



SPI 232

How Lucas Hall Built and Sold an “Ultimate Resource” Blog

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Announcer: This is the Smart Passive Income Podcast with Pat Flynn, Session Number 232. Here we go.

Welcome to the Smart Passive Income Podcast, where it's all about working hard now, so you can sit back and reap the benefits later, and now your host. He spent 2-1/2 yours reeling in a yellowfin tuna, Pat Flynn.

Pat: What's up, everybody? Thank you so much for being here, seriously, and taking time out of your day. If this is your first time listening in, welcome, and please subscribe, because we've got a lot of great content coming. If you're coming back to the show, thank you, because you guys are what keep me going for sure. Keep the comments coming, keep the words of encouragement coming, and keep the suggestions coming for guests too.

This person on the show today was actually suggested to be a guest and without him knowing that he actually reached out to me too, because he had a great success story to share, so I wanted to bring him on. Actually, we've been in contact with each other for a number of years now.

I'm really excited to introduce Lucas Hall, from Landlordology.com, which has a really interesting story about how he built the site to become an ultimate resource for landlords out there, which I'm actually getting really interested in, because in addition to building my online business, I'm going to be starting to build a real estate portfolio over the years here. I'll probably be talking about that on the blog too, since that is passive income in any way, obviously.

Landlordology has become of big interest to me, and Lucas Hall is the man, and we're going to talk about how he actually built that site and how he was approached for the purchase of the site, and he did sell it. We're going to talk all about that, and we're going to get right into it right now, as well as some tips for how you can build what we like to call the ultimate resource in a particular niche, so here we go. Lucas, what's up? Welcome to the Smart Passive Income Podcast. Thank you so much for being here.

Lucas: Hi, Pat. Thanks for having me. It's a pleasure.

Pat: This is going to be really fun. I have spoken to you before about your story, but I'm personally excited to get into the deep details of it. Before we get started, if somebody were to ask you, "Lucas, what do you do," what is it that you do right now?

Lucas: My official title is Chief Landlordologist at Cozy, and that is a fun title that we were able to make up ourselves. That doesn't happen a whole lot, but essentially what that means is I give rental advice and help others be more profitable and run a better rental property business. That started out with a site called Landlordology, that was a resource that I created just out a need for myself to learn. I thought I could dump my information and what I was learning, and how I was proceeding through my business, I could take that and turn that into an ultimate resource.

Right now what I'm doing is I'm working at Cozy, and Cozy is the company behind Landlordology, and we make rental property software for landlords. Not only do we teach them how to be better, but we also give them the tools to do it.

Pat: This is very cool, so you started with Landlordology and it was just a personal site that you had, that you were just sharing tips on and what not, things that you were learning along the way?

Lucas: It was. It came out of my frustration with a lack of resources out there to answer the questions that I had. I was getting started as a landlord and my story is that I was working as a government contractor and then on the side I was building up a portfolio of rental properties. I actually originally brought my first rental property to impress a girl. I liked her. I met her. I would see her once a week or so, and I asked her one day how she was doing and what she did last week, and she goes, "Oh, I bought a house."

I thought, "Oh, my, gosh, she's smart and pretty, and I want to get to know her better," so I did the next logical thing. I just hired a real estate agent and said, "I want to go buy a house in her

neighborhood that's a little bit bigger than hers, and I want to be able to walk to her house.”

Pat: This is amazing.

Lucas: I did, and we bought a house in her neighborhood. It was 7 blocks away and next thing you know we were dating, and then shortly thereafter, 3 years later, we got married.

Pat: Wow, are you serious?

Lucas: Yeah, she turned into my wife and we have a beautiful little baby girl.

Pat: I didn't know if this was going to work out or not, because that's kind of weird, but, dude, that's ... Wow, congratulations, so now you guys both have rental properties, I guess together?

Lucas: We do. I like to say that if diamonds are a girl's best friend, real estate is a close second.

Pat: Oh, man, Lucas, I love you even more right now. This is so funny. Anyway, as you were building your real estate business and managing your portfolios, just trying to learn the space, you created Landlordology.com after that, and what platform did you create it on? Was it just a WordPress blog?

