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Hosted by: Doug & Andrea Van Soest

Episode 34 – Interview with Andy McFarland

Doug: Welcome back to Spouses Flipping Houses. This is Episode 34. We've got a killer interview, actually two-part interview, but part one will be today with Andy McFarland. He's a friend of ours, highly respected investor, and is just killing it in a few markets. So I'm excited to share that interview with you. I think you're really going to enjoy it.

But first, Andrea how are you?

Andrea: I am fantastic and mostly because we are about to head out on a vacation that I'm super excited about.

Doug: Yes, yes really excited about.

Andrea: So our daughter is turning 13 this fall, and we're doing a special trip with just her. So we are taking her to New York City.

Doug: She was born like last week. How can she be 13?

Andrea: I know. You know what they say how don't blink or they'll grow up in a heartbeat? It's so true. It happens; it's happened. She's almost 13.

Doug: Yeah it's scary.

Andrea: So we had read this book by an author that we really love named Bob Goff, and he wrote a book called [*Love Does*](#), incredible book if you're looking for something to read this summer. And we were really inspired by him, and one of the main things that

we took away was this idea of taking each kid on a special trip when they turn a “coming of age” year.

So he does 12; we decided to do 13. And we just thought what a special bonding memory that would be with each kid to take them on a special trip. So our sweet Adley is turning 13, and we are taking her to New York.

Doug: New York City. Yeah, she’s really, really excited. We’re excited too, and so that’s coming up and we just can’t wait for that. So we’re all jazzed around here for that trip.

Andrea: So we’re actually going to be gone for 11 days. We’re going to drive to Carlsbad, New Mexico.

Doug: Road trip.

Andrea: And drop our boys off at Doug’s parents house, and then we’ll fly out to New York for five days, and then fly back. And then we’ll be at a family reunion for Doug’s family there in New Mexico. So eleven days is a long time; we’ve never actually left our business for that long.

I know a lot of people work remotely, and Joe McCall travels all over the world and still does his business. We take a lot of trips but not really long ones, so this will be the longest we’ve ever been away from our business, and we actually feel great about it.

So that’s really exciting that our business is now in a place that we feel like we can leave, and it’s not going to skip a beat.

Doug: I mean when we first started this business, if we would have taken off this amount of time, our business would have just completely come to a stop because it was us doing everything. So no calls would be made and returned; no mailers would be going out; no offers being made, nothing.

And then when we would get back, we’d have to kind of restart again and try to get that ball and momentum rolling again. But now it’s really neat to just look and see how far we come. Sometimes it’s hard to see your progression until you have something to measure it against.

And so it’s exciting to us to see that it would be business-as-usual even though we’re not going to be physically here.

Andrea: Yeah, so on to the good stuff. We have a really fun interview for you today with Andy McFarland out of Utah. He’s actually in three different markets, and this guy is someone who we really highly respect. He is an absolute action-taker, like the best action-taker that we know.

Doug: Yes definitely.

Andrea: He’s young. He’s built an incredible business for himself in the last 13 years and as much as we respect and admire him for all of the things that he’s done in

business, he's just a really great person and willing to help anyone that needs help. He's just a good guy.

Doug: Yeah, yeah. I think you're going to get a lot out of this interview, so pay attention to the things Andy is talking about and how he was able to go from nothing to building this incredible investing business. He did 33 deals in May, in the month of May, 33.

Andrea: That's amazing.

Doug: That's more than one a day, so a guy worth listening to for sure.

Andrea: Okay, here we go.

Doug: Alright we have Andy McFarland on the horn here with us. How's it going Andy?

Andy: Really good, I'm doing really good Doug.

Doug: Hey man, it's been good to get to know you over the past year. So I met you about, I guess maybe nine months ago at a Collective Genius Mastermind meeting.

Andy: Yep.

Doug: Had known about you before that though, but great dude. I'm glad to have you here with us. A lot of what you do, and we'll get into it later, Andrea and I have kind of modeled after your business model if you will. You set the pace, and we followed behind you and just don't recreate the wheel you know.

