I'm not sure I would remember him either. He has a good book. Something like ... Oh gosh, how to create millions through real estate or something. You just look up Rhonda Grant you'll find his books.

Matthew Whitaker:

Yeah. We'll put it in the show notes.

Spencer Sutton:

Yeah.

Matthew Whitaker:

We'll look it up and put it in the show notes for everybody.

Walter Baker:

He had a good book and then there was ... Gosh, there are so many now. Bill, I want to say Bronchick, put one together on wholesaling. That was a real good book. I've read every real estate book you guys have probably ever heard of. Then after real estate, I really started focusing on marketing. I really got into reading a lot of marketing books. I read almost everything Dan Kennedy ever wrote. He's just a direct marketing guru and I've gone and heard almost all those guys speak. I've been to their seminars and [crosstalk 00:19:24].

Matthew Whitaker:

I think there's a Dan Kennedy course right behind me, isn't there?

Spencer Sutton:

There is. Yeah. [crosstalk 00:19:28].

Matthew Whitaker:

Don't you have one right behind me?

Spencer Sutton:

Yeah.

Walter Baker:

Yeah.

Spencer Sutton:

It actually was like a two-day seminar and he then took it and sold all the recordings in a big online course or whatever, and actually in CDs.

Walter Baker:

I got you.

Spencer Sutton:

Walter, tell me a little bit about how you ... So here you are. You, by all accounts have become successful. What always interested me when I first started going to these REIA meetings, these real estate meetings is you would see that all the new people were sitting up front and all of the seasoned investors would be in the back, all talking with each other and laughing at us upfront.

Matthew Whitaker:

Yeah.

Spencer Sutton:

Yeah. Laughing at us all the newbies. That's where you are. You were in the back with Archie Phillips and all those guys. Talk to me about how was that transition from doing all your deals? How did you get into actually coaching people? Because I'm sure you started to have people come up to you and start asking you, taking you out to lunch. How did you develop your coaching?

Walter Baker:

Well, a lot of it was by request. People were, "Would you mentor me?" I would say, "Well, what do you want to do?" "Well, I want to come over to your house and follow you around for a week." I go, "No. I don't want to do that." I just started trying to figure out, "Well, how can I help people?" Way back when I had seen enough of network marketing to know that if somebody doesn't invest a whole lot of money, it's real easy to drop out. I was trying to figure out a way to retain people if I had them.

Walter Baker:

You didn't have to mortgage your house to get into the program, but it was a little bit of cash to get in to keep you interested. I just developed a program and it evolved over time. I changed it over the years. It seemed like every six months I was changing the program. I basically started out by doing what you guys are doing. I was recording lessons. In my case, I was just recording the lessons. I'll do an outline, record the lesson and that would turn into a course that I would teach. We did it all.

Walter Baker:

We didn't do it with video, but we did it all with everybody coming in on audio. I would go out and look at their home, their potential investments and things like that. They were always looking for the golden words, which were, "If you don't want this deal, I do." Then they would always move forward [crosstalk 00:21:59].

Spencer Sutton:

That'll get somebody to pull the trigger.

Matthew Whitaker:

Yeah. They're like, "Okay. I'll take it."

Walter Baker:

Yeah. Yeah. I mean, a lot of those guys, if they were wholesaling a house, they would wholesale it to me. I didn't tell them that's a requirement that I have first dibs, but I was in a position to make the first offer, so that was good too. I got a lot of houses that my students actually found.

Matthew Whitaker:

That's pretty awesome. Talk about the habits. I mean, you've got an engineering mind, you've brought an engineering mind, which is probably very process-oriented. Talk a little bit about the daily habits of a successful investor in your opinion.

Walter Baker:

Okay. That's another great question. Most engineers that I've known could not do this business. What I mean by that is they tend to be real focused. They hone in on a problem and they'll dwell on that problem for three days if they need to, until they get it conquered. That's really not necessarily the demeanor that you want. The most success we've had with our students ... And we were always looking for a common denominator. My wife and I would guess when we bring somebody into the program, are they going to be successful or not?

Walter Baker:

More times than not we were wrong because we didn't understand really what made success. I tell people, "If you're looking for a magic pill or one thing that you can do, or one characteristic that you need to be successful, I'm sorry. There ain't any. It's a million little things. It's a million little things." I did see that people that had their own little business before, or maybe had worked a straight commission job somewhere where everything was left up to them if they were going to eat or not, they did not have any issues really.

Walter Baker:

I'm not saying they didn't have any problems, but they were able to take this business and run with it. Whereas the person that might have ... And there's nothing wrong with this, but if you went to work at a school, for Alabama Power and you worked in a cubicle, doing one little deal that only applies to the power industry, those people would tend to struggle. They might not have a good appreciation for time management and things like that. As far as what my wife and I did to make it successful, I think it's more just, what should we be doing right now to generate income?

Walter Baker:

You see so many people get online trying to understand markets in the middle of the day when they in fact should be probably out driving neighborhoods and looking for stuff that looks vacant. I mean because you can surf that internet at night while you're watching your favorite TV program. A lot of it is just time management and just trying to remind yourself constantly, what am I doing right now that really matters?

Matthew Whitaker:

Yeah. Gary Keller wrote a book called The One Thing and that's exactly his point, is what one thing can I do now which makes, and this is me paraphrasing, all other things, either not needed to be done or a lot easier? It's working on the highest leverage thing. You're exactly right. It's easy to get bogged down on the internet and play on the internet when people need to be out there. The other thing I think that's important is ... And I don't want to put words in your mouth.

Matthew Whitaker:

It seems like what you found is that people that traded time for money when they worked it's hard because when you get into this business, you're working really hard and making no money.

Walter Baker:

That's right.

Matthew Whitaker:

The people that are probably from sales and commission, or have owned their own business, they understand that there's going to be some period of time where you work and you make no money. In fact, sometimes you'll work in this business and you'll lose money.

Walter Baker:

Yes.

Matthew Whitaker:

Which I've done, and so you have to be willing to do that. You're probably right. I mean, I would imagine your typical engineer would have a hard time losing money on a deal. As we all know, if you get in this and you hadn't lost any money, you hadn't been in this thing very long.

Walter Baker:

True. Very true.

Matthew Whitaker:

Talk about some big mistakes that you see newbie investors make, particularly ones that are focused on rental property?

Walter Baker:

Well, I always tell people my biggest mistake is not doing this sooner and I should have started when I was 14 years old. That's the number one big mistake. I recognized about four or five years into this, that, and I mentioned this earlier, we didn't hold onto properties going in. We were flipping everything. I got rid of some properties I'd love to have back now and part of my rental portfolio. Then also, I think in most places in America, the money in real estate is in the lower end.

Walter Baker:

Probably places where a lot of us would not want to live is in transitional neighborhoods and things of that nature, so those were mistakes for us. As far as what I see people making mistakes, lack of education, just coming in thinking, "Everybody I know is making money in real estate." They come in and they start dusting crops. I mean, they don't know what the heck they're doing and it is so easy to go out there and make a mistake.

Walter Baker:

I heard a guru out of Atlanta one time say, "In real estate, you don't want to make a critical mistake your first few deals, because it'll take you out of this business." You got to make sure you don't make any mistakes your first 10/15 deals because then if you make a mistake, you can cover it. Right at first is critical, but it just depends on the personality really, as far as what mistakes that you see. I see a lot of people going out, working on their own houses. I don't know how you can make money doing that.

Walter Baker:

We had some of our students go through our program and I would say, "Outsource all you can. Don't ever let me catch you painting your own walls or laying your own tile or even managing your own

houses." I preach from the very beginning, find you a good property manager. If you've got a lot of properties, maybe divide them up in case somebody goes away or something. I mean, that's two keywords, right there property managers. Some of our coaching students are still managing their own houses, and whether they're willing to admit it or not, they're limiting their income.

Walter Baker:

They're not focusing on what they could be good at, which is buying good deals, getting them financed to getting them paid off and turning that into money down the road that you can live on. They're out there focusing on the wrong things. They think they're saving money, but they're not.

Matthew Whitaker:

Yeah. They're jumping over dollars to save dimes.

Walter Baker:

Exactly. Exactly.

Spencer Sutton:

What are some of what you're talking about? You just mentioned some of the low to moderate income areas. For you, because we've asked every guest this, where would you be buying in Birmingham right now, or where are you buying? What areas do you think are attractive?

Walter Baker:

I own houses in almost everywhere, Greater Birmingham. I mean, I don't really have a favorite necessarily. There are pros and cons to all of it. I know you guys are aware of the recent changes in Center Point. It's almost comical. Now you get a note from a wholesaler. Now I'm getting notes, "Do you have any properties you would like to sell?" They're having a hard time finding properties. They're like, "We're interested in all areas except Center Point." That was kind of humorous to me.

Walter Baker:

Center Point passes these ordinances that are supposed to help them and they're hurting themselves enormously. I watched Tarrant do this a few years ago too. I mean, the intentions are good, but the local governments they're not necessarily great politicians or great at what they do. They're just reaching for straws and they're blinding their own neighborhoods. They don't even realize it.

Spencer Sutton:

Yeah.

Walter Baker:

I mean, I like Pleasant Grove, Hueytown, Midfield. Bessemer's huge. I like certain areas of Bessemer for rental. There's a lot of areas of Bessemer I don't. Same with Ensley. I don't do hardly anything in North Birmingham. I don't care for most of North Birmingham. There are a couple of exceptions. I own properties in Center Point, unfortunately. Roebuck, Huffman, great areas. Clay, Chalkville. Then I don't really own rentals in high-end areas. Like I don't want a 2,500 square foot house that is a four-bedroom, three-bath house.