Lucas: It was. I went and got a WordPress theme from StudioPress, and loved them because they had a great SEO optimization platform and I thought WordPress is great. You know WordPress, and it just runs itself in a lot of ways.

Pat: For that particular site, when did you start to see traction on that site, about how long after you started it?

Lucas: It took about 2 months. I remember the nights where I'd go to bed and check my stats right before and I'd look at my wife and I'd say, "I got 7 visitors today," and it was so exciting. Shortly thereafter it started multiplying and it was roughly about a 30% month-over-month growth, and I had started seeing some real publicity and

some traction just a few months in. It was getting to the point, about a year into it, that I was dumping quality content as fast as I can, and that was roughly about 2 to 3 times a week. I was just writing about my experiences and making relationships, but it started becoming something that I couldn't do just on the side anymore.

It's very time consuming; you know that, and blogging and writing, to do it well, it takes a lot of time. I was doing it at night and doing a full-time job during the day. About that time, I started being contacted by larger companies and they started taking notice, one of which was a company called Cozy. At the time, they weren't very large. They were actually just starting out around the same time I was, and what they were doing was just making rental software and they were giving it away for free.

They were actually trying to help improve the landlord/tenant relationship through software, and I was trying to do it through content. I really just had a heart to educate and teach people how to be better, because I thought the landlord/tenant relationship, and I probably speak for a lot of people who have ever rented before, just was very broken, just was hurting and there needed to be something out there. They were doing what I was doing, just they were delivering it differently and it just made sense to partner up, and then we worked through an acquisition where they took possession of all of the assets and I jumped onboard with Cozy as a full-time employee and have continued to press our mission ever since.

Pat: Yeah, that's really cool. I'd love to get more into that acquisition story, but before that, let's talk a little bit more about Landlordology. I'm still curious to know, you said 2 months after you'd started it, you started to gain a little bit of traction. How would you define "traction," and also how did it really happen? Was it just organic, or were you guest posting? What were your traffic building strategies at that point?

Lucas: I was new to content marketing, completely new, and so I didn't know a lot of the strategies out there, but what I did know was that if I produced quality content, shareable content, things that people

really wanted to read and they actually learned something from, I had a hunch that Google would reward that, and that Google would put that on the first page. I was starting to get just general, organic SEO traffic, and I hit the nail on the head. If I put something out there that people would want to read, then Google would put it up-front, and that's exactly what happened.

Ninety-seven percent of my traffic back then was organic and even now it's in the 90s. It's a little lower, but it was all organic and when you would search for something like "renters," I would be right there. I was competing with some of the largest companies out there, even legal websites that were giving legitimate legal advice. I wasn't a lawyer, an attorney, I was just a landlord sharing my experiences, but people loved it.

Pat: That's really cool. I think people love it also because you're coming from the perspective of somebody just like them. They're looking for information and they find it from somebody who is maybe just a little bit further ahead than they are. I think this really speaks to the fact that we don't necessarily have to have that degree or be a complete expert in order to truly help people and gain traction in whatever niche we're trying to get into and provide value for, right?

Lucas: That's right, and one of the quotes, I don't know if you made this up or if it was something that you heard, but "The riches are in the niches." I took that and I applied it to Landlordology, and I thought, "Well, what could I do that was different? What could I do about the site that was unique, to where somebody would want to come back?" I looked around, and one of the struggles I had as a growing landlord was that I couldn't find the state laws that I needed to know in order to be in compliance with the requirements.

What I did is, I said, "I'm going to go down this road," of once a week I would research the state laws and the statutes for all of the states in the country, and I would look at the actual statutes, boring legal language. I would read through them and I would summarize them into an easy-to-read maybe 2-pager, blah, blah, blah, approximately 1000 words, and I would link to the statutes.