We just get in your tread and do what you're doing because I think it's a really good business model.

Andy: Oh that's awesome. I'm honored to hear that man.

Doug: So tell us a little about you, your family, where you live, what you do, how you got into this business.

Andy: Sure, going way back I'm an army brat, so I was born in Georgia, and I've moved all around the country, including Germany from time to time. My dad retired from the military, and we landed in Utah. So I've been here ever since.

All of my family is here. Both of my brothers who work with me and my sister, she's here. And I started real estate when I was about 22 years old. I read [Rich Dad Poor Dad](#), it got me turned on to real estate, I bought a property, fixed it, sold it, rented it. It was called "The Tree House."

I nicknamed it the Tree House, and I learned a ton from that and ended up making good money from that. And I haven't really looked back ever since. I had a full-time job at the time, and I actually got fired from that full-time job.

Doug: Weren't you like skateboarding on the property or something?

Andy: Yeah so I worked on a loading dock and when we were done at the dock and punched out, you know it's a good opportunity to go ride and skate on the dock. But apparently management didn't think it was a great idea, so they let me go.

It was the best thing that ever happened to me. That was my last W-2 job for somebody else, and I haven't looked back. And man, I have not worked a day since. I've put in a lot of hours, but I love what I do. And I love even more what I do right now. It just keeps getting better and better, seriously. Pinch me, it feels like it just can't get any better, right?

But to answer about my family, I live in Utah with my wife and three kids currently, but she's pregnant so we're going to have our fourth kid middle of next month.

Doug: Nice. Congratulations man.

Andy: July 2016. Thank you, so extremely happy. I'm extremely happy.

Doug: Three kids and one on the way. How do you have time to do anything else besides kids?

Andy: I have a great time, and the head of that great team is probably my wife. She's amazing. She's a stay-at-home mom, which is definitely a thankless job, and it definitely is a job. But she enjoys it; she loves it; she's really good at it. And without her doing what she does, I couldn't do what I do.

But she helps there and just handles the household so amazing that I can go out into the world I guess, and kill things and drag them home for us to eat.

Doug: Awesome, and you mentioned a great team, and we'll touch on that down in the interview here. So in Utah, have a great family, you've been doing this since you were 22. So how long have you been in the business?

Andy: How many years is that? My birthday is tomorrow. I'll be 36, so what is that 14 years?

Doug: So you lived through the big crash.

Andy: Yeah I lived through the crash. I survived the crash for sure. I didn't go bankrupt or anything, but it was tough.

Doug: So we got started during the crash, 2008 really after the crash as everything was really cheap.

Andy: Great time to get started.

Doug: Great time to get started, yeah. So I can't imagine if you were in our market, it's probably similar where prices were cut in half or more. So what were you doing early

on when you first got started, and then what are you doing now in terms of deals? What does your business look like?

Andy: Yeah, it's always been real estate. I've always done wholesaling before it was cool and sexy. I've always gone direct-to-seller. I pretty much did deals however we could. I was working with a partner primarily when I first started, for the first year or two I was on my own and I worked with a partner.

And we held rental properties. We fixed and flipped. We did wholesale deals, pretty much anything to do a deal. When we were ramping up, I felt I was ramping up, we were doing two, three deals a month when the market kind of crashed corrected. And I learned a lot there, had some investments go bad, lost money on some deals, my balance sheet was cut in half as far as my rental portfolio and stuff went.

It was just cut in half right, so kind of had to regroup. But you learn a lot about yourself through those times and even though I lost money, I paid everyone their money back. I didn't go bankrupt. I survived through it. I didn't have to go get a "normal job."

But definitely there was some retraction going on in that time, and I learned from some mistakes we made. Some things I thought were good weren't necessarily the best in hindsight. But yeah I survived through it, and it definitely colors my investing today. I lived through that; I see what that is.

So if somebody that's new to the business that hasn't lost any money yet or sees everything as always going up, and it's always going to be good, there is a downside. You need to protect yourself a little bit.

