

## EPISODE 2 - Susan Brock

**Curtis:** Welcome everyone to the **Your Project Shepherd Podcast**

*I am your host Curtis Lawson from **Shepherd Construction Advisors**. Here at Shepherd, we teach that there are four essential components to every successful construction project. And these are illustrated by a simple child's drawing of a house.*

***The foundation is planning. The left wall is your team, the right wall is communication and the roof, protecting it all is proper execution.** If you have all four of these components, your project will succeed, and that's We're here to set you up for Success. We will walk you through the right way to go, to go about building a house so that you don't make the same kinds of mistakes that Brian and Heather are making up, even though they are fictional characters that I've created, all their mistakes are based on things that I've seen firsthand during my career.*

*And so other than our short intro/promo video that we did a few weeks ago, this is our very first podcast to be aired.*

And today, on my **first podcast is my friend, Susan Brock**.

**Susan:** Hey

**Curtis:** Susan is the owner of **Brock and Foster Real Estate**. Hey Susan.

**Susan:** Hey, how are you?

**Curtis:** Awesome. So glad you're with me today.

**Susan:** Yeah, thanks for having me on.

**Curtis:** Susan is a licensed real estate broker here in Texas and she's been in business for how long

**Susan:** 22 years

**Curtis:** We've been along around for a long time.

**Susan:** That's right

**Curtis:** We met each other probably close to 20 years ago. We both lived in the same neighborhood in southwest Houston. We were both dealing with investment properties and doing remodeling projects flipping houses, and things like that, right?

So, Susan, you deal mostly in residential properties, right, working with buyers and sellers, but you have a strong focus on investment properties.

**Susan:** Yes, that's true.

**Curtis:** And you recently or pretty recently now because it's been a few years. You also started focusing on Sports entertainment, and work as well, right?

**Susan:** Yes, we work with a lot of athletes

**Curtis:** Awesome, but you still I know that you still represent a lot of Builders and remodelers, investors, and that sort of thing.

**Susan:** That's right. We do.

**Curtis:** So, she has a lot of experience, and she is bought and sold a lot of properties for herself personally. So, she's well-versed in the world of analyzing values of properties and you have the investment side of things and finding the right properties for new construction or Remodeling, and that's why I've got her on here. So, thanks again for joining me. So, I've gotten the question from a few people. When I was planning this podcast and they said, why do you want your first episode to be with a realtor because you know you should start with an architect or Builder? And I said well the first thing that people usually do even before they go get plans, is they buy a lot, or they buy a house to tear down and oftentimes they go into this blindly without the benefit of already having their team in place, which is what Brian and Heather did in the story that we just heard. So, here's an easy question to start with. Why should people work with a realtor to buy a lot or a teardown, or Acreage for a custom home or whatever?

**Susan:** Sure, absolutely. I think their realtor, they are your starting point. So, they're going to help you pick the right place, and more importantly, do not pick the wrong place, they're going to help you determine longevity. What is the right place, not just right now, but over time, what is the right place for the style of house you want and the size of house you want? So, with regard to the type of Lifestyle, you're wanting to lead what neighborhood best serves that, and they'll also be able to give you advice on the types of planning that are required in those different areas. Give you advice on flood zones and even homeowners associations to be wary of.

**Curtis:** Yeah. And I mean, not every realtor, you know, it's kind of like builders Not all Realtors are created equal. Real estate and building are two industries where there's like a very low barrier to entry.

**Susan:** Sure.

**Curtis:** You know with construction there's no barrier to answer, you basically print a business card, and boom, you're a builder or don't even do that, right? With real estate. At least there's a license your process and even more. So, to be a broker, like yourself but still, you know, I've been around real estate for quite a long time now. And there are a lot of realtors out there who aren't very qualified.

**Susan:** Sure

**Curtis:** So, just like choosing a builder. I mean, choosing a realtor, who knows? The market knows the area that you want to be in. It's really essential.

**Susan:** Absolutely. I do agree with you. I think in almost any industry there is a minimum level of service and then there's a stellar level of service and I think especially if you're building a custom home your spending, you know your life savings, you're buying the most expensive thing you probably will ever. Just it's important to do your research and find someone who really has a high level of skill in being able to find the right lot.

