Top Fresno & Clovis Real Estate Company Realty Concepts Realtor Agent: Jason Higton | New & Existing Homes And House Listings For Sale

Jason Higton Interview 2022-09-22

[00:00:00] **Joey Myers:** Hello and welcome to the lead generation strategies podcast. I'm your host Joey Myers. This podcast is brought to you by lead generation SEO services.com and EnFuegoMedia.

[00:00:16] Today I have a special treat. I know I say that on a lot of these podcasts, but today, especially special because I have a good friend of mine, Jason Higton who got my wife and I into the house that we're in now and took a little bit of shopping around him and his brother Ryan, they're a duo.

[00:00:31] We call them the Higton bros and Ryan tends to work with more of the contractor side of things and the fix up and what was great about our thing was that we found a house that was, I think it was vacant for six months.

[00:00:43] **Jason Higton:** I don't remember, but I know there was some good aspect to getting you in there. That's for sure.

[00:00:48] Joey Myers: Yes, we were able to do an out, not live in Reno, which we had done in our old house, a live in Reno, which is a complete nightmare.

[00:00:55] The Higton bros were able to find us an awesome place and everything the rest is history. So first I want to welcome you to the show, Mr. Jason Higton.

[00:01:01] **Jason Higton:** Thanks for having me. Look forward to talking about our baseball swings here today.

[00:01:07] Joey Myers: Wait a minute. Is this a baseball swing podcast?

[00:01:09] I do have one of those. I do have one.

[00:01:11] Jason Higton: Gotcha.

[00:01:13] Joey Myers: It was funny. We got to spend a little bit of time this summer doing some all-star stuff too with his son, Kyle. We have a good relationship. We went to high school together and all that good stuff. So, I'm sandwiched between Jason, who was a year older than me and Ryan who was a year younger than me.

[00:01:25] It was cool. We got surrounded by Higton. So first start with, so you are with Realty Concepts in Fresno, California. You bring a unique perspective here because you're not just a realtor. You guys aren't just realtors, you guys are investors as well. Talk about what you do, what you guys do on a high level over there at Realty concepts and outside of that with the Higton bros.

Talk about what the Higton Bros do on a high level over at Realty Concepts

[00:01:42] **Jason Higton:** My day in and day out job is selling homes. So residential resale to people like you and Tiffany. But the biggest thing for me is having multiple income streams. So yeah, we do invest. We've been able to invest over the last 10 years and mostly it's been in just single family [00:02:00] residences.

[00:02:00] We've seen those grow and it's been an incredible last 10 years for single family residential in Fresno specifically, we only have invested in Fresno. With that said, we also flip homes, like we were able to do a flip to suit, just minimally speaking for you guys.

[00:02:17] We don't do that very often and honestly now there's not that many flippable homes because the market has gone up in such a dramatic increase. We don't do a whole lot of marketing specific to our flipping side. But also, we've gotten into in the last, let's say two years, we've really been going well with the Airbnb short term rental side of things.

[00:02:39] That's been an interesting part of our business, another kind of income stream to augment resale, to augment investment with long term tenants. And then now to have kind of the short term is a cool thing. Then last but not least, we also are in the property management space as well.

[00:02:55] We just recently purchased a long-time manager's book of business here in Fresno called David Parker properties. Great, very niche high quality property management book. So those four things make up what we're doing. But my day inday out bread and butter is selling homes to families and doing trust sales and probates and whatever anybody wants to give us on the sales side, we will do

[00:03:21] Joey Myers: I love it. Now, chicken before the egg, 10 years ago, was it the realtor side that started or was it the investor side or was it at the same time?

[00:03:29] **Jason Higton:** Good question. Investment side started first. We had some money that we wanted to invest in. We didn't quite know what to do. I was selling orthopedics for a company.

[00:03:37] I was in surgery every day, selling total knees and total hips to orthopedic surgeons. My brother tells me, I'm going to flip a house. I'm like, okay, and so he flips this house, and he worked all summer. He was a teacher in fireball. He worked all summer; he was doing the demo and really hands on.

[00:03:52] I put some money into that. We made a little money; we turned it again. We did it again. And at some point, he goes, I'm going to stop teaching and [00:04:00] I'm going to get my real estate license and I'm going to go to work at Realty concepts. I was like, that's the stupidest thing I've ever heard.