Doug: Right, yeah I'm very aware of market cycles. But you're right. It's easy to get in that mode where you see prices just going up, you hear the realtor talk that it's just going to go up forever. Real estate always goes up, but you got to have that in mind that it's not going to be this way forever necessarily. The markets change.

Andy: You can make money in any market though. People say, "What are you going to do when the market shifts?" You can definitely make money in any market. I've made money in real estate through a bad market, but it's definitely easy to make money in a market that's going up.

It's a lot easier to do that. There's a lot more competition, but it's easy. You can buy something and even if you bought it wrong, four months later the market appreciated and you got bailed out. And you thought you were a wizard.

Doug: So you said you've always been direct-to-seller for the most part?

Andy: Yeah for the most part.

Doug: So how were you finding deals when you first started? You got this one house, and you fixed and flipped it. You actually rehabbed it and resold it right? You didn't wholesale that one.

Andy: I didn't wholesale that one. That one was not direct-to-seller. That was from an REO agent, so I got in, got my offer in early, and it was a property I had no business buying. It was an illegal, non-conforming, bank-owned triplex. It was in a bad area.

It had so many code violations and things from the city on it. I mean it was just a mess, but I bought it for the right price and just went into it with determination and grit. I said I'm going to make this work.

So I went to the city, made it so it was legal to rent it as a triplex, fixed it all up, pulled all of the permits, paid for all of the contractors on credit cards, and IOUs, and just borrowed money from people and just pieced it all together. And I put a ton of sweat equity in because I had no other way to do it.

And at the end of that, I rented out the three units because it was a triplex. I rented them out, so I learned to be a property manager a little bit. So I filled out the leases with people and moved them in, took security deposits.

Then after I rented them out (so I bought it, fixed it, rented them out), and then I sold that deal on owner financing because I wanted to get the maximum value for it. So I sold it on owner financing. It was actually an all-inclusive trust deed. I put an investor on it, and he was playing property manager, which I didn't love, and then collecting all of the rents.

And he paid me less than that, and I was making a spread and was happy, and a year later he cashed me out, and I got my big chunk of equity. More money than I'd ever seen in my life, I made \$40,000. It was crazy.

Doug: Okay, you killed that deal. And you just said some things that I cannot believe you knew what they were at 22 years old. You said all-inclusive trust deed. Now did you have some training or did you just figure this out? How did you know to do this?

Andy: Truly, my company right now is called [Tree House Investments](#), and that first property was called my tree house. And I called it my tree house because you know when you're a kid and you're first learning how to hammer nails into boards and just build a tree house, your first experience with building?

Well that was my first experience with real estate, first experience with building, first experience with property management, first experience with financing, everything. I had no idea, so through the tree house, my tree house, my adult tree house, I learned everything about real estate.

It was probably one of my hardest deals to date, but it's good to go through the hard things in life that really build you, and that property turned me into... I mean if I could do that one, looking back now, I could do anything. So yeah, it was a bank-owned triplex.

How did I get the financing for it? I mean I just...

Doug: Figured it out.

Andy: Tough. I figured it out, right. I needed some money for a down payment, and I figured it out. And all the money to fix it up, I figured it out. Selling on owner financing, I didn't know that at the time, but I just learned how I could do this. I was always asking questions: how can I do this?

And I try to surround myself with people who were higher on the chain than I was, and they just taught me as I went through it one step at a time. Looking back on that now, I can see that I learned financing. I learned how to rent. I learned everything from that property, and it just kick started my career I guess. So that's why Tree House Investments, that's my company.

Doug: Well that's an awesome story. So just for those who don't know, an all-inclusive trust deed is basically like a wrap mortgage, correct? You've got existing financing, but then you're going to sell it and carry back your own financing, and you probably have a spread in the middle.

Andy: Yep I had a spread. I was smiling from ear to ear... Working at the loading dock at the time, making \$100 a day, working very hard for that money, and I think I was making about a \$400 a month spread. And I thought to myself, I literally thought this way: *this is four days of work that I don't have to show up for. I'm just getting free money. I don't have to work. Free money.*

It was crazy to me that I could make \$400 every month.

