

‘Nailed It!’: A Woman's Guide to Building a Construction Empire

It's a man's world – Dawn Matze is just running it. From selling her first house to running her own construction business, learn how Matze, author of "Nailed It!: Reach Financial Freedom Faster Through Value-Add Investing" navigated a male-dominated world to build her business from the ground up.

This transcript is edited and condensed.

John Matze, Host of *Greater Perspectives*

Hello and welcome to another episode of *Greater Perspectives*. I'm your host, John Matze.

We have a very special guest – Dawn Matze, my mother. We're very proud of her first book out here and also all about construction and what it's like to be a CEO mom, if you will.

John Matze

You've been doing it since the late 80s – building and construction. When did you start actually getting into building custom homes and then eventually flips and now property management?

Dawn Matze, Author of *Nailed It!: Reach Financial Freedom Faster Through Value-Add Investing*

The first two houses were specs, you know, and it was in the high desert of California. I think the land was near free, outside of Apple Valley.

I made pretty good money – \$15,000 on my first two houses.

I didn't lose money, but I did have to go with hard money lenders. They were break-your-knees kind of dudes. I wanted some hard money for these projects. And they looked at me like I was absolutely from outer space.

I came back within a couple of months and they were just like, “holy cow, that's the fastest anyone has returned our money to us.” So I knew I had something. But I didn't know how to scale it.

Your dad and I met later on after divorce and we started to do room additions and casitas and ADUs, they call them today.

John Matze

That's an additional dwelling unit. So in California, you have your home, but you can also build an additional detached and sometimes attached home and get it permitted as like a second home. It's called an ADU.

Dawn Matze

Yeah, that's very popular right now in California. There's a junior ADU that's attached. Then there's a separate ADU that is detached that you are allowed to build. Just for two examples, there's so many more others.

John Matze

That's, I think, a result of the economics here in California. It's gotten to the point where people need to have these additional dwelling units so that they can have renters move in just to help them pay their mortgage so that people can afford to live here.

Dawn Matze

That's a really good point, John. And also multi-gen is really popular. What that means is maybe the parents have, boomers have the money. They buy an expensive house. They might live in the guest house and the kids with their grandchildren live in the main house. That's extremely popular right now.

John Matze

When you started getting into the era where you were building large custom – for lack of a better term – mansions over in the early 2000s before the bubble burst, you had a couple of interesting stories in there. A lot of it about the discrimination that you faced as a woman in this field because people weren't really having it.

Some numbers you had broken down – for every 100 men that were working in the field or for 100 people that were working in the field of construction, about 10 of them were women.

And of the 10 that were women, nine of them were back office, meaning there was only one out of 100 people in construction who are women actually out there on the job site.

Dawn Matze

It's just a male dominated field. It just is what it is. When you have something that's so physical – construction – you're going to find people who are physical. And that ends up to be men with muscles that can handle that.

I felt as though I, as a woman, had an upper hand. Some people will disagree with me, but that's okay. I wasn't in a position to be swinging hammers – although I did at first, and sledgehammers, nail guns, all that kind of stuff. I just didn't have the physical muscles.

So what happens is it pushes you into another area of construction – being the boss. I get to point the finger and say, hey, do this, hey, do that, instead of using my muscle and brawn. It's really an opportunity for women to understand.

I have many men ask me, how did I get started in business? And can you help me get started in business through my career? I have helped, oh, I would say dozens of men.

I'll tell them, if you go get your license, I will give you two or three of my first contracts. And let's see how it goes. I know their quality of work. They just need the license. Often I've done that.

The book is, for me, helping others see that they can reach financial freedom through real estate investing with this value-add concept.

John Matze

A lot of your book was about how to create value in the property. You said for every dollar that you spend, you should expect to get \$2 in additional equity for the home if it's done properly. I've seen a lot of your projects and that's pretty accurate to what you do.

I also saw it wasn't just about adding that value, but also how not to get taken advantage of while trying to add that value. Because that's the risk, right?

I've learned some hard lessons over the years doing a few construction projects with you that I've seen you outlined in the book as well. For example, controlling when people get paid.

One of the lessons that I learned was when I paid one of your subcontractors – that I don't think you work with anymore, probably as a result of this – he asked me to pay the rest of the balance. I did and he never showed up to finish the job. He just disappeared.

I was like, what the heck? I just thought I'd do him a favor and pay him and you're like – this is like 101, John. What are you doing? You have to control the payment. Otherwise, they'll never show up to finish.

Dawn Matze

That's a great lesson. I think you, like many people, want to please the guy who's doing the work. Of course, we all want to please the person that's doing all that hard work. Because after all, they're working hard. Yeah, they're breaking their back trying to do all this stuff. They're working with their hands.

In the book, I call it the 'power of the purse.' Power of the purse means you have all the power,

Often we fall into this prey of wanting people to like us. And especially when they're working in our house, or on our projects, or as an investor. You're like, oh, I want him to come back. So I'm going to pay him now.

