Dan Breslin: Welcome to the REI Diamonds Show with Dan Breslin, your source for real estate investment, jewels of wisdom.

Dan: Welcome to the REI Diamond Show. Dani, how are you doing today?

Dani: I'm doing good. I love your name.

Dan: Yeah, you and me both. So whereabouts are you recording here from today?

Dani: I am in Southern California, Orange County.

Dan: Okay. Did you grow up there? Is that the original?

Dani: No. Originally from Israel. I grew up in Israel and I moved to the States almost just about 20 years ago.

Dan: Okay, nice. I guess you had to do the military there, right?

Dani: Yeah, they did mandatory three years in the Israeli Special Forces.

Dan: Wow. How about that? Yeah. All my friends from Israel have that ex...

Dani: Everybody does it, including women, including my wife. Wow. Yeah, you don't have a say.

Dan: How about that?

Dani: You do have a say, yes, sir. That's just about the most you can say.

Dan: Cool. So I'm here in Chicago, listeners know I'm back from Florida, spent the winter there. It was pretty cool. I wish I was still there because it's not quite done being winter in Chicago yet. But one of the things most of the listeners probably know, I think we were talking about before the show started, so I buy, sell. Buy, fixi and sell, I own rentals, and I do that in Philadelphia, originally. I moved to Chicago in 2015, so I could be near my daughter who was heading into late middle school at the time. So I was like, oh, it's now or never. She's back in Philly now at college. I'm still in Chicago. That's how I ended up in Chicago. And then I met someone who we opened up the Atlanta market and we did a lot around the country.

And I say all that as kind of a setup, Dani. I never would've probably left my backyard in Philadelphia because flipping houses, making money. I know the market, the brand, people know me, they're bringing me deals, my contractors are there, my money partners are there. And I was afraid that when I left, the whole thing would crumble when we would go away now. And I was okay with that if that happened when I got to Chicago, but grace of God, the business grew and things continued in all three areas. So that was my catalyst for looking around the United States at other real estate markets. And we're now eight years later and I feel like the thing that's most exciting to me right now is market selection and paying attention to the nuances of this huge variety of markets throughout the United States.

I guess I need the challenge of having to underwrite new markets. But I think it was really cool because I was able to see a market like Atlanta. Seeing like, let's say 8% to 10% or 12% appreciation for several years. And then a market like Chicago, which maybe it had 3% or 4% and probably a 10% bump during COVID or something like that and there's opportunities in each of those markets. But I would imagine for buy and hold investors, and I'll allow you to encapsulate your business model here in a moment, but for buy and hold investors, I'm getting in getting out in a 12-month period or less. So it doesn't matter how much the appreciation is unless it's significantly negative one year. But to a buy-and-hold passive investor probably has another career or has a lot of rental properties. That appreciation component's going to significantly drive or hinder the total IRR. So with that setup, I'll pass it to allow you to describe what you do in the evolution of your business model.

Dani: Well, you know what? You started with... for me, I find it very interesting because I've been doing real estate investing for about 20 years, actually 21 years since I really started. But 19, 20 years, I'm more of a professional phase, meaning entirely that's everything I do. So I don't have a job and then I do real estate on the side. But over those, let's say the past 10 years, 12 years or so, for the most part of those, the past 12 years or so, I ran two programs with clients, investors, others, myself. One was buying the long-term buy and hold. This has been my bread and butter has always been quality property, long-term buy and hold, long-term rentals. I call it boring real estate.

Finding that boring. Not only that it's boring real estate, it's the American dream because sometimes the houses that we buy and look at, I look at a photo of like, it does come with a white picket fence. Sometimes you just need to put a white picket fence to make it happen. And it blows my mind all over again, again and again. So it's truly, truly, not all of them fit exactly into the model, but many do. And then along that side, in parallel, I started also flipping houses. And the reason I'm saying this, and I've done about that, I've done about 100 flips in my career, maybe 90 flips in my career. And now I'm back on focusing only on the long-term buy and hold. But coming to your questions about where to invest, I think that a lot of people have, first of all, a lot of fear stepping away from their backyard.

Psychologically, I get what you're saying. Like for me, it's the easiest. I have my network, I have my people, I know the streets, I know the neighborhoods. So stepping away from your immediate, let's just say an hour, 45 minutes of where you live, that is a lot of uncomfort for many, many people. I always look at it as, it is uncomfort, but I need to find a way how to go about it. So for my entire career, I've never owned in the proximity of where I live. The nearest one was maybe 600 miles. That was the nearest one. That was my backyard, so to speak. And I've done it both for rentals and flips, but it's definitely been a totally different kind of recipe. When I'm looking for a new market for rental, I use this recipe.