**Curtis:** In Brian or Heather's case they went out and bought a for sale by owner property, no realtors involved on either side. So, tell me the dangers of doing this. What are the pitfalls of buying a for sale by owner property? Especially on your own without experience representation? I mean, it's one thing to buy one where you have an agent in, you're buying for sale by owner but no Asians on either side, or by that's kind of a free-for-all one of the dangers of that.

**Susan:** I think the number one danger, is that the seller may not properly disclose, and also the seller may lie or may not tell you the truth or the full truth. That would be my first concern. The second concern would be the buyers' lack of understanding of what they should be investigating: what the property diligence process is they really have no idea and if they haven't engaged a builder or an architect, they don't really even know what to ask or to research.

**Curtis:** Yeah. I mean with the internet, everyone's an expert on all things and especially real estate, it seems and design and building,

**Susan:** you know, tell my clients just stay off of Reddit just ask me.

**Curtis:** You know, along those lines I actually had a call from a couple of weeks ago who wanted to meet me about remodeling a house that they already had under contract, they got under contract this exact situation. No Realtors and they called me and said, hey we just got this house under contract, you know, they have like ten thousand dollars on earnest money they put down they were already out of their option period, so if they back out there not going to get there in his money back, right? And well, actually that so it was listed with a broker, but they didn't have one. So, they called me and as soon as they gave me the address, I knew it was in the floodplain and I pulled it up on the flood map just to make sure on the online FEMA maps. And for sure it was not just the floodplain of a floodway, which means like backs up to a creek. Basically, I had to break the news to them. It was impossible for them to do what they wanted to do because the city wouldn't allow FEMA, wouldn't allow it. Now, the seller did disclose that it was in the floodplain, but these guys didn't have anyone on their side, to tell him what the implications of that were. And so, you know, now they're out ten thousand dollars, earnest money. I mean, I'm glad that they called me before they closed on us. This man, let me know once they close on and they're stuck with a property that they can't build on. They can't remodel. I guess they could build on it, but that wasn't their intention building, a custom home, a lot different than remodeling, a 2,000-foot house. So I felt bad for them but at least First, we were able to cut their losses, the 10,000 dollars, but I'm sure that you've seen instances like that where people just

bought something where they didn't know what they're buying and so that could have been avoided if they'd called you me, is somebody up front and to be on their team. So, you know this may be backward from how some people approach it, but I think the best way before you even go out to buy a property is to have your core team first.

**8:33 Curtis:** You know have your realtor, have your builder, maybe have your architect too not only one person is advising you, but you have a team saying you know the realtor saying hey here's Values, here is, but as you mentioned, lifestyle is, you know, like what do you want to be close to one successful here? But then you have the architect and I also, looking at saying, this is what you can actually build on this lot based on the setbacks and deed restrictions and whatever so having those key team members assembled, first is really the right way to do it.

**Susan:** I think if you have the team first, you can quickly make the decision and I think that's important; because a good lot will go fast and so you want to be able to the moment it comes on the market, are you identify it as a possibility? You want to be able to say "yes or no" really quickly and if you don't have input from the Builder and the architect, you're almost tripping over yourself determining. I don't even know if I can say yes to this or not, and that puts you in a negative position, you might be overlooking a great property and so I think I think the key is to interview everyone first, and then they can all properly advise you and you can confidently step once you see the lot.

**Curtis:** Yeah. What other common mistakes do you see people making when they're going to buy? I mean, any property, really, but particularly ...

**Susan:** I think in-the-floodplain is a huge one. I think people don't understand, especially if they're buying an existing shell and they think that they can renovate it. I think that's a big one. Oftentimes, when I list a flooded property, I just clearly put it on the remarks. *You cannot renovate this.*

**Curtis:** Yeah, it's smart

**Susan:** Because I don't want someone to be in a position thinking oh my great deal, I can flip this and make a ton of money. I don't want them in that situation, and I don't think every broker would necessarily even disclose that...