There were dozens of other sites out there that claimed that they are posting a summary of the legal guides or what the laws were about security deposits and such, but none of them ever linked to the actual statutes. The statutes would update and they would change, and you never really knew how updated the information was, so there was no quality control. I thought, “Well, let’s just link to it and make a definitive resource. Let’s put something out there that no one else has.” Sure enough, to this day those state law summary pages are still the number one source of traffic that I get, and that’s 3 years later.

Pat: I love that. Basically, what you did was you created what I like to call “an ultimate resource,” for a particular audience type. I’ve done this before on SecurityGuardTrainingHQ.com. It’s interesting because it’s very similar in the fact that I had found during my research while building that little niche site for security guards, that every state had a different set of requirements to become a security guard.

At first, I think a lot of people are going to react in a similar way when then come across like, “Oh, man, there’s 50 different things I have to do, and it’s going to be a lot of work. I don’t know if I want to do this anymore,” whereas you, and then with me, with SecurityGuardTrainingHG.com, we were like, “Okay, this is an opportunity to actually build something useful that will be extremely helpful for people and actually turn the website into something that becomes the 1-stop shop no matter where you’re at.”

That’s exactly what you did. I love that approach. Could you talk more about how Landlordology is that sort of ultimate resource? Again, all of this information is free out there, right? It wasn’t behind a membership site or a pay wall or anything, right? It was completely free for everybody?

Lucas: You’re right, yeah, it was completely free. My intent when I first created it was, “Hey, I’ll put as much as I possibly can. I’ll give away all of the best stuff.” Then I had plans at some point to start ramping up the affiliate relationships and maybe even do some advertising and generating courses, but before I could get to that Cozy came

along and said, “Well, hey, let’s just acquire you and then you’ll be the educational division of Cozy.” Ever since then, it’s always been free, everything we’ve done. We’ve actually now had the resources to put out even better content than I could have by myself, just because we have the backing of Cozy and the money there.

The resources are free, and it’s always going to be free. What we have on Landlordology is, not only do we have the state law summaries, so if you’re ever a tenant or a landlord and you want to know if the other one is in compliance, you can go look it up and it’s real easy. Then we give rental advice. It’s not legal advice, but it’s tried and true, best practices advices. We have a bunch of guides, we call them Landlord Guides, and they’re really just an in-depth guide that you can download as a PDF, and that’s completely free. We don’t make you pay for that at all.

It’s a lot like the guides that you’ve given out, the one that you started with, with the exam. You just gave it out for free because you didn’t think anybody would pay for it, but we knew it would be high-quality and we just were like, “You know what? We’re just going to help improve the industry.”

We’ve got those guides you can download on topics like rent collection and tenant screening and move-in/move-out, and how to handle all of that properly. We even have a small podcast where it’s similar to your Ask Pat, and we just answer questions that people call in. If it’s applicable to a larger audience, we’ll just take it and run with it.

Everything’s out there, and we’re blogging multiple times a week, and I now have a small staff of writers that help me too. They blog and they’re industry leaders too, that run their own blogs, but they contribute to our website and I’m happy to have them. They each have their own little expertise, whether it’s mortgages or do-it-yourself repairs, and all that, anything that a landlord might need. It’s really becoming a true ultimate resource, and it’s truly free, and it’s deep. It’s growing.

Pat: Yeah, I love it. It really is serving the audience quite well. I feel that you've gotten all of the angles in there, and you've been able to grow over time too. I'd love to learn more about the acquisition. When Cozy came by, was it just an e-mail? Was it a call? I want to know the story of how this all went down.

Lucas: It all started with a tweet.

Pat: Oh, really?

Lucas: I feel like that could be a movie title.

Pat: "It Started with a Tweet," yeah.

Lucas: "It Started with a Tweet." They started sharing my content and I thought, "Well, that's neat." I went and I looked at their site, because I didn't know anything about them. I was digging into their company and I saw that, "Okay, well, here's this group, this company, that is trying to modernize and make the rental process more secure and make it easy." Then I started digging deeper and I find that not only are they on this great little mission, but they went to Google and they told them about the mission, and Google said, "Well, we'd love to back you" and so they originally got their seed money from Google. Then since have gone on to get some of the best investors in the industry to help them along.

I thought, "Well, they're doing it right. They get the idea. They get the mentality that we're all in this together. We really need to help each other out." We really need to change the rental industry, because, arguably, our housing market is the backbone, in my opinion, of our small business and our economy in a lot of ways. If we can really get that under control and bring the housing market back to where it needs to be, then the rest of America will follow suit.

That's another conversation, but Cozy reached out to me later. We were sharing tweets and we were just talking through Twitter, and then Gino Zahnd, the CEO, just sent me an e-mail and said, "Hey, listen, have you got time for a phone call?" I think in the first 20

seconds, maybe even 15 seconds of the phone call, he just said, “I’d love to talk to you about acquiring the brand and hiring you to run it.” He kind of had me there, and I thought, “This is exactly who I’d want to help me with Landlordology and take it over, and to take it to the next level.”

Pat: When he presented that idea to you, what was your initial reaction? I don’t know, when building Landlordology, if you wanted to continue to run things on your own, or if you felt like this immediately from the start was going to be a good partnership.

Lucas: I knew that I could make a lot of money off of Landlordology through passive income, if I continued to do it, but I also knew at that point in the game I was basically doing 2 full-time jobs. I was running it at night and my wife barely saw me, and we were getting ready to adopt a little girl from Ethiopia, and so there was this whole just, “My time is worth more than that.” I thought, “Well, I could continue to do it, but it’s only going to grow so much with just me at the helm.” I could outsource some stuff, but I really loved what Cozy was doing.

They were truly trying to change an industry, and that doesn’t come lightly. We’re talking like Uber is changing the taxi industry, this is what Cozy is doing for rentals. I thought, “I could team up with them and together we could take Landlordology and the mission a whole lot further than I ever could.” That was enticing to me, and that was something that let me work for Cozy and be at home. I actually work out of my house, and so I’m around my family all day, which is fantastic. I basically told them, “If you can match my DC salary and then acquire the brand, I’d love to make it work,” and he just said, “That’s great, because we’re in it for the long haul.”

Pat: That’s really cool. They sound like a great company and it sounds like a match made in heaven at the start. Was the negotiation easy, or was that how you presented it? You just wanted to match? I think a lot of people would struggle with, “Well, how do you put a value on this blog that you’ve been writing and maybe it’s just starting to make some income?” Typically, when acquisitions happen it’s all

based on the last 12 months or 18 months of earnings. I think there's a lot more that happened here, that increased the value of the brand. You don't have to get into specific numbers, but was there a lot of back and forth? How long did it take to actually land on something?

Lucas: It took about 3 weeks, actually. We did go through some negotiations on the value of the website because at the time I wasn't monetizing it, and so it had about 30,000 unique visitors a month, which, looking back now, doesn't seem like much, but it felt like a lot at the time. It certainly had some value and the potential seemed great, and so they were really buying the future of it, and so how do you really price that out?

I went through a couple of different models of deferred value and a 5-year plan of, if I continued on this path, what is it going to be? I mapped that out and didn't share those with Gino, but had a financial planner look at it, and my actual brother, who does this stuff with company acquisitions and mortgages and stuff, had him look at it too. I used the resources that I had and came to a number, and then we worked back and forth a little bit and got to the middle. At the end of the day, I thought, "Is it worth it to me to have the freedom and the lifestyle that I need to be with my family and the daughter that I was adopting?" It was more than just money and it was something that I was very happy to do anyway. You've got to look at everything. Life is not just all about the numbers.

Pat: Right, right. Lucas, that's very cool. I can tell that the mission to actually help this industry is real. It seems like, as I said earlier, Cozy is a great company to help you do that. Now that the site, Landlordology is still there, as is Cozy, of course, can you share some numbers in terms of what traffic is like on Landlordology now, and also what resources that you got from now working with Cozy were able to grow you that number?

Lucas: Yes, yes, Landlordology currently gets about 4,000,000 page views a year. About 2.8 million people interact with us somehow on Landlordology a year, and these are all people that were either

reading the articles and commenting, or asking questions, or teaching each other. The neat thing that I've seen happen on that site is that in the Comments section, other landlords throughout the country will comment provide input. It's become a forum without us ever intending it to be a forum. The community that's been developed there just organically just never ceases to amaze me.