Doug: Pretty great right.

Andy: And when he cashed me out I made my \$40,000, and it was amazing.

Doug: I can see why you never went back to a W-2 after that. It's such an eye-opener.

Andy: It's such an eye-opener. It was amazing.

Doug: So that was when you first began, so what does it look like today, 12, 14 years later, whatever we are?

Andy: Fourteen years later, I've got an amazing team at home with my wife of course, and I have an amazing team at work. I've been blessed to have a lot of people through the years that have come into my life and my business, and plugged them in. And I like to think that they utilize their unique ability for our greater good, for our collective good.

So my company right now, we do a lot of wholesale. Probably 80 percent wholesale, 20 percent fix and flip, and I do keep some rentals. I don't have a huge rental portfolio, but I keep some. My team is— I have a guy that runs pretty much my whole wholesale company— and from everything underneath that, I've got sales people.

I've got a dispositions guy, a transaction coordinator, lead managers, project managers, and then COO, the guy who runs the wholesale company and a marketing manager. I've

got everything from top-down, so I manage that company about five hours a week trying to keep that going.

Doug: How many people do you have currently? Do you know?

Andy: So I've got a COO who is also a marketing manager, a dispositions person, transaction coordinator, inside sales, three lead managers, and five acquisition managers. I'm trying to keep track on my fingers, that's 12.

And then I've got real estate agents who are kind of not necessarily in the company, but there are probably three of those. So eh 15-ish people.

Doug: And you're not all just in Utah anymore, right?

Andy: No I branched out of Utah a few years ago. When I stopped doing [...] acquisitions, that freed me to go take a system and put a plug into other states around the country. So I do New Mexico.

Doug: My home state.

Andy: New Mexico!

Doug: Represent, 505.

Andy: There's a lot of people from New Mexico, but New Mexico and Indiana—Indianapolis, Indiana— and of course Utah, my home state, Grover, Utah. I've actually never been to New Mexico. I need to go. I want to go to...

Doug: What? Wait a minute, so you're telling me you're doing deals in New Mexico, and you've never been there?

Andy: I've personally never been. I take that back; I've been to the four corners, so I've stood in New Mexico from the four corners, but I've actually never...

Doug: One foot in.

Andy: And I've been in four different states at once. But beyond that I have not been to New Mexico.

Doug: That's such a testament to what technology can help you do these days and obviously outsourcing with teams and what not. You're flipping, you're wholesaling deals in New Mexico, and you've never even been there.

Andy: Yeah, flipping and wholesaling.

Doug: Flipping and wholesaling.

Andy: Yeah I've probably got five or six flips going on in New Mexico right now.

Doug: That's fantastic, so you mentioned a huge May that you just had. How many deals did you do in May?

Andy: So in May we had 33 contracts.

Doug: 33. There's 31 days in May.

Andy: Yeah, we did over a deal a day, which was amazing. It's a testament to my team, how amazing they are. We were trending probably about 20-22 deals a month average, and then May just blew up. So it's crazy.

Doug: Man, that's fantastic.

Andy: In June, we're now trending about a deal a day.

Doug: About a deal a day. Do you prefer wholesaling or flipping?

Andy: For me it doesn't really matter. It's whatever we can do to maximize. We look at each deal on a case-by-case basis and say okay, what's the best thing to do with this deal? And we do that whether that means wholesale it out, whether that means wholesetail it out, or buy it, fix it, and sell it, or keep it as a rental.

I've actually kept a couple rentals this year for financing deals.

Doug: Back up there. Can you just explain wholesetailing? I don't think we've talked about that on this podcast very much. You said wholesale, wholesetail, and flipping. So what's a wholesetail?

Andy: So a wholesetail is when you buy the property, own it, and do minimal work to it, if any, and just put it on the MLS because right now around the country it's a pretty hot market in most places.

Doug: That is a great strategy if you can buy property below market. That's one of my favorite strategies to do today, wholesetailing.