But in actuality, it works in reverse. You have to keep him just a tiny bit hungry.

Now, I'm not saying play a game or withhold money. But you make the payment as the work is done. And I think that's really hard.

That's why a lot of people came to me and why I wrote the book, because so many people say, "hey, I was ripped off by my contractor. He never showed up." I say, well...did you engage him? Did you sign a contract? Did you pay him money?

It's human nature to not want to do the work after you've paid.

John Matze

Yeah. I mean, you also had a lot of life lessons that weren't just about – I mean, it was all framed with construction in mind – but a lot of the lessons you had in there and outlined were actually applicable in a lot of different places.

A lot of it's about interviewing the people. How do you interview and make sure that they're going to be the best fit for what you're trying to do? Get multiple bids. How do you go about handling payments? And how do you go about dealing with people who might not have a college education, but are very successful in their own right, and might, you know, just need a little bit more guidance?

How to handle different types of people, rather than – and I know this personally, because I've dealt with engineers, typically all college educated, socially a little bit awkward, but generally pretty trustworthy. Going into construction, you have a completely different demographic of people that you're dealing with. And how do we make sure the job gets done?

Dawn Matze

It's all about relationships in business, any business.

Uniquely, construction is not corporate. Your dad, he used to say to me, hey, you know, just send him an email. I don't know why you have to go to the job site all the time.

And my answer was like laughing out loud. [Contractors] don't respond to email. It's just an opportunity for them to not show up. You have to have boots on the ground. You have to, you know, look at yourself when things go awry and ask, how did I go wrong with the interview? How did I go wrong with the contract? What did I do? Instead of saying, hey, this guy is an a-hole, or whatever.

John Matze

I saw it in your book too, a lot of it is sizing each other up. Some of it's a dick swinging contest, right?

And I don't say that figuratively. In one of the chapters, you literally showed up to a job site and a bunch of the guys stood up on the project and pulled their pants down and started waving their dicks at you.

Dawn Matze

I guess you did read the whole book.

John Matze

Yeah, I did.

Dawn Matze

It was one of the first houses I built. And, you know, this was in the late 80s. I was so excited. They were framing the house. The trusses went on.

They were saying, "hey, we got something for you to check out." One guy had those short shorts. He's like, he wasn't wearing any underwear and I'm like, yeah, really, okay – you know what? I don't see anything. I don't know what you guys are talking about.

I had to walk away because I was kind of laughing. I think this is really important for women and men to understand that, sure, it was sexual harassment. Was I in a position to fire the guy? No. He was out in the middle of nowhere. He showed up. He was doing the framing.

[The incident] doesn't even matter to me. I wanted a result. That was what I was after.

John Matze

You laughed at the guy and you said, "I don't see anything up there. Maybe it's too small or something." You laughed it off.

And I think they actually respected you more for that.

Dawn Matze

I was in the club then, right? You have to have thick skin when you're in construction.

But I don't want to scare people. It's not all like that. That was the 80s. Today, when you interview – well, they're family men, they're educated men. Sure, they swear, they cuss, whatever. But they want to feed their families.

One of the most important pieces is the team. And it's just like your business, John, just like anything you're involved in. The team is what propels you to success. It's not me. It's not you. It's the team and how you interact with the team is the most important.

John Matze

I've seen the way you motivate your team members. You have a way of connecting with people that gets them motivated to show up to your job sites when they won't show up to others, which is really important, right? Because in the world of construction, time is everything.

If you have a loan that you have to pay down for [a construction project], which is typically at a much higher rate than other loans, you're looking at \$500 to \$1,000.

Let's say \$400 or \$500 a day if you waste time.

Dawn Matze

I call it no down days. No down days at all because I've got to pay 500 bucks a day at 11.5% on a couple million dollar project.

It gets spendy and you have to be creative with ways in which you can motivate other people. It's not always money. Sometimes it's appreciation. Sometimes it's listening to the story. Sometimes it's just being there for them or saying – “hey, how can I help you?”

It's a mutual relationship – you're trying to get results and they're trying to get payments.

John Matze

I think all of that is really relevant today in particular because we have interest rates that are really high.

People are upset about the cost of living. Inflation's up. A lot of people in my generation can't afford homes or to even live out on their own and still live with their parents. The cost of housing proportional to people's income has only gone up over the last few years, outpacing inflation.

Dawn Matze

Yeah, very scary.

John Matze

With interest rates as high as they are, it costs you more money to hold the loans, to do the construction projects, to build more houses. It costs you more money to even hire people to show up to the job site, not just because their costs have increased, but also because of that loan aspect.

Wouldn't lowering interest rates be one of the largest ways, in your opinion, to start making housing a little bit more affordable considering it's gone up so much?

Dawn Matze

Of course. But then you have things adjusting. I'm in a microclimate.

Brian Buffini's an influencer in the real estate world. He says all real estate is local. I really believe that because once you look at your local market, like in Southern California, it's just – there's nothing for sale or there's just a few things for sale and they're odd. The price is going up because there are very few houses for sale.