[00:04:06] I was like, that isn't you, that is not a smart idea.

[00:04:09] Here we are, that was maybe 2009, 2010. 12 years later I've been doing this about seven years. It took me a little while to make the jump from orthopedic sales to this, but yeah, investment first and then into that real estate.

[00:04:23] **Joey Myers:** And I like you telling your story and I appreciate you sharing that.

[00:04:25] It's cool. I've always told you and Ryan that and dad's involved in this too. So, this is like a family ordeal which I love, and I respect, and I talk to my brother about it, my dad about it at some point we can get together on something like this or whatever it would be in the real estate side or buying a property that is like a wonder valley type thing.

[00:04:44] We have some family up in the Bay Area or outside the Bay Area that bought a golf course, has a restaurant on property and they do weddings there and just cool. It's a hallmark thing, right?

[00:04:53] Every freaking movie that this one right here, my wife watches on hallmark, do they buy some property? That has a golf course on it, has a restaurant and then there's two people that meet. They fall in love. They literally run into each other. They don't know each other and then, they hate each other at first and then they love each other.

[00:05:08] **Jason Higton:** I've seen a couple.

[00:05:09] So what golf course?

[00:05:10] Joey Myers: Good question. I'm not as versed. You're the golf guy.

[00:05:12] **Jason Higton:** It's in the Bay Area though?

[00:05:13] Joey Myers: It's outside. It's outskirts Bay Area. That part of my family lives in Martinez. It could be Stockton maybe.

[00:05:19] We have some family in Stockton. It could be somewhere up there, near the Delta.

[00:05:23] Jason Higton: Interesting.

[00:05:24] Joey Myers: I can't remember the name of it though, I don't think I didn't hear of the name before they mentioned it, but it was a cool thing. I think it's one of my older cousins he's up there, not a tractor, but right on a riding lawnmower.

[00:05:34] He's cutting the grass and just loving it, just loving being outdoors and that kind of thing.

[00:05:37] So anyway, you're going in as a family, whether it's real estate or whatever, it's cool to get the dudes together and doing stuff and of course the wife's makes for a good family affair.

[00:05:46] So Ryan got started on the investing side. Did he go into any kind of courses or have a mentor at the beginning? Was there anybody that, or did he just go, you know what, let's just do this. We got it.

When you guys got started in investing in real estate, did you have a mentor?

[00:05:55] **Jason Higton:** In those days, I think that the margins were certainly such that you could make [00:06:00] some mistakes and be okay, but he was willing to go really slow on it.

[00:06:03] We were working with cash. We weren't working like on any sort of note with anybody, so we had the time, and we just took our time on the first few and really what it comes down to is having a good contractor. We've had multiple over the years, but if you have a good contractor, you can get anything done. Is really what it comes down to.

[00:06:19] Man, managing those costs and because we don't pay for our money on a high level, we were willing to go slow, make some mistakes and maybe not make as much as the next person, but enjoy the process.

[00:06:29] Joey Myers: Just learning basically.

[00:06:30] Jason Higton: Absolutely.

[00:06:31] Joey Myers: Education, right? You're whether you pull even, or you lose a little bit or you make some, and plus you came in right at almost the best time, because I was almost on my way out. Because I'd been in 2005, I think is when I got my realtor's license.

[00:06:44] Tiff and I went and studied abroad. I came back, I caught the entrepreneurial bug, finished my degree in criminology, which I never really did anything with and then got into real estate, started working for Terrance Fraser, doing the flipping auction stuff and then that kind of thing. I was working for Steve

Hosey on the realtor side, and we invested in some properties, we lost our butt on some properties.

[00:07:02] We made some money on some properties. So it was probably about an even thing, maybe just a little bit more on the loss side. But 2008 is when you exited out and I was really getting into the digital marketing side of things and building websites and doing the marketing.

[00:07:14] I really love that side of business. You guys were coming right in on it, right? You guys have come out of a dark or blemish time in a real estate world and you've been in it for over 10 years. About a little over 10 years now so looking at the current rate hikes and things which are amazing.

[00:07:30] I had another podcast with the note guy, right? I mentioned that off call or off the recording. I mentioned to him, I was like, man, that is a bold move, right? 45 days before an election, the feds hiking rates.