And when I use a market for flips, I use a different recipe. And the big difference between the two were, when I was looking for flips, it was mostly driven, or the main force was defining the right team. I even end up doing flipping in Chicago and in Atlanta. Why? Because I was able to locate those teams that are so critical when. I do long-term rentals, the team is obviously very,

very important, but other forces are driving the decision such as migration patterns and potential growth. And potential appreciation, tenant-landlord laws also very important. And by the way, something that maybe you know it, maybe you're not connected to it. I also try to save for the long-term rentals with what I call harsh winters areas such as Philadelphia and Chicago. Not trying to offend anyone, of course, but I might be...

Dan: We know what it meant for.

Dani: I found over the years that when I have a rental, again, not a flip, long-term rental, when that rental is somewhere in Florida, I never have the problem of buyers or renters going through during December and January to see my houses. I do in Indianapolis and in Chicago when I had those properties. So that was always more of a challenge to know that during the harsh winter times, it affect those sellability rentability situations and plus...

Dan: So to be clear, you are avoiding now the harsh winter situation?

Dani: I try to, with the long-term rentals, I try. I'm not saying that I'm all know, I call it the harsh winter. Again, harsh winter, I call it an important secondary factor. So I do pay attention to it, but I'm not saying this is what going to be making the decision. Part of it is that, harder to do a leasing and selling activity during the winter. But also part of it is, when you have a vacant house in the winter, I'm sure you are aware of that, even if when I winterize it and clear the pipes and there's always a chance someone didn't do their job well, if it's not me, everything done remotely. And there's always a chance that that vacant house exactly during the winter, the heater broke. And so yes, insurance and...

Dan: Yeah. It's just like you're out of commission for that period of time.

Dani: Exactly.

Dan: Everything I own has harsh winters right now for my portfolio. I just think it of like a 401(k) for me. I bought it, they were decent deals because I was in Philly and I was in Chicago, and one of the things we did in Chicago to accommodate lately for that harsh winter is we're going to do a 15-month lease if we're signing it, so that when it goes vacant, it's like March, April, or May when we're... because if you look in the MLS, I don't know as much for Philadelphia, but I know for a fact in Chicago, settled, comparable rents in October, November, December, maybe not as much October. December, January, February, those rents might be 5% to 10% less than the rents that are going to occur in March, April, or May. So it's just smart business.

Dani: I don't want anyone who's listening to take like, don't invest in harsh. This is not about this, this is about saying, first of all, I think that just to open the idea, you don't have to invest locally. You can if it makes sense. A lot of my clients, they live in the west coast, from Seattle to San Diego, and guess what's the common thread? Super expensive markets relatively to the asset price, low rent. So someone who lives in the west coast knows that they're going to buy a million dollar home and rent it for $3,000. That's a bad math every day. And a million-dollar home, it's actually a cheap house. It's crazy. Where you can buy five houses for a million dollar in, I don't know, Kansas City for example, just using one, or St. Louis, and then rent it for, $1,500.

So you get three, four times more the rent for the same dollar amount. And that's the trigger. That's the geographical arbitrage that's happening. If you are someone in Atlanta, no need for you to go. Or maybe if you're in Chicago, the numbers works for you. You have less of an incentive to look in a different location. Especially we say I live here, I may be using a property manager, but I can always go in and it's easier for me to jump in the car, drive 20 minutes, go to the house, make sure there's no water in the pipes. For remote, you have to add those other factors that there's always some things may fail even though you're trying to make them happen.

So if I know whether it may affect my property more, there's a higher chance that for me doing it remotely, I would be more negatively affected by such a situation. The human factor you are saying, what are you talking about? Easy for me to walk around, drive around and follow my property manager or my handyman to make sure they've done what we're supposed to be doing. Again, it's all also cost. I can do the same thing and have another person go follow the handyman or the property manager, but that for me, an additional cost that you will just do it on the way home. I don't know, just do it throughout your weekly schedule. But there are other parts of the country that don't suffer from tenant-landlord laws obviously and some states are not as attractive. Or depends how you look at it. No, I'm not a traffic to be a landlord versus other states. So I want to be in an area that the tenants know the rules better, that are not in their favor.

So if we get to an eviction, actually just by going to those metros and states, I think it helps to avoid evictions in the first place. A lot of the tenants know, many tenants know I'm in a landlord-friendly state, or I'm in a tenant-friendly state. She has knowing that mindset, atmosphere, people know that because they talk. So how incentivized are you going to be as a tenant who knows there's a chance you can stay two to three months in a property without paying, going through eviction versus a state that they'll take two weeks. So I think just knowing that also prevents... helps avoid evictions. It's no eviction, it's just easier and then they're cheaper and quicker if we get to that point. It's just another factor.

Dan: Yeah. And as you're talking, I'm coming up with these two themes that maybe we'll get to discussing here in a moment. One of which I mentioned, which is like market selection. The other which that I would probably think we'll touch on as well is going to be the asset selection. And I think for somebody who never bought real estate or even people that say you own 25, 30 houses in your backyard this is where I was, I owned a handful of properties and then I came to the realization of it's like picking stocks, right Dani? You can buy the stock. That's correct. