3 LESSONS PODCAST

How John Edwin Built a 70-Property Portfolio and Grew His Net Worth 6X

Episode #14 Transcript

Matt Bowles: My guest today is John Edwin. He is a business owner, fitness trainer, family man, and he's been investing in real estate for two decades. He started buying real estate at age 26, later began flipping properties, and eventually moved on to buying and holding rental properties. Today, he is on the executive team for GoBundance, the premier mastermind for elite entrepreneurs, investors, and leaders. And his main focus is now on impacting others. John, welcome to the show.

John Edwin: Matt, it is an honor, a privilege to be on here. Hearing my bio, I feel like my reputation precedes me. I sound important. I don't think of myself that way. I'm kind of a regular guy that just kept striving and didn't quit. That was a nice intro. Thanks, Matt. I'm so honored to be on your podcast.

Matt Bowles: Well, you deserve a nice intro, man. You've done a lot of stuff, and I'd love to dive into it. I feel like a great place to start would just give some people context on your background. Where did you grow up and share a little bit about the journey that led you to buying your very first rental property.

John Edwin: So, I grew up in the inner city of Philadelphia. Really rough neighborhood. Kind of one of those neighborhoods in the cities that when you're born and raised there, you don't really know much outside of your neighborhood. You know, we didn't travel much. We kind of didn't even really go to restaurants. But, you know, it was interesting. When I was 15, my mom moved me out to the suburbs, and she kind of said, you have two options here. You're going to be shot or you're going to be in jail. And I got to get you out. And she really saved me from. I was getting myself into some hot water here and there, and that kind of. That started me on a totally different trajectory. You know, it really opened my eyes to a different area, different people. And here's something amazing. I met my then girlfriend in 11th grade. We were 16 and we, yeah, we got married at 21. We just celebrated 26 years of marriage.

Matt Bowles: Wow. Congrats.

John Edwin: Yeah. What a blessing. So, yeah, I grew up, I was a pretty good athlete. Went on to Liberty University and studied exercise science, ran track and field for them. I was a sprinter and a hurdler, and then as soon as we graduated, we got married, you know, started having kids at 24 and you asked about how I got into rentals. So, I was a personal trainer, and I was fighting with my then wife. I was like, you know, personal trainers don't make that much money. She's like, well, we don't have any money anyway. I'm like, all right. She's like, you got to pursue your passion. And that right there was groundbreaking, that she wanted to see me happy and pursuing what I loved and working. So, I became very successful as a trainer pretty quickly. Within the first year, I was one of the top trainers in Philadelphia. And then I was

pretty sought after and one of the top trainers on the whole East Coast. But what got me into real estate. And I love that you have this podcast, Matt. I mean, there were no podcasts back then. I just turned 48. So, 22 years ago. You know, I was just trying to listen to audio tapes and trying to figure things out. But one of my clients said, hey, John, you need to learn to make money in your sleep. And here's where my why is, Matt. Because people always need a strong why. And I was doing really well financially with my clients, but I didn't want to step away because it wasn't the money that I would be, I would be making, it was the money I'd be losing by going to Disney with my wife and her family and our young child Luke at the time. And I was a little sad to miss Disney. But my client said, if you learn to make money in your sleep, you can go on vacation and not feel like you're losing. And I said, what are you talking about? Like, this was groundbreaking to me. Like, I wasn't thinking about real estate at this time. She said, why? I own. I own and have owned real estate for a long time. And if I'm sick, if I'm hungover, if I just want to go on vacation, no matter what, I'm making money. And that to me was like my whole brain exploded. And you know, for me, I just was always used to working really hard around the clock. And I'm like, if I can wake up at 3:45 and outwork everyone, I'm going to do really well in life. And that's one way. It's an exhausting way I've done it. But I, my, I'm just going to stop right there. But my brain was exploding when she told me about this passive income thing with real estate.

Matt Bowles: So, what was your first move? How did you decide what type of rental property to buy, where to buy it, and what was that first ownership experience like when you were 26 years old?

John Edwin: Yeah, it was crazy because I was already working a lot as a trainer, and I owned a yoga studio at the time, and I had a baby at the time and a second one on the way. So, it was pretty wild. But I, you know, Brandon Turner created this word, the acronym BRRRR, but there were no bigger pockets then. And Brandon Turner and David Green are buddies of mine as well. But, you know, I didn't know anything, so I literally BRRRR'd before I even knew what BRRRR was. We were. We were very fortunate in. We bought our first property at 22. We had seven grand in the bank, and we did 3% down and bought this little row home in Philadelphia in East Falls. And basically over a few years, the equity grew like crazy. We had no idea. We just wanted to buy a house together. So, what I did was I took a HELOC on the house and I went and in a really rough neighborhood in North Philly, bought a property, I think for 30 or 40 grand, renovated it. And this was right before the 2008 fallout. So, like, they were giving crazy refis. I had to season it a little bit, so I had to get a tenant. But I think they gave me like 110% of what the house was worth, and the appraisal was too high. And I knew all this, but anyway, so I did it all wrong. I love your podcast because guys can talk about what to avoid and. Cause, you know, I did everything wrong. People talk about how sexy real estate is. It's not always that way.

Matt Bowles: So, what happens after you buy your first rental property? And then, as you mentioned, the entire crash was coming up. 2008, 2009, We have that great recession. How do you decide to stay in real estate? And what is your next move after that?

John Edwin: So, I had bought that one property, and I think I bought maybe three more. So, I probably had like four properties by the time that we experienced this subprime fallout. Because my goal was just to buy one a year. That was it was super simple. Like now, thank God, we have a larger portfolio. But, like, I just wanted to buy one a year. I'm like, if I could just buy one a year, I'll be doing well in 30 years. And so that's what I did. So, I bought maybe four properties at this point. And then all of a sudden, you know, I couldn't get it was very hard to get lending. Things weren't selling. You know, the economy just dropped out. And, you know, so I knew at that point I had to just hold. I just had to sit. I'm like, you know, in conversations with my wife, I'm like, I don't. I don't know how we're going to progress in real estate, but I do know that our properties are not worth what they were appraised for. And so, we were upside down in our mortgages. And I'm like, you know, the rents just cover the mortgage. So, we'll just hold and hold until,

you know, everything's cyclical, so we have to get out of this cycle at some point. So, I just held for a few years, and then I started buying again roughly around 2010, 2011.

Matt Bowles: Well, you made a really smart decision, which was to make sure that your rent covers your expenses so that you have the ability to hold even if you're underwater. Because a lot of people, including myself, got in trouble, because in some cases, that wasn't the situation, you know, and people had to start short selling and do all that kind of stuff. And so that's really a smart move, that you were doing that from the beginning. And then how did you eventually get into flipping properties? What was that period of your journey like?

John Edwin: I had noticed that as I was. Because I was buying, you know, pretty much like shells. So, I noticed from all the mistakes I made over my first three years where I'm hiring and firing contractors and this guy, you know, promises you the world and, you know, they're always paying Peter and stealing from whatever, you know. I just started getting the hang of it, and I started getting some good contractors. And then I was thinking, okay, so if I can start buying real estate and renovating it and just selling it, that would be awesome, which it is awesome. But then, you know, I didn't know anything about taxes. I didn't know anything about cost segregation. I didn't know about, you know, 1031 exchanges, like, these are things that I just didn't know about that were even out there. So, I just, you know, I had a knack for it. So, I just started flipping properties. And in my mid-30s, I probably flipped maybe a little over 50 properties. I would say I had five crews working for me. And at that time, I was running a very large mixed martial arts gym, and I was also training Muay Thai and fighting Muay Thai, and we had three kids at this point. And I was coaching youth sports and I mean, I really didn't sleep, Matt, but I really got in, I got in heavy into the flipping part. It's almost like a drug, isn't it? I mean, you know, you get that shot and it's like, but as soon as you sell, you're like, okay, I'm behind the eight ball. Got to get another one.

Matt Bowles: So how did you eventually transition from that flipping property cycle into deciding that you wanted to buy and hold and take advantage of all of those tax benefits and everything else that you mentioned?

John Edwin: Yeah, I was selling a lot and I was in my mid-to-late 30s. And that's actually when I joined GoBundance that you had mentioned earlier. GoBundance is a men's mastermind. I didn't know that these things existed either, Matt. And this is like, this is 10 years ago. And my friend Mike McCarthy was basically, he said, hey John, you need to join GoBundance. And it was actually perfect timing because at that point I think, I think most entrepreneurs reach a point in their life where they're doing well financially, they're into their game. And I have good friends and good family and a good church and all of that, but I didn't have many entrepreneurial, like-minded people around me and that's really what I needed. And so, Mike McCarthy told me about GoBundance. He said, we're a group of healthy, wealthy, generous men who choose to live epic lives. And I said, whatever you just said was black magic. I'm in. That sounds awesome. And I joined and then I started getting around other guys that were further along than I was in their real estate journey and from their influence that really. And I'm a competitive person, so if I get something in my mind, it's I go, I'll just grab it and go. And so, you know, I remember talking to a friend of mine, I don't want to mention his name out of, you know, for privacy, but he was making over a quarter million bucks passively in real estate. And so, I went back to my original, you know, intention of passive income from that first conversation in my earlier 20s. And I thought, okay, I got to reevaluate this. And I may have had like 12, 13 properties at that time. And then I made a goal to buy 10 doors a year for five years. And that's what I did.

Matt Bowles: So, in terms of your business journey, when you think back now and you trace the business journey, including where you landed and where you are today, what was the ultimate sweet spot about how your entrepreneurial efforts and your real estate investing dovetailed and worked synergistically together.

John Edwin: Excellent question. And that kind of like, that leads me honestly to the first lesson that you had asked about were analysis paralysis. I think that, you know, a lot of people, they see these flipping shows or these home remodeling shows, and they get inspired and they're like, oh, my gosh, like, that's amazing. I want to do that. And then they call someone who is doing it, like me or you, and they're like, hey, I just want to pick your brain. And to me, it's like, bro, you want to pick my brain? You and like a thousand other people that I get calls about, and you're going to pick my brain and take my time, and you're not going to do anything. Chances are you're going to be sitting on your hands and I'll call you in a year, and you're doing the same thing. So now when people ask to "pick my brain", I tell them, like, listen, I'm happy to give you my time, and I will do it, but you have to. You have to do what you say you're going to do, because people get caught up in analysis paralysis. There is nothing perfect. There is no perfect deal that, you know, is just going to align and work out exactly as you think it is. It just, if you have one, Matt, please let me know. I will invest with you. There's no deal that works out as perfectly as people pictured in their mind. And then they're trying to figure it out. It's like, oh, well, this and oh, well that. There's always going to be an oh, well. It's just, you're either going to do it or you're not going to do it. I would tell people, if you're listening and you're thinking about real estate investing, get educated on it. Listen to Matt's podcast. This is an excellent podcast for people and take action. You know, if you keep sitting on the sidelines and be a critic, it's. That's easy. It's easy to be a critic.

Matt Bowles: All right, man. Yeah. So perfect time to jump into those lessons now that you've been doing this real estate investing thing for over two decades, and you've done all of these different aspects of real estate investing and landed where you ultimately landed at this point in your journey. So, when you reflect back over those two decades, you said, lesson one, not to have analysis paralysis, jump in the game, start doing the real estate investing, get in the arena. What would lesson number two be?

John Edwin: Yeah, and let's just, if we can go back a little bit to lesson number one. If you do want to kind of dip your toe in there, maybe a great idea. It's not one that I started with, but maybe a great idea would be to invest with a seasoned investor as, you know, a silent kind of shadow that person. And then when you start getting your ideas together and, you know, deals and that stuff, take action. But all I am going to say to go back in, number one is taken immediate action. And don't. Don't get caught up in all the details. Lesson number two, you know, I've flipped over 50 properties. My wife and I own somewhere between 65 to 70 properties now. And I would say, like I said earlier, nothing is perfect. You're going to make mistakes and there are going to be deals. It makes me laugh when investors get on podcasts and they talk about all the stuff that they've done and they make it seem so easy and that, you know, but nothing. Like, everyone makes mistakes. So, the mistakes that I have looked back and made and the times where I have lost money and thankfully, I haven't lost money on many deals, almost every deal of I've always come out on top, thank God, almost. But the ones that I have lost money on and it happens are the ones where I've listened to my head and not going with my gut, where I have a gut feeling like, this is probably not the best deal for me to buy right now. And I say right now because timing is everything, you know, and then in my mind, I'm looking at the numbers, Matt, and I'm like, no, like, this is the purchase price. This is what I can renovate it for. This is the ARV. Like, I can then, I can refinance back out, you know, you know, we can. This is the, this is the rental numbers. And I have lost, I think, every single time when I have overridden my gut and gone with my brain. So now I just, like, I can tell you pretty quickly, I've been in hundreds of properties. I can walk in, walk through. I already know the numbers in my brain, but then my gut says, okay, this is a good deal. I can tell you pretty quickly in a minute or two if I'm going to buy a house and I just go with my gut now and just leave. Just lay it out there.

Matt Bowles: All right, John, what would lesson number three be?

John Edwin: Yeah, so it kind of goes back to this old African proverb where if you want to go fast, go alone. If you want to go far, go together. And really getting around the right types of people, the right

group of people, it. That was key for me, Matt. When I joined GoBundance, it made such a difference, and my net worth has scaled quite a bit, probably 6x in the last 10 years of being a member of Gobundance. And it was just getting around the right people. I was a solopreneur. I was your quintessential lone wolf out there, doing it, figuring it out. And I'm pretty intelligent, and I have a lot of, I'm aggressive. So, you know, I've. I have a lot of heart to move forward. But once I joined GoBundance and I was around these guys where, you know, they're syndicating and they're, you know, my first meeting, I literally had my phone under the table, and I'm. I'm googling. What is cost segregation? What is. What does that mean? What. What is. What is REP status? What, you know, what is a syndication? How does that break? You know? And it's pretty cool, man. I was just a total empty cup. And I just started really learning from these guys both to get better tax positions and also how to scale. And I've partnered with them, and they've partnered with me, and I've gotten not just into real estate and, but also land development, and I do bridge loans, and I've gotten into a lot of different areas where I've really become more of a. Like a serial entrepreneur now versus just a real estate investor. And that's really been the blessing of being around guys in GoBundance. And they're not just real estate. I mean, probably 60, 70% of the guys are in real estate, but then there's private equity guys, there's venture capitalists, There's, I mean, there's doctors, there's dentists. It's pretty diverse. So, it's cool where you get a lot of different ideas on different topics. So, I say, you know, surround yourself with the right types of people. And it's not just all about business either. It's about health and wellness and showing up as the best version of yourself. So, there's many layers to. I've not just scaled my net worth, but I've scaled. I believe my life being a part of this awesome mastermind.

Matt Bowles: So, I'm curious at this point in your life, how do you allocate your time between all of these different things and how has that maybe changed over the course of the last couple decades to the optimal place that you have it now? So, when you talk about your time and energy spent towards entrepreneurship, towards real estate investing, towards your family, towards your health and fitness and so forth, what is that optimal division of time and energy for you right now? How do you allocate your life?

John Edwin: About 10 years ago, I decided, man, I've really traded my time for money a lot in my life and I've, I dialed into my kids. My buddy Jimmy Shields and his wife wrote a book. One of them is called 18 Summers. The other one is I believe called The Family Board Meeting. And I read those years and years ago and it basically talks about how to be intentional, as I say, as a father, but as a parent and just having specific time set aside one-on-one with each one of your kids that, and doing what they want to do. And now my three kids are young adults. But because I made that shift and was really spending my time with my kids and focus on my wife as well, now that they're Luke's 23 and Sylvia's 20 and Caleb is 18, they still want to spend time with me and my wife Christine because we invested that time early on. I would say, you know, a lot of my time right now is like, hey, how do I spend quality time with my wife and kids? That's one. Two, my time is more of a give back now where I love making an impact on people. That's why I was on Capital Hacking podcast with Josh for four years. That was just a real give back. And why I'm working with GoBundance now because it's like there are other things, solopreneurs out there that could really benefit from being around the right types of people. So, impact is really big in my life now because so many men have spent time with me. And then so that's one. So, I spend my day looking to make a difference in the lives of others, obviously keeping my, keeping my finger on the pulse of our properties and the land development, the other things. And then also I would say if you're listening to this and you don't have a morning routine, create that. Get the book The Miracle Morning by Hal Elrod, who's another friend of mine. she co-authored a book with Hal and some other guys. But you know, that really helps establish it. So, like, you know, for me in the morning, Wim Hof Breathwork is really important. Prayer is really important. Reading. I was reading before we hopped on. This is really important in exercise. I work

out 10 times a week and all this stuff combined really synergistically continue to, you know, spread my wings as an entrepreneur.

Matt Bowles: So, in terms of your real estate investing in particular, you mentioned you had these different sorts of phases or chapters or eras that you went through when you were doing different types of things in the real estate investing business and flipping properties and doing these various things. So, at this point in your real estate investing journey, what is your day-to-day involvement with the real estate investing aspect of your life? What are you actually doing today?