[00:07:42] What do you see happening? Is it going to change you guys' strategy?

[00:07:46] You talked about short term rentals. Is that going to be a little bit more of a mainstay with these rate hikes?

How is or has your real estate agent strategy changed with these Fed rate hikes?

[00:07:51] **Jason Higton:** To hit the first question, which is based on sales and rates and buyer mentality, let's call it. From March of this year, until now [00:08:00] complete 180-degree turn.

[00:08:01] March we had tens and tens of people coming through each listing. Maybe even 10 or more offers on each listing they were priced, maybe what the best comp was before that house was on the market. So those March houses were listed in March. They were sold in April or May let's say, and then those May listings kind of listed high, because it was a comparable and then come June and July, it was a completely different market.

[00:08:27] You had five people through a listing.

[00:08:30] Joey Myers: By the way, summer is like a hot time for real estate.

[00:08:32] **Jason Higton:** It should be. It just completely came off the COVID wave or whatever we want to call what just recently happened with the super low interest rates.

[00:08:40] I mean for the longest time we didn't sign any loan documents over 3% on a 30-year loan with most of our clients. It just was that low for so long and then

comes June, July, and now we're in here into September and we're seeing price adjustments in a downward way, obviously we're seeing way less buyer activity, price point 300 to 400,000.

[00:08:59] We sell a lot of those homes, those single-family residences and I'm telling you right now, those should be getting pounded by buyers and we had a listing that was \$370,000 and we had four people through in two weeks.

[00:09:12] Joey Myers: Wow.

[00:09:13] **Jason Higton:** This is just a 180 degree turn from where we were previously.

[00:09:17] Today's rate for a borrower with a FICO of 740 or higher is 6.5. That's substantial when you think about a 3% interest rate previously. I really do think buyers should still be buying, maybe their price point that they were going to buy out goes from here to here a little bit.

[00:09:32] If you're comfortable with the payment, really the philosophy of buying shouldn't change but it has, there's just this psychology that is just in the ether out there when things like this happen and it affects buyers, it has not affected sellers. Our inventories up. Our inventory is increased.

[00:09:50] People are ready to sell, and they're motivated because they're realizing now, yeah, the price is coming down a little bit at this moment, but man, it's still a lot higher than it [00:10:00] was a year ago or 18 months ago. So, seller, it's still a great time to sell. It's going to be a good time to buy.

[00:10:05] I really don't see a crash as everybody's been saying on the real estate side. We don't have a huge subprime problem. On the lending side, I can't necessarily explain it right now but it's interesting.

[00:10:15] So all our sellers know that this is an interesting time.

[00:10:19] Joey Myers: I agree. A lot of the people that have been in the industry for 30, 40 years, I saw a real estate guy, I think he's central valley, Fresno Clovis area for a long time. I can't remember his name, but he knew what he was talking about, had seen up and down cycles and the whole thing he said, you got to look at it.

[00:10:32] Like in the seventies, mortgage interest rates were like 17%.

[00:10:35] Jason Higton: On the high end, but the house was like \$80,000,

[00:10:38] **Joey Myers:** The price was down quite a bit. The interest rates were high. They were almost, I wouldn't even say almost credit card-ish now because credit card rates are super high, but you must look at it from the outside.

- [00:10:47] Like you said, over the past year prices have really climbed. You're not buying when they're buying, might drop a little bit. Like you said no subprime issue. In this time around like in 2008, little bit different feel with the inflation going on.
- [00:11:01] So maybe that's going to add a little different flavor, but yeah, I agree with you. I don't think. And then that's what I'm hearing consensus wise from other realtors from around the nation.
- [00:11:10] **Jason Higton:** I wish that it wasn't so inflated, but everything costs so much more at this moment. But I do see this kind of being the lowest the prices are going to go.
- [00:11:21] I think the real estate is going to continue to be a great investment for homeowners, for investors and for anybody who wants something to diversify their portfolio.
- [00:11:30] Joey Myers: What's great about you guys' model is that it's not just the realtor side. You said it's your bread and butter.
- [00:11:34] That's where you kind of network and you fill your pipeline with buyers or the listing, the listings were the hot commodity. People were just trying to find listings around the country, but you got the investors standpoint. With the rate hikes, in this sense, how does that change?
- [00:11:47] Is that change your strategy or kind of the same on that side?