**Curtis:** For sure not

**Susan:** But I think it's, I think that he still has some unique challenges around the floodplain. So, I think that's the key. Also, I think just designed around setbacks and even HOA rules like Maplewood, for example, keeping the existing footprint of the original structure. I think that's an unusual role and that one that not everyone is aware of. I also think when people look at certain areas, a lot of the neighborhoods are very small. And so, on one side of the street, they might have certain rules the other side of the street might be a new neighborhood. Different rules.

**Curtis:** I mean, you know, like there's a neighborhood near here called Meyerland has like nine or ten sections every section and some of them are across the street from each other every section has its own deed restrictions.

**Susan:** Right? So, if you have your plan, I think it's important not to assume - I think 'assumption' is the killer of all good plans.

**Curtis:** Yeah. I mean it's crazy. I mean like and on some streets, you can have a garage facing the front on some streets, you can have a garage facing the front and some streets. You have to have all brick some streets, it can be citing, I mean, it's, it's really crazy, and they are hardcore about enforcing that stuff too.

**Susan:** I think another issue that I believe all, especially the older City neighborhoods are struggling with is the deed restrictions from the historic neighborhoods are old, and they do not yet address the new situations that we have like accessory dwelling units, home office's, extra parking Airbnb, solar panels, all these things that people are wanting and their new homes, the deed restrictions don't fully, or adequately address. and I think, as new construction becomes more and more needed just because of functional obsolescence, those deed restrictions need to have updates. Yeah. And that's an arduous process.

**Curtis:** Yeah. And even some of those neighborhoods don't have HOAs that actually enforce things. I mean, some of them are very hardcore and some of them don't actually enforce the stuff that's in place even so you have to know what you're getting into for sure. When it comes to all that kind of stuff, and we don't have some of these issues like some states, do because I know people will hopefully be listening to this around the country or around the world, right? But you know in California you deal with fault lines and there are places you deal with different issues like that. Actually, here in Houston, you are doing some fault lines too, there are several fault lines that run through Houston that people have no clue are there.

**Susan:** They are in Woodland Meadows.

**Curtis:** Yeah, and over on Spring Branch, there are a couple of big ones, The Long Point fault and I've walked into some of those houses where there's a big old crack running right through the middle of the house. And you guess what? You can't build on that. I mean, I guess you can, but it's not that smart.

**Susan:** Right.

**Curtis:** So other than other than common mistakes, what there's a certain kind of person, I think that should or shouldn't maybe even go through this process and I've got my opinions, but I plan on asking all my guests that are coming on the show, you know, in your opinion And what kind of person probably shouldn't even go through this. They should maybe just go to go buy a house that's already built out in the suburbs or go buy an existing house in town and this love it. Instead of trying to go through this,

**Susan:** *I think someone has a deadline. Should not build. If you've got a deadline, you should not build.* If you have a health condition that is affected by stress. Yeah, I want to say people that are control freaks or type-A personalities should not build, but I also feel like those are the ones that like to build.

**Curtis:** Oh yeah

**KEY Susan:** **I think that it is important for them to have a Shepherd.** I really do think that oftentimes, they, my clients included might be doing it on their own and you know, I was told him I'm here as a sounding board, you know, and I have your Builder, you have your architect if your dad, hmm, you have each other, but if you get into a pinch, I'm always happy to hear it out. But oftentimes, I find them getting in the weeds about issues that are easily solvable almost, in my opinion, but they are struggling. So, in such a difficult manner with problems in the build process, I can definitely see. It's important to have somebody else manage them. Yeah, and I do think it's even with a new construction if you go to a big-name builder, a national Builder, if you start from scratch and go to the design center, it is eight hours of a thousand decisions. I mean it's not for the weak and I do think it is probably the most decision-laden thing you'll ever do, and it's such a compact process. If you have a child, you're making decisions for them over 18 years, but if you're building a house you're making decisions for every single light switch location in a bath fixture, the thickness of the tile grout. It means it's just too many decisions almost within a very short period of time with a lot of demand. And I think that for even a normal person that's pretty overwhelming, and I don't think they fully realized, when they enter the process, how detailed it is.