Walter Baker:

That's a flip for me. I'd rather make 50,000 on a flip and buy two rentals that are generating 800/\$820 a month all day long. I mean, it's a better deal.

Matthew Whitaker:

Talk about a typical day in your life. You talked about lifestyle. Do you feel like you've arrived at that goal? Are you worried about where you're going to eat and where you're going to play golf like the early investors, or are you still out there running hard, trying to find more deals and grow your empire?

Walter Baker:

The most used app on my phone is the weather app. Everything revolves around the weather. Like we're doing this at 10:30 in the morning because I know I can play golf this afternoon. It's all weather-related. I work probably about a day and a half a week now. I've got contractors that I use to revamp my rentals. I've got property managers managing my rentals. I don't have any hands-on directly with my tenants. That would be very rare. I've got true freedom.

Walter Baker:

I mean, I can schedule my work around the other things that I like to do. Right now with the virus going on and everything, we're spending probably 80% of our time down at the lake, but even during regular times, we're probably 60/40 at the lake. I mean, I have phone service down there, so I'm still kind of working for maybe 15 minutes at a time. To answer your question, I can do whatever I want to do now. If I get a lead ... And I still put out advertisement.

Walter Baker:

If I get a lead that sounds like a good flip down in Pelham or somewhere like that, I'll get there as soon as I can. Now, if someone says, "I got you coming and I got three other people I'm talking to." I'm probably going to say, "Well, why don't you call me after you talk to the other three." I'm not excited about going out there and competing on a price basis with anybody. I'm a little more nonchalant when it comes to that kind of stuff now. I don't jump out there and try to beat people. Half of them going to be my students anyway.

Matthew Whitaker:

Well, and that's a good question. Are you taking on any more students right now?

Walter Baker:

Well, I will talk to people that want to do it, but I got to know they're all in. The very last one I did he made a lot of money, but I mean, I kept telling him, "You can make twice this much if you'll just do this, this and this." I got real frustrated. Usually I tell my wife, I said, "After a student's done, I need a break for a month or two." I guess I'm on a break. We got the virus going on right now so I haven't been getting any calls lately.

Matthew Whitaker:

Well, this has been great, Walter.

Spencer Sutton:

Yeah.

Matthew Whitaker:

I appreciate your time again. We do think of you as a legend in this business. It seems like anytime Birmingham real estate investing comes up, the name Walter Baker comes up. Congratulations on all your success and congratulations on your day and a half of work each week, reaching that goal. That's incredible. I know a lot of people listening to this podcast would love to get to that point. Hey, a lot of people doing this podcast, i.e. me and Spencer-

Spencer Sutton:

Me.

Matthew Whitaker:

... would like to get to that point too.

Spencer Sutton:

Yeah.

Walter Baker:

Well, I appreciate you saying all that. I will say, one, I listen to a lot of podcasts now because that's a great medium to learn. One of the podcasts that I found a while back was about the Nashville singer/songwriter world. This girl who was doing the podcast was talking about how people come to Nashville and they give it a try for a year or two and it doesn't work. She said, "You know what? This is a 10-year town. It takes 10 years." Now, I thought, "Bing." I thought, "Man, that's the way real estate is." It's like a 10-year deal.

Walter Baker:

If you start collecting rentals after 10 years, you'll go, "Hey, this is pretty good." In the second/third year you're wondering if this is something you should be doing. Once you arrive, man, there's just no regrets, no regrets. It's better than flipping all the time. I mean, I like having flips. I like having a flip going all the time. I haven't done one in like a year, but if I had my druthers, I would just have them strong to where you're completing about two a year or something like that.

Walter Baker:

You just use that money to maybe buy you a new vehicle or something. I don't know, or buy more rentals. Rentals, I don't know. I'm so glad I did it because I don't own oil wells or anything like that. I don't own any other passive income.

Spencer Sutton:

That's great advice. I mean, Matthew and I talk a lot. We were wholesalers back in the day and man, it was so exciting to wholesale and make \$20,000, but then guess what? You had to go out and do it again.

Walter Baker:

That's right.

Spencer Sutton:

You just have to keep going. Passive income.

Walter Baker:

I tell people, I like monthly money a lot more than I like lump sums of money. When I would put \$40,000 into my pocket, I'd figure out a way to spend it. I was going to have a new WaveRunner or something. It just gets ridiculous after a while. You got all these toys that you don't ever use. Monthly money, is just like, wow. You can do so much good with it too. You can help people with it, get involved in your church ministries and things of that nature. I mean, there's so much to it. Then one other thing I'd like to mention, we did have some people come into our coaching program.

Walter Baker:

They really were not interested in real estate at all. It was all about just making a lot of money. They did not do that great. I think you've got to be interested in real estate. You've got to like it, and my wife and I love it. It's like Steve Jobs said in one of his last speeches, "Find something that you love and do it and you're probably going to be doing okay."