How have the rate hikes affected your real estate investment strategy?

- [00:11:50] **Jason Higton:** No, we've had a few flips. Right when we get tired of one thing, like if I get tired of dealing with people like you. I go to the next thing and so we've been putting some time and energy into our property [00:12:00] management.
- [00:12:00] We've been putting some time and energy into our short-term rentals. Haven't been putting as much energy into the long-term side, I mean there's no vacancies in anything we have and we're not big by any stretch we might have, I don't know, maybe we have 20 doors total. But for a group of three, we make a decent living off it.
- [00:12:16] With that said the short-term rentals let's say a year and 18 months ago, a year ago, I'm talking an incredible investment, like three to four times what you would see monthly. Net proceeds versus a long-term rental on the same short term. I'm sorry, on the same single-family residence.
- [00:12:37] Three to four times. Sadly, in the last, probably three to four months. About the same time, everything started just coming over that hill. We've seen less

- guests traveling. I don't know if it's the gas prices and granted gas prices aren't the biggest deal but when you just add everything, it's one thing people aren't doing.
- [00:12:56] Whereas during COVID people were traveling like crazy and using only Airbnb's, because they were maybe scared to go to a hotel.
- [00:13:02] We had probably 98% occupancy for a long time on all our short-term rentals. And now we're probably in the 50 to 60th percentile on occupancy during a given month. Although I would love to say, yeah, let's just really focus on that. It's in a little bit of a tizzy as well.
- [00:13:18] The interesting thing, if you don't mind, I'll talk about this just for a second. But the short-term rental versus a long-term rental, you have the property manager over here saying, you should only do long term and then you have, an Airbnb guest or super host that says you should only do short term.
- [00:13:32] We have found that short term rentals, the property, if you're the landlord, if you're the owner, the property stays in substantially better shape on the short-term rental side. So, if you're even close to breaking, even on a short term and a long term, do a short term.
- [00:13:47] Yes. You must furnish it. Yes. It's a hotel. Yes. You have to have all the stuff in it and you want to put out a good product for your guests because they come on a nightly basis. The property is continually being turned and taken care of. Where if a long term [00:14:00] person goes in there, you're not seeing that property for a minimum of a year.
- [00:14:03] We're off topic on that. I apologize.
- [00:14:04] Joey Myers: No, I like that.
- [00:14:05] **Jason Higton:** Short term is an interesting play for a landlord who cares about their property. We don't necessarily care deeply or have like emotions tied to our properties, but we like to keep our stuff nice. It certainly stays nicer on the short term.
- [00:14:18] Joey Myers: Less spend over the long term, when it's all said and done, if you got that constant turnover and things like that and one of the things, I was taught back in the day by another veteran 30 year, 40-year-old, 40-year veteran real estate veteran did a lot. I think the property managed at the time, maybe 50 plus properties, I think.
- [00:14:36] He said, the one thing he said, you put in your contract, it's got to be for everybody because you can't discriminate obviously. But you put in the contract, you say due to a property check within a 24-hour period so I can give notice within 24 hours and or within 24 hours, I can come and visit that property.

[00:14:50] He said if they have roaches or even before that, the applicant, that they can go to their house or apartment, whatever

[00:14:57] **Jason Higton:** We have done that on occasion, just to see what we're getting into,

[00:15:00] **Joey Myers:** If they have roaches, you're going to have roaches that's what he said.

[00:15:03] **Jason Higton:** That probably is true at the same time 24 hours is the notice of entry. However, we rarely do it because it's you just don't want to bother people unless you must. But on the short-term side, they're guaranteed to pay, and they're guaranteed to leave. That's also positive to it.

[00:15:17] Joey Myers: All right. This wouldn't be a lead generation podcast if we didn't do some lead generation talk. I know we've been doing a little bit more of the real estate side of things. So just give me a rundown of what you guys do from a lead generation standpoint. Maybe how it's changed from the beginning to now or what your main points are.

What do the Higton Bros do when it comes to lead generation?

[00:15:31] **Jason Higton:** We started real estate and we've lived in Fresno for our whole lives. I'm almost 43. We know a fair amount of people. We really deal with that word of mouth that, hey, I've just told my dad and my friend and this person, and we're in the 90th percentile of people that we work with we know, there's a direct line to somebody that we do know.