**Curtis:** Right? And if you have the wrong, the wrong team it can get even more overwhelming, you know? That's why we, you know, we say other than the plan, you know, the first two walls of our structure are really kind of the same thing **planning** and **team**. If you have the wrong people in place, it's going to make that process even harder. You know, I think that aside from control freaks, which you are right, a lot of control freaks do enter into the process, and that's unavoidable, so we do deal with that. I just think people who think they can go it alone, people that think they can make all the decisions on their own because again, the internet, everybody knows everything you're like, oh, I can figure this out. I mean,

**Susan:** Right. You know, I think it was like, somehow you could build your own house with a company thought that was a terrible idea awful idea.

**Curtis:** That's definitely still around. In fact, some of my clients for Shepherd are people who are building their own house, and they kind of get too much into the weeds and are having some issues and they hire us to help straighten it out. So, there are a lot of people that still do that self-building thing, right? *So, if you want if you are dead set on doing that, okay, but at least hire somebody like me to come alongside you and help you through some of those decisions because there's a lot of them.*

Susan: Sure, I think also they can make poor decisions that will affect the resale value, and unless you're going to die and that thing, you're probably going to sell it like studies, show that most people will sell within 7 to 10 years, and that red backsplash, you know that shag green avocado carpet that drop ceiling with the black. You know, metal design that you love it, just it's not going to resell. It's not going to help your bottom line. It's not it's probably not something you're going to want to pay to change. Yeah. And I think sometimes they are not thinking that all through as an asset, or that it could create value. Yeah.

**And so, even some of those decisions could be made better by Helper.**

**Curtis:** Most people come to us saying, oh, this is my “forever home.” I hear the words forever home multiple times a week, but in reality, as you said, it's like five to seven years is pretty common. Even for a quote, unquote, “forever home.” We have done huge projects for people that “this my forever home.” Then I see the house pop up on all on the MLS two years later and I call them like, hey, why are you selling your forever home? “We decided to move to Austin.” Okay. Well, guess what, they're building their forever home there. Now, so on the flip side, who shouldn't go through this process, you have somebody that's like your dream client, your ideal, your ideal from a realtor perspective.

**Susan:** *I think the best person to build is somebody who's already owned a home. I think that you need to own a home first, I think that's the best candidate because they've already kind of experience from an ownership perspective.* What they like what they don't but they need what they don't need, what's important to them as they grow. I think a renter is just not looking at their space from that perspective. There aren't really analyzing That apartment or that rental house very strongly, and so I do think a first-time owner is a better build candidate. I also think someone who has thought it through maybe not be in a rush. Is a good candidate. I also think someone who's not a penny pincher is a good candidate. If you are looking to do everything cheaply or on a budget, I think maybe you should just go buy an inventory home from a nationwide Builder definitely.

**Curtis:** Yeah, I think one of the most important things that people have to have when they go into the process and it's the first question that we ask is budget. So, you have to go into it with a realistic budget. And not only that, but you also have to be honest about that budget with your whole team. Realtors got to know a realistic budget. The builders got to know the Architects, got to know because if we don't know, I mean we could be barking up the wrong tree like I don't want to design or go through the design process with somebody only to find out that, you know what they wanted is not actually fit their budget.

**Susan:** Sure.

**Curtis:** I think people try to play that close to the vest like they're scared to be honest about their finances because they are scared of being taken advantage of right, you know, but we as professionals can't do our job. If they're not transparent with us. It's probably a little bit less common for realtors.

**Susan:** It happens all the time. Yeah, I have even clients that'll say "anything, I can buy anything" and some of my clients, well honestly, they probably could buy anything and so I have to say well I mean is that I mean, is that five million? Is that 10 million? Is that you know, I'm just throwing numbers now like what does that look like you know, or then is it a monthly? Is it your mortgage payment? \$10,000 \$20,000 \$50,000. What I mean is **there has to be a limit**. Yeah, because anything is so vast. I'm not going to be able to help you. It's like going to the Galleria and just saying if 30 minutes put your favorite outfit in the cart, where would you go? You know, as you would go nowhere you would know what to do. You wouldn't know where to go left or right. So you have to establish a budget and I think it's important enough, I think it's important to build trust and that's when they start to tell you and if they don't understand, I need to know the numbers so that I know for picking Onyx or Formica, you know, then it starts to be a more real and more real and helpful conversation.