It continues to grow about 18% month-by-month, and so that's the average, and we've certainly had more months than that. The things that certainly appeal to most people, I think, are the hot topic issues for landlords and tenants. For example, or articles about evictions certainly get a lot of traffic. Our articles about roaches certainly get a lot of traffic, and articles about odd-ball things that you don't necessarily think of, for example, what do you do with tenants if you sell a property? Do they have the right to stay there? These are all topics that really matter to the people in the equation, simply because we're dealing with housing. It's a core element that people need. We're not talking about just an e-book. It's something that people live in and breathe every day.

Pat: Yeah, very true, very true. In terms of the resources coming from Cozy, was there anything specifically after getting acquired that started to ramp up traffic quite significantly? Did you start to put advertising dollars, because you had access to that, into building Landlordology? What, if anything, helped you get to that level besides the obviously, like you said, the content and some of the most popular topics?

Lucas: Sure. The most notable help that I received immediately after joining Cozy was the design-first attitude. Cozy is a design-first company. Everything is focused on UX and that experience, and making it as best as they can. What they did is they said, "Landlordology, you have a great site, but we're going to make it even better." We immediately launched into a redesign and we used Cozy's top-tier designers that they had on staff full-time. I had access to them, and I worked with them daily, and we'd tweet everything about it.

It seemed like every day we'd go back to the drawing board a little bit and it just was nice to have a professional design. It wasn't something that I was going to buy in a template store or even hire overseas, which can work, but I knew that this was somebody that was working with me and had years and years of experience.

Then we custom-built the guts side of it. The engineering team that Cozy was using to build their product, they just dumped onto me and they said, "You can have this and just run with it." I was able to make the site truly my own. If I had to put a number on it, it would probably be about \$60,000 worth of contractor help, if I had hired that out separately. That was just amazing, and to this day the design that you see on Landlordology is still the design that we had 2 years ago.

Pat: That's great, yeah.

Lucas: The conversions, they're so high that we're not changing it.

Pat: Right. What are the most important metrics that you're looking at with that site? You had mentioned conversions, is that into e-mail lists or something else?

Lucas: The main conversion we care about is really how much traffic is it driving to Cozy? It is a sign-up generator for us, the idea being that if you educate people and you teach them to fish, they will also come back to you to buy the fish. That's my own analogy, but I think teach them and they build trust with you, and then they are able to come back to you and use whatever product you want. It's the same thing as what you talk about, where you give out your best products and they'll come buy whatever course you're selling too. It's exactly the same.

We teach them how to be amazing landlords, and then they come buy the product to implement all of the best practices that we teach them. We do track conversions. Landlordology sends over thousands of people to Cozy every single month, and then, of those, we get about an 8% conversion rate to where somebody is

signing up and actually purchasing and using the tool.

Pat: That's fantastic. I think there's a really good lesson here to be learned, is that sometimes a lot of us are great at content marketing, but not so much the product side, and then others are great at creating products but not so much the content side. It doesn't have to be all you. I think there's a lot of lessons to be learned here, for this acquisition that we're hearing about, and so, Lucas, if you could speak on that perhaps?

If somebody wanted to do what you did, wanted to build an ultimate resource, or maybe they're building it right now and they have yet to have a company ... It was very fortunate, that tweet that started everything, but could someone, I don't want to say "force this," but make these kinds of opportunities happen for themselves too? If so, what tips would you have for them?

Lucas: Yes, yes, yes, so if you are building an ultimate resource, I would suggest that, 1) you make it better than everyone else's. I mean truly have something in there that is different. It separates you apart and it is better than everyone else's. It doesn't have to be the whole site. For example, I started with just the state laws. I thought, "Well, this is one thing that could be really useful." When I was getting started, it got featured on Life Hacker, just that one little portion. Have something that people can take note of and that can explain your site in half a sentence, really.

Then, when it comes to reaching out to people, if you're looking to go the acquisition route, which I didn't know if I wanted to when I started, but it's an option for an exit, then find the other people in the industry that you think might be a good fit. When I looked at Cozy for the first time, I actually thought, without having talked to them at all, I actually thought, "Well, if anybody would ever buy my site, I hope it would be somebody like them," because I just liked what they were doing too.

Reach out to them. Share tweets with them. Connect with them and just build that relationship and build that trust so that when it comes

time that they might have a new round of investing or they might be doing well with revenue and they are looking for ways to grow they think of you. In my case, Gino flat out told me, he's like, "Listen, we're going to build a content marketing division. We want to edit the industry, so we can either do it with you or we can do it without you, but either way it's going to happen."

As nice as he was, that's the truth, and I think that he had a choice. He could build it, which would cost money, or he could take what was already succeeding. I think that that's where you want to be. You want to be at that top of a very short list where there's a need.

Pat: Right, and then in terms of what that deal might look like and what your life might look like afterwards, I know that you put a lot of thought into, "Well, this is what I wanted. This is how I want to live." You're working from home and you're still able to do those things. I just want to touch a little bit on rewarding, I guess I could say. A lot of people, they do see these opportunities and sometimes they bite at the first one, just because it's the first one. Is there anything that one could look out for? Let's say that they're getting some interest from other companies, how do you know which ones are the best ones to look at? How do you know if it's the right fit for you, and not just your business, but your life?

Lucas: The deal that you structure is going to be unique, and so you have a voice in what that looks like. In terms of picking a company, I think that you have to have a passion for whatever you're doing or whoever you're working with. I love working for Cozy. It's the best company I've ever been at, and it's simply because the culture is amazing and the passion is amazing. I didn't know that going in and it's really hard to see what a company's culture is like, but just follow them closely.

Try to get to know them, and then find out what the owners do. Are they involved? Are they in a heavy metal band and that might be awesome, or are they in a knitting club? These other things that you might have a passion for also, could you connect with them there? As you continue build that relationship, just nurture it like crazy.

Don't ever turn down a possible connection, because this entire industry, regardless of what your niche is, is built on relationships, so nurture everything.

Pat: I love that, Lucas. That's perfect advice to end on, and I'm just so thankful that you came on the show and shared your story, very inspirational, lots of great advice too. Where can people find you, or where would you recommend people go to learn about you and what you have going on?

Lucas: Yeah, check out Landlordology.com, and Cozy.co, that's Cozy (dot) co.

Pat: Awesome, Lucas, you rock. Thanks so much, and just fantastic. I appreciate you.

Lucas: Thank you, Pat.

Pat: Awesome. All right. I hope you enjoyed that interview with Lucas Hall, again from Landlordology.com, and Cozy.co. It seems like a fantastic relationship there, and I'm actually going to be using those resources likely in the near future, like I said I the intro.

Thank you again. We have a lot of great content scheduled and recorded, and ready for you in the upcoming weeks, including another success story next week that actually in the headline it's a not so overnight entrepreneurial success story with so-and-so. We'll introduce that person to you. She's awesome, and she's actually teaching English online as a second language, and it definitely didn't happen overnight. That's the point of all of this, because we have to understand that this stuff doesn't happen with the click of a button. There's a lot that leads up to it, but it can be done, and you can make massive changes in your life and the lives of those who you serve online.

Until the next episode, I just want to thank you again. Make sure, if you haven't done so already ... I haven't mentioned this in a while, go ahead and go to SmartPassiveIncome.com/app, yeah, A-P-P, because you can download an app, a smartphone app for



your Android or your iOS device, that allows you to get all of the SPI content across all of the different channels. This the blog, the podcasts, including Ask Pat and this one, and SPI TV as well, all in one spot. You can click to favorite your favorite episodes or pieces or content so you can come back to them later, and it's just a great experience for you to get SPI on the go. Again, you can check that out at SmartPassiveIncome.com/app.

Thanks so much. I appreciate you, and I'll see you next week. Bye.

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