[00:15:50] That's probably our main marketing source. And we're extremely thankful for that because those sort of leads as you guys know are gold. They're like gold.

[00:15:59] **Joey Myers:** [00:16:00] You guys are very connected.

[00:16:01] When I say the Higton bros, I say that with good humbleness and respect, because you guys are great people, Christians, you're not the type that will go behind back stab, talk, gossip. I don't know about Ryan so much but extroverted, very personable, that kind of thing. So that goes a long way in this business.

[00:16:17] **Jason Higton:** We're going to continue to live here. We do have a legacy that we want to continue, and we care about everybody we work with so I think that's a big piece of it.

[00:16:23] We have done multiple other digital marketing type things over the years. We started out in that referral only, let's call it space. Then at some point we were doing about 50. We're doing about 50 transactions a year and we pretty much stayed at that 50 transaction a year level for about eight years.

- [00:16:40] Super blessed to do that amount. It suits us very well.
- [00:16:44] Joey Myers: That's mostly referral, right? Those fifties.
- [00:16:46] **Jason Higton:** Yeah. occasionally there's a different source for different ones, but regarding like marketing or lead generation. Regarding digital kind of stuff, we worked with a company called Curator.
- [00:16:56] I don't know if you've heard of it, specific to real estate and we went pretty hard with curator, what that did was we did all kinds of Facebook type of stuff. We did Google stuff. What the other thing was called.
- [00:17:06] Joey Myers: YouTube?
- [00:17:08] **Jason Higton:** No. We've done some videos.
- [00:17:10] Joey Myers: Oh, something outside of Curator.
- [00:17:11] **Jason Higton:** Yeah, it had to do with if you walked into a business, we got the phone number anyway. Some stuff that was outside of our scope of comfort level.
- [00:17:18] Joey Myers: Text message marketing or something like that.
- [00:17:19] Jason Higton: There was some stuff like that that we did.
- [00:17:21] It just didn't fit us quite as well. A lot of the leads that we were getting just seemed to be cold to maybe not even that great. So, we stopped that about after a year and then just went back into the referral side.

What did you guys do to secure quality cold leads?

- [00:17:33] Then probably about three years ago I became an endorsed local provider for Dave Ramsey. I don't know if you know who Dave Ramsey is. He has 23 million listeners every day and he's a no debt money guy. Real estate's very close to his heart so I represent Dave Ramsey here in Fresno, along with another number of other realtors.
- [00:17:51] I get his leads that he gets and that we pay for those leads.
- [00:17:55] Joey Myers: How are those quality? How's the quality of those?
- [00:17:57] **Jason Higton:** The quality of those leads, honestly, they've gone down a little bit [00:18:00] in the last year, but the first two years I was involved incredibly

consistent and good leads. People who were Dave's fans, a lot of people who were believers. Just great people because they trusted Dave Ramsey so much.

[00:18:13] I think they've gone out of their little comfort zone.

[00:18:16] They've got more people like me, so they need more leads. Now that I think they're grabbing leads from different places that aren't as good. But they have committed just recently to getting back to basics and I think the quality is going to continue to be high with them.

[00:18:29] So we've done that and then now that we've been in it seven or eight years, really it comes down to doing it very decent to above average job with the people you've already sold homes with and then those people are your mouthpiece.

[00:18:41] Joey Myers: Your follow up.

[00:18:42] **Jason Higton:** A lot of people in real estate, they get on some sort of automated portal where they send houses to buyers or, contact sellers. For me, anything I get, I have found that my best kind of lead generation source is either a direct phone call for me, a personal video message for me, or a text message for me.

[00:19:02] I do it all myself. I don't have my CRM do any of it. I probably should be a better manager of my CR M, I'm not. It's in there, it's stacked. But I personally do it and I feel like I have better conversion rate when I personally am touching that person.

[00:19:21] Not touching but touching.

[00:19:22] Joey Myers: Figuratively speaking of course.

[00:19:23] **Jason Higton:** Figuratively speaking.

[00:19:24] Joey Myers: Or it's a pat on the back.

[00:19:25] Jason Higton: Yeah, exactly.

[00:19:26] **Joey Myers:** That is the essence of converting leads is. The more personal you can make it and you're talking about that's a hundred percent super personal. Two being able to scale, but scale to the point of where you keep somewhat of a personal touch with it, but it doesn't seem cold.