Even though there's high interest rates, it's crazy. People are still buying. A lot of big builders will buy down the interest rate like Lennar or KB Homes so that it makes it affordable for those folks that really want a home.

There's different ways to finance something and it's not always straightforward, but that's really the crux of moving housing, moving things along, that creative financing.

John Matze

And in the world of creative financing – if we circle back to our previous conversation, which was about multi-generational living, finding creative ways to build additional dwelling units or something on a property so that the parents and the children can afford to live on this property and see that appreciation together.

Dawn Matze

You pay once for the land. Now, if you can think about the highest and best use – I talk about that in the book.

What's the highest and best use we can do with this property? What is the property telling me?

If you back up and then you look at the content and you look at the facts and what you can do, you look at the zoning and you really know your municipality – you could really leverage that property into an income stream for your own financial freedom.

John Matze

You live in an area where the land is so expensive. For context, a lot of your construction business is in Southern California. In that area, especially near the coast, which is where a lot of your work is done, the land is extremely expensive. The cost per square foot is extremely high. Looking at the area where you work, it's up to even \$1,800 a square foot.

Dawn Matze

Well, it depends. Brand new builds, ground up – if the utilities are there, you're going to pay anywhere between \$350 and \$550 for a brand new build per square foot.

John Matze

Construction process though, right? Not if you were to buy it off Zillow or something.

Dawn Matze

No, not an MLS. It's not unheard of in the beach communities to pay \$1,200 a square foot for a home that's already built.

John Matze

If you get the land and you can add more square footage of the home, it costs about \$350 per square foot to build. But when it's for sale and you actually have the building there on the land, it's like \$1,200 plus.

Dawn Matze

Yeah, that's a retail number. That \$1,000 to \$1,200 is more coastal. And it's even more in Los Angeles. It's crazy how high it is right now.

The real reason I wrote the book was because we want to reach financial freedom, whether it's you as a 30-year-old or me as an almost-retiree. We want to get to that place where we can do anything we want with our time. And maybe that means work some more. Or maybe that means traveling around the globe. Maybe that means spending time with your grandkids. That was the reason.

[The book is geared] a little bit to the female crowd because that's where my point of view is. So you can reach that financial freedom very fast when you buy properties where there's an opportunity to add more buildings, more units, more square footage. A lot of people are adding a bedroom and a bath out of a dining room. So you can see how that escalates your potential rental value.

John Matze

There was that episode of South Park the other day. I think I sent you a clip from it.

Dawn Matze

That was hysterical.

John Matze

The rise of specialist labor and the decline in the value of college-educated labor. It's kind of funny as a concept in South Park.

But when they had all of the people who have a college education, like a geologist or whatever, and they're all in front of Home Depot with their signs trying to get work. Meanwhile, the people who know how to fix things, the handymen or whatever, are driving by with their new spinners on their car wheels and Louis Vuitton.

Kind of hits close to home for you because the construction business is impossibly hard to find good people now, right?

Dawn Matze

I wanted to speak on that for a minute. South Park is certainly hysterical and funny and sometimes serious. But in that episode, there's so much truth there. Tradespeople are so significant and so important.

See, all of [people from] your era, John, went into computer software or computers. They sat in front of computers. There's so much good money in the trades. For both males and females, it does not matter. There's just really great money.

For instance, an electrician, if you did an apprenticeship, you got your license, and you were out in the field with your own business, you could make between \$200,000 and \$400,000 a year if you hustled. That's nothing to sneeze at.

Electricians are the most expensive in the trade most of the time—

John Matze

—and also impossibly hard to book.

You've got weeks at time out and your electrician's like "I don't know if I want to work right now, I'm just going to hang out.

I'm going to build some flashlights or something in my garage. I'm not really interested."

Dawn Matze

Because they can. There's a lot of trades that I call blue collar, but it's a little bit more like indigo or purple because [these tradesmen] usually are educated.

But yet they like to work with their hands. I know a lot of men and women that like that. They like being outdoors. They like using their hands.

There's a lot of money to be made [in the trades] and I think people shouldn't run away from a good business like that.

John Matze

Plumbers, electricians, HVAC – really, any skilled kind of labor in that field.

John Matze

Give me a takeaway you want us to all leave with here after this podcast.

Dawn Matze

Oh, my God. Nothing like pressure.

John Matze

Yeah, just throwing you right in. Yeah. Let's see. How about – go to your Instagram and follow you [@womanbuilderdawn](#).

Head over to Amazon and buy *Nailed It*.

Dawn Matze

It's called [Nailed It!: Reach Financial Freedom Faster Through Value-Add Investing](#).

You can create money and financial freedom faster than you ever imagined if you embrace construction, construction management, and understand it. It's really a convoluted world.

But more than that, John, I just want to tell you, it has been my pleasure to be your mom over all these years of crazy. And I wouldn't trade it for anything.

You are my special, charismatic, pusher, persistent, and fantastic son. So I'm very proud of you.