**Curtis:** Yeah. That flip side of that is people who are either their Penny pinchers, they are Penny Pinchers, or they don't have a realistic budget. Meaning, it's not a good enough budget for what they want to do. They'll sometimes try to make bad decisions to try to keep in their budget. So, they'll go by like a subpar lot to build the house on they'll buy like the worst lot in the neighborhood, just because it's cheap because they think that will allow them to put more into the house. But you know, what are the three? But you know, what are the three? Most Important things in real estate *location location location*.

**Susan:** Right.

**Curtis:** So, what happens when you have like the most expensive house and a crappy neighborhood or you're in a good neighborhood but it's the worst lot in the neighborhood, what happens in that case?

**Susan:** Right? Well, if you're in a down Market which is what I'm always advising. Like, anybody can sell a house - Like, in the pandemic, the height of the pandemic, you didn't even have to be good, you just had to have a for sale sign in your yard and your sold, your realtor really didn't have to have talent and if they did have talent, they might be able to get you 50 thousand more dollars or 100 thousand more dollars, but it was like a talent-free zone for a little bit there. So, but in a down Market, that's what I'm forecasting. Look, I'm helping you buy this now, in advance thinking for a down Market, does it make sense in a down Market? If it does, then we're okay. But if you could be in a negative position in seven years because you bought this terrible lot, he put this Castle on it - I've got to tell, you No.

**Curtis:** Yeah, it's the, it's the old hope for the best and plan for the worst. Right?

**Susan:** Totally. I tell people all the time. You're hiring me to think through the worst-case scenario. I mean, that's my job.



**Curtis:** Yeah. And so, there's another related problem that I see with that and I'm sure that some of my other guests in the future will dive deep into this, but those same people will often choose the cheapest Builder, the cheapest designer. And so now, they're compounding their problem because you got a crappy lot with a crappy house and the crappy design but then they'll like to pick super high-end finishes to go in that house. So, you know, you got the worst house, but you got the wolf appliances, right? And you've really just got a pig with lipstick on it.

**Susan:** Right, it's a mismatch.

**Curtis:** Yeah, and so that's the problem both for resale and it's a problem a lot of times just for a living in the house because let's face it, you buy that house that was poorly built, poorly designed, you're likely going to have some issues with the house, both whether it's repairs or energy bills or just problems with it. And so, you know, you're going to incur a cost that that you would have not had, had you spent a little bit more upfront and made some good decisions.

Have you ever seen any situations that have just like gone downhill like any bad project? Any anecdotes that you could share with us?

**Susan:** I think one that comes to mind is just where they were really trying to save and the project stalled, I think too long in trying to just try to find the cheapest builder out there and in trying to find the cheapest builder out there, really? They realize there really wasn't a good cheap Builder project stalled, interest rates went up. So then by the time they found the Builder, they picked ended up being one of the original suggestions and but now the Loan is at a higher rate and the project is done late, and I think, had they gone with the original suggestion, they could have captured. I'm in probably half the interest rate that they'll end up, closing it.

**Curtis:** Yeah, that's a huge difference in your mortgage payment.

**Susan:** Yes, especially with the size of the house, but I think part of that is lack of trust in the process and always searching for that greener, grass, they're not a ton of Builders custom builders that are affordable. At all, right? And so, I don't know, I think analysis Paralysis on that one but there's a cost there's just a cost to waiting, there's a cost to delaying your decisions and I think in that case their house probably cost them a hundred thousand more dollars in the long run, maybe more but that interest. I think that was a - sort of scenario. I've had people end up buying a lot and never building because I couldn't put what they thought their dream was now there. I was not representing them but yeah, they bought from us with no agent, and I've never seen anything happen.

**Curtis:** Yes you see those properties come back on the market a year later. Hey, the signs back up, then, they never did anything.

**Susan:** Sometimes I'll go, and check and I think, wow, they're selling it for less than they bought it for because I just hate to see that. Yeah, because you know it's an extra loss because they're paying commissions to sell it.

**Curtis:** Hmm. Well, I hope people will take something good away from this discussion and avoid the same mistakes. I mean, I think at the root of it.