[00:19:41] You know where you're oh, this Jason just sending me a text message. His virtual assistant or his in-person assistant, probably just sent that to me, whereas you sent a video message or a text and it's unique. You use their name.

- [00:19:52] Jason Higton: Absolutely.
- [00:19:53] Joey Myers: A pet name, that kind of thing.
- [00:19:54] It's going to make a difference in the conversion.
- [00:19:56] **Jason Higton:** I spend about probably two hours every week on [00:20:00] one morning, it's usually a Monday or Friday morning. I'll do personal video messages to both old clients, but mostly to new prospects and they're well received.
- [00:20:08] Honestly, I call it well received, even if they tell me, oh, hey, I'm already working with somebody else, because it's Hey, at least I'm maybe now on deck or I'm runner up to something. We're never offended by somebody using another realtor because there's so many of us out there, if you did get offended, then this is not the job for you.
- [00:20:24] Honestly, that's why we were thankful to work with you guys because 400 realtors and so honestly thank you for doing that.
- [00:20:30] Joey Myers: To Higton bros
- [00:20:31] **Jason Higton:** That was very kind. I think, we hadn't been in touch in quite some time, but I think maybe you or Tiffany saw us on Facebook or something and that's how it happened there.
- [00:20:39] **Joey Myers:** I agree. I appreciate you sharing that and the Dave Ramsey thing, I think will help some other realtors that are listening on this call or other investors or whatever.
- [00:20:45] I appreciate your time today, but to be respectful of your time, I didn't want to go too much over because we got kiddos in school, and I don't know if you're doing the pickups.

Life with the Higtons...

- [00:20:52] Jason Higton: We have three kids that are playing two sports.
- [00:20:55] So it is an activity filled afternoon every day.
- [00:21:00] Joey Myers: It's like a double day every day.
- [00:21:01] **Jason Higton:** It is.

- [00:21:02] Joey Myers: But at least the scenery changes, the ages change. What's Kyle doing right now? Is he playing football?
- [00:21:07] Jason Higton: No, he's not. He's playing soccer only.
- [00:21:10] **Joey Myers:** Good.
- [00:21:10] Jason Higton: But he'll get back into baseball.
- [00:21:12] Joey Myers: He wants to play. He wants to play baseball right now.
- [00:21:15] **Jason Higton:** Interestingly enough, baseball he has fallen in love with yeah.
- [00:21:18] Joey Myers: This is a point I got to make on the sports side. Ryan was big into the comp too. I know you were a big comp guy, right?
- [00:21:23] **Jason Higton:** I was more on the soccer side and then started playing golf a little bit later. He quit soccer a little bit younger, but then got into golf sooner than I did.
- [00:21:30] Joey Myers: When did he stop? Did he stop soccer in high school?
- [00:21:32] **Jason Higton:** I think maybe eighth grade, something like that.
- [00:21:34] Joey Myers: So, he played through because I remember coming to the Knotts baseball camps in high school all the time.
- [00:21:39] Little rhino and stuff and, so I knew that you guys both played soccer. I know you played more. Because I just remember seeing you in the comp.
- [00:21:45] Those soccer teams.
- [00:21:46] **Jason Higton:** All my high school friends were the soccer team
- [00:21:47] Joey Myers: Very cool. Hey, any where people can find you? Let's do that thing. My gosh, I got to wipe a tear from my eye because Jason had to fill out to schedule this session, one of the questions is what's your LinkedIn profile that you want us to [00:22:00] put on the thing and he said no clue, LOL.
- [00:22:03] Where could people find you?

For those interested, where can people find you, Jason?

[00:22:04] **Jason Higton:** We are not the digital masters. However, you can find us on Facebook under the Higton Bros. You can find us at thehigtonbros.com or Realtyconcepts.com.

[00:22:12] Joey Myers: That's HIGTON.

[00:22:14] Jason Higton: Correct.

[00:22:15] Thank you.

[00:22:15] Thanks for having me. Love talking with you, especially in a format like this.

[00:22:19] **Joey Myers:** Me too, brother. Thanks again for coming on, making the time.

[00:22:23] Jason Higton: You bet.

[00:22:23] Look forward to doing it again.

[00:22:24] Joey Myers: Hey, hold on really quick...