Andy: Yeah, we've got one like that right now that we bought for \$236,000. We recognized it was a great wholesetail opportunity. We cleaned it up— I mean a couple thousand bucks maybe— just kind of spruced it up a little bit. We listed it on the MLS for \$320,000 last Friday.

My dispositions guy and real estate agent are dealing with that, but I know we have two offers right now, so I don't know what it's going to end up landing. But we didn't do anything to it. I mean I did buy it.

I had the capability to buy it over the years. I mean I've been frugal with my money, and I've also got some investors that help me do what I do. But yeah, I'm able to look at that, not taking money out of the equation, saying *okay, where am I going to find the money to buy it?*

Because that's probably most people's problem with the wholesaling. They're like, *well how am I going to buy this thing?* I tell my team to take that off the table. If it makes sense to do it, I'll take care of it, and I do. So we bought that property and others like it, and it just makes sense.

We maximize that. We find where we can get the most value out of those contracts.

Doug: Okay, so you analyze it deal-by-deal these days.

Andy: I do, deal-by-deal.

Doug: When you started out, you did sort of a rehab project and then became a landlord on your first deal.

Andy: Right.

Doug: A lot of people I hear teach, and it's not necessarily right or wrong, but a lot of people teach that if you're beginning, you should start with wholesaling. That's a good way to go. What do you think? What's the best way if you're a beginner? What do you recommend people do when they start out?

Andy: Well wholesaling sounds the best. It sounds the best on paper. You don't need any money; you don't need any credit; you don't need anything. But I find that, for me, wholesaling is kind of farther up the river on the deal chain. The wholesalers that wholesale, I think successful wholesalers, because they have a lot of deal flow.

So if you have a lot of deal flow and you know what you're doing, you can negotiate those discounts and you know what a deal is. Then you can kind of float that down the river to people who are going to do other things with that. Because I mean you got to get a really good deal to be able to wholesale.

That's not to say that you can't start with wholesaling; you absolutely can start with wholesaling. But I find the best wholesales with people that have experience across the whole real estate front.

Doug: I agree 100 percent. Yeah, I think if you want to just do wholesaling you can start with it, but I think the best wholesalers start out as a fix and flipper. You know, you understand construction costs. You've actually retailed a property so you kind of know when you rehab a property, you know what the demand is on that house and how it's different from an average home.

So you understand all of that, and there's usually a volume of deal flow that goes with it, and then you can transition to wholesaling, which is in my mind so much easier. But yeah, I agree.

Andy: If you've only got one or two deals, I'd say do the best you can to maximize those deals. How much money can you make? If you're going to wholesale for a quick little amount of money and leave money on top for somebody else, why not take it, maximize it, and learn from that whole experience.

But for us, people say, "If it's such a good deal, why don't you do it?" I mean you guys know that doing 20 or sometimes 30 deals in a month, I can't. My team is not sufficient. I cannot. My team is not built up to flip 30+ properties a month. We're just not there yet, nor do I ever want to get there because that's capital-intensive business, and I don't really want to do it.

But we truly, in fact people ask me too, "Well how do I get on your list? You filter the properties, and you just give the good ones to your VIP buyers." And truly, I was at lunch with a guy yesterday who was saying that to me, and he said, "You just sent out a deal."

He saw a deal before me. He showed me his phone, and I looked at the deal we sent out, and I didn't even know we had it. Like it was that... We send it out to everybody.

Doug: You send it out to everyone.

Andy: We send it out to everybody, like that's part of our system. It's just everybody gets to see it. We don't play favorites because we've learned that if you play favorites, you shoot yourself in the foot a little bit on the disposition side. Sometimes you leave money on the table, so we don't do that.

Doug: Hm okay, interesting. I'm currently kind of the opposite. We do play favorites, but I've been toying with going the other way with it. And the only reason is I don't necessarily, as a buyer, like to be on the other side of that. You know? But I totally see the point on why you do it that way.

Andy: I'm the same way as a buyer. I don't like the other side of that but as a wholesaler, it does make you more money and it is more fair to your general list. But also it's just how do you manage the disposition side when you've got so many properties coming in unless you just do it that way?

Doug: That's a good point. At the volume you're at and again, you're running a business. You're in business to hopefully have a profit, and you want to maximize the profit you can make, and that's usually the best way to do it.

Andy: Yeah absolutely.

Doug: You mentioned that you bought a house recently for \$230,000 or something, and you're putting it on the market for \$320,000 with cleanup?

Andy: Yep.

Doug: People are going to want to know where to find that deal. How do I find those deals? So tell me a little bit about how you're getting these deals. What's your strategy?

Andy: So we're direct-to-seller. We look at the MLS a little bit. We bid on HUD homes a little bit, but we don't get hardly anything from that. It's not our focus. I've been direct-to-seller for a long time. I say to people that I've been direct-to-seller before it was cool.

I was sending mail out. I will give you some specifics, but I was doing the things direct-to-seller while you could still get deals on the MLS. I guess that's me being 8thickheaded, right? Like I probably should have just been on the MLS picking up deals.

But I've seen everybody that's been jumping into this direct-to-seller thing, so I started out doing that, and I was a one-man band. I did everything.

Doug: So yeah, how were you doing that? When you started out, what were you doing to go direct-to-seller?

Andy: When I started out I would just send mail. I'd send the little postcards, and I had a smaller list at the time, and I'd send some mail. And I would answer the phone call, and I would build rapport on the phone, and then I would prepare my appointments, and I would go see those sellers, and I would negotiate them.

I would lock up the contract, and then I would turn around and give it to a title company, and I would sell the property. I was, and I just described to you right there my system, I was the marketing manager, the lead manager. I was the acquisitions manager. I was [...], transaction coordination, and I was dispositions.

In my business right now, that's six different positions that I just described to you, but it was me. I've grown up, and I've done them all. And I've negotiated with hundreds of sellers on my own before I even started scaling with my team.

Doug: So that's a good transition. Let's move into that. Tell us a little bit about your team. I mean you went over the numbers of them, but you know if I'm a one-man band like you were, which I was as well. Andrea and I were a two-man band for a long time, held all of the hats in the company.

I'm looking to scale; I want to grow. I want to go from one, two deals a month to five deals a month, and then eventually to 30 deals a month like Andy. Where should I look first? Who should I hire first? What do I do to relieve some of those responsibilities that I have? What's the best way to go?

Andy: Yeah, number one: the problem most real estate investors have is they get so busy doing the reactionary things in our business that they stop doing the most important thing, which is marketing or finding deals. In this market, it's marketing.

In other markets, it's just finding the deals other ways. So that's the number one thing. If you find yourself getting so busy with those things, other things than that and you stop doing that, your business dries up. You've got to make sure you still have those lead sources going.

So I would say marketing. Make sure somebody is doing marketing. The second thing I would say is look at what you're good at. Sit down and be honest with yourself. What's your unique ability? What is something that just comes naturally to you that you're just better at than most people?

And that's probably your strength. That's probably the last thing you want to outsource. And then be honest with yourself about the things that aren't your strengths. And whatever is not your strength, get someone to help you with that first because we all assume everyone in this world is like us, and that's absolutely not true.

Everybody has different strengths and abilities, so you can hire somebody who has your opposite strengths, and they'll be happy to do that. So for me, I recognize— and I didn't know it at the time, but I've since looked back and know— that I always was interested in people.

I cared for people, and I liked to create [...] in situations, and I was good at structuring deals. So that was the [...]. I mean I was my own acquisition manager for a long time, but the other things I wasn't as good at I outsourced that.

Somebody answering the phones was one of the first things I did. I got somebody to be my marketing manager to make sure the phones didn't stop ringing, which is a problem in and of itself. What marketing channels are you implementing and are you going to continue doing those month in and month out?

Because as soon as you stop, the phone doesn't ring. And if the phone stops ringing, you're kind of out of business.

Doug: Yeah, lead sources are the lifeblood of your business. I mean marketing, if you don't have leads, you're not going to buy property, not going to do deals. So whether that's you looking on the MLS everyday, if that's your marketing, or sending out mailers, or putting an ad on the Internet, whatever it is you're doing to get leads.

I totally agree, you have to keep that lead flow going.

Andy: Absolutely.

Doug: I know you, and I know that you were a rock star acquisition guy. Like you're the sales guy. You can tell you're just a personable guy, and you were the one. I'm imagining that was your strength for the most part is being able to meet with sellers, build rapport, negotiate a deal, and lock up a contract.

So you probably have the feeling that nobody can do this as well as you can when you're hiring someone, and a lot of people who are listening to this podcast might be in that situation. They're running everything; they're doing the whole show themselves, and maybe that's what they're best at too.

How do you move past that? How do you find the next person that can replace you and what are some tips you'd have? Well, let's not even go into the finding someone else. What are some tips you'd have on doing that role? On meeting with sellers and negotiating, building rapport, tell us your strategy for that.

Andy: Yeah I'll give you that strategy and those tips in just a second, but anybody that just wants to scale a little bigger. I think the first thing for me was recognizing that I didn't have to be the one doing it, and I thought I had to be doing it. So everybody that's

listening to this now understands that you don't have to be the one doing that even though you're really good at it.

But I had all of these other tasks that I was doing besides acquisitions because I was a business owner and helping with a lot of other thing even though I had help. So I really needed to find someone to help me do it so that I could then scale beyond that, and start working more on my business and ultimately go to other states, and really grow this thing.

But yeah, being an acquisition manager there are some people that are good at it naturally, and there are some people that just aren't so good at it. I thought no one was better than me, and I was blessed and lucky enough to find somebody that was our first acquisition manager who I trained.

I went on four appointments with them, and they got it. That was pretty much it. They just were that. They didn't have real estate experience necessarily, but they just had it. This was their unique ability. It was like they were born to do it, and I look back now sad to say, but they're better than me. They're still with me, and they are better than me at it.

I wouldn't want to have to compete against them, but [...] my assistants focus on that. They don't have to work on anything else. All I have to focus on is going to see those sellers, but to get to your question about what makes somebody good at that.

There's DISC profiles and a thing called a [Kolbe test](#) that you can look at. If you understand— I don't want to go too in depth about that. D-I-S-C. I am a high IS. "I" is a person that is interested in other people and likes to talk to other people, and is just the one that is going to be friendly.

So I'm a high I, which I think is going to be extremely important in an acquisition manager. Someone that's interested in other people and is a high I. I'm also a high S, and one of the characteristics of an "S" is that they care about people. I truly care about other people, so I like people, I talk to people, and I care about them.

So a high IS is a good acquisition manager or a high DI. A "D" is a driver, and I'm a very low D. But if you're a high D and an I, that also can make a good acquisition manager. And on the Kolbe test, somebody that has a high quick start. So I don't want to get into depth there, but a high quick start is really good.

I'm a nine out of ten on a quick start, and my acquisition manager, the other one that I hired, was a nine as well. It was good. But when you're going to work with a seller, you don't necessarily need real estate experience, but you do need to be able to go and build rapport with that person.

So if you're a person that naturally can go talk to anybody and be interested in them, and listen to them, and ask questions about them, and find out their situation deep enough to know what their problems are if they'll share with you their problems, then you can be a good acquisition manager because that's all this business is.

I go in there. I care about them truly up front. I care enough to listen to their situation, repeat back to them what their situation is, and they tell me, "Here's what I need. A, B, and C."

And I say, "Okay. If I can get you A, B, and C, is there any reason we can't be in business together?" And of course they say, "No, we absolutely can do business." So that's when I say, "Okay, I'm going to get you A, B, and C, and we're going to do this."

And then that thing is signing the contract. But for me, I would go in to work with sellers, I wouldn't even bring up a contract or talk business until I was 1) building a rapport with them and 2) understanding of their situation. And as soon as I did, then I would go back to why we were actually there that day, which was to work on their real estate problem.

Andrea: That is it for today. We hope you enjoyed the first half of our interview with Andy McFarland. Tune in next week for the second half. We've got more really great stuff.

Doug: Talk to you then.