You know, the message is just to have a good team build. Game early. Don't try to go It Alone. **My hope is that we would help somebody make a better decision in this process.**

**Susan:** I think one of the keys for me on the build process is you have to start from the end before you even start the demo, you have to get all the way to the end of the finished product. I mean, I want to see the full photograph in my mind before we swing a hammer. I want to see the mailbox. I want to see the walkway. I want to see the kids running across the grass. I want to see how it all comes together. In the front. Elevation, how are the kids interacting in the playroom, you know what is the exchange of the husband and the wife and the bathroom area, where are the dirty clothes going? Like what is it all going to be? I want to make sure before we start, is that all working, you know, and then advance five years in the future when all the kids are in sports, where is all that stuff going to go when all the kids are driving where are all the cars going? You know, as that family evolves, does it still work? And if that photograph isn't advancing with this million-dollar project or two million dollars or \$500,000 whatever they're spending, if it isn't working, I want to fix it before we swing the hammer.

**Curtis:** Yeah

**Susan:** I think too often when I see a project that hasn't been all the way through, there's just something off, you know, when I see the finished design, we see it in process. Like, why do they do the gate like that, or why sidewalks are skinny? Why do they put the mailbox that way? Why did they pick the staircase? And why are the windows this way? It just, it's little things that somebody didn't think all the way through. They just kind of rushed it. Or didn't give it a once-over and didn't take it through design one more time. If they would just have one more set of eyes to look at it and make sure is this right. Most importantly for us can we resell it? In 10 days or less, that's always my goal: What would it take? To give it that 1% Edge over its competitors in a down Market...

**Curtis:** In a down Market, the best property will always sell first.

**Susan:** Right, so what does that take, you know, can I check off some boxes with some smart home technology? Or should I just put a little bit of edginess around the whole media equipment, or some little change in the plan before we hit go?

**Curtis:** Yeah, I love that, I love visualizing the end product. You are visualizing how it's going to be used and then you create the process to get there. You have to start with the long-term Vision first and then say, okay, how we can achieve this now? So that's one of the first things that

we do in a New Home Project as we have a vision questionnaire and it's really long, a lot of pages. But it's lifestyle questions, who are living in the house? Who might live in the house? How do you use the rooms? What do you like to spend your time doing? So, it's kind of getting into that clients' head and extracting from them, what they may not be able to verbalize even, and saying "hey this is the dream, this is how we want to do it, and then and then let's step back and say okay what are the steps to achieve that?"

**Susan:** Right. Yeah.

**Curtis:** Got to start there. So, as I said, **I hope that we can save some money, and some heartache, and in the process, make some good decisions. As said, at the beginning of the show, our aim is to be the guide for the process, and they should definitely call a qualified realtor, like, Susan to be their guide through the purchase process and their partner, long term.** Because I know that you're great at, keeping in touch with your clients, while they're living in the house, you know, you're not going to just say, bye-bye, once you get your commission...

**Susan:** This is just the beginning.

**Curtis:** Yeah, I mean you're a long-term partner as well as a guide. *The guide has to be somebody who's been there, right? You're not going to hire somebody to take you on a trek through the Sahara, that's only been to El Paso. You know, the guide has to be somebody who's been through the things that they're going to take you through and so you know, having a 'Susan' on your team is indispensable.*

So, well I think that's going to wrap up our discussion for today.

**Susan:** Thanks for having me.

**Curtis:** Yeah, thank you so much for being here. I appreciate you joining me to talk about site selection and navigating this process. I'm really thankful for your friendship over the years and your business with us, tell people how they can get in touch with you if they want to have a great realtor.

**Susan:** Absolutely, Brock and Foster.com and we're on Facebook, Instagram everywhere you can find this on the internet.

**Curtis:** Susan's great on social media, in fact, she's helped me kind of up my social media game too.

**Susan:** So, check on that Reels guys.

**Curtis:** That's right. She's very active. She's teaching me some things. So, thank you all for joining us on this very first episode of The Your Project Shepherd podcast.

*And again, we teach that every successful project has four key components. And these are represented by a very simple drawing of a house. The line of the bottom, the foundation is planning, the left wall is your team, the right wall is communication, and the roof is proper execution. Have all four of those components in your project will succeed.*