John Edwin: My wife and I, we pushed so hard for so long where a minimum of 10 doors a year. That's it, a minimum of 10 doors a year. And I know other people and if I were to syndicate and get business partners, which we don't have, I could, I would have hundreds, probably thousands of properties right now. But we wanted to keep it small. And you talked about earlier Matt, about leverage, how when 2008 came, people were overleveraged. And so, I learned a really strong lesson during that time frame not to be overleveraged. So even with our real estate, like we only owe like for the equity we have in there, 30%. Like I own outright 70% of our properties. So, the bank only I only owe them about 30%. So, this past year, to give you an answer, we've literally been simplifying our lives where we felt that, you know, the more, the more you keep growing and owning actually takes from you. I'm reading a book right now. It's called The Energy Quadrant or the, I forget the name of it because I'm always reading books. But it's really good. So, this was taking from us and creating stress and so we decided to simplify. That's our word of the year is simplification. So, we've just been going through different properties that we have a good amount of equity in and that have basically taken up more time, kind of been a pain in the neck and we've been marketing them every couple months. So, we've sold about 15 units this year and we're holding dry powder on the sidelines because I do believe as the interest rates keep coming up, people-tired landlords with portfolios are going to be coming up on that deadline where they refi 5 years ago and the rate was X and now, I believe they're going to be offloading. So, I will be looking over the next months. We're holding, we're selling, we're holding powder on the sidelines where we're going to either buy, you know, a portfolio from a tired landlord or we're going to move forward and start buying triple-net commercial buildings.

Matt Bowles: So, when you think about your real estate investing goals over the next decade plus, so long term down the road from here on out, what are your real estate investing goals over the next decade?

John Edwin: I believe it's going to be going into buying more of the triple-net buildings. I think that those scale faster and I think as long as you do it right, it will really pay dividends because you also have to be careful. There's a lot of empty office buildings out there. So, you know, you have to make sure you have the right tenant. And that's another cool thing about being in a mastermind like abundance where there's a bunch of guys that buy commercial. That's all they do is buy commercial buildings. And so, I'm in touch with them and I've been learning more and more because I do want to educate myself and not do what I did initially where it's just like, all right, I got some cash, I'm going to go buy the shell and figure it out. I don't want to risk, you know, if I'm buying a 5 or $10 million building, I want to make sure I have a good grasp on it and I won't have analysis paralysis. But I see more purchasing commercial real estate moving forward in the next decade.

Matt Bowles: Well, you've mentioned GoBundance a few times here. Is that a mastermind that people can apply to join and if so, who is it for and what is the experience like once you're in it?

John Edwin: You have to be an accredited individual to be considered to be a member of GoBundance. But if you're listening to this and you're interested and they do have a GoBundance women's as well. They have a GoBundance men's side and a women's side. Just go to GoBundance.com and they have a whole lot of information on the website. But it's for entrepreneurs that want to be a part of like a tribe. It's, it's

basically a brotherhood and we make connections, we help each other scale in life and I'm honored to be on the executive team now. Like, I remember when I first joined, I had the imposter syndrome. If you've ever had that, Matt, where it's just like, oh my gosh, that's one of the biggest developers in Philadelphia there. Oh, that guy owns a, you know, a major league sports team. Oh my God. Like, and I've kind of been able to for the most part, get over that imposter syndrome. But, you know, I became a leader. I started leading there's 43 chapters across the country and I started leading the Philadelphia chapter and I was able to grow it really well. And then, you know, really kept just offering up time and so I've stepped into a good leadership position with them. But it's also like, we travel together, we have a lot of fun. We bring our families together, our wives, our kids. We teach accountability, goal setting and financial literacy to kids as we start as young as age 5. So, when we go on like family, you know, trips together, we're working with our kids a lot. So, it's not just for me, it's for everyone.

Matt Bowles: Well, we will link that up in the show notes for anybody that's interested in checking out GoBundance and then for people that would like to follow you or connect with you and keep up with everything that you're up to. John, how can people come into your world?

John Edwin: Yeah, so you can find me on Instagram @*thejohnedwin*. I think that's right at *thejohnedwin*. And you can, you can look me up on Facebook; *John Edwin*. I don't have a website or anything like that. I didn't come on here. I'm not, I'm not promoting anything. I just really wanted to be on here because Matt, you and I have connected on Capital Hacking, which is another great podcast and we sparked up a friendship and so I just really wanted to make a difference.

Matt Bowles: Awesome, man. We'll definitely link up the Capital Hacking podcast as well and you can listen to my episode to start and hear the tables turned on this conversation as well. But this has been great, John, really appreciate you taking the time. Thanks for coming on the show.

John Edwin: Thanks Matt. Thanks so much, man. God bless you and your family.

Matt Bowles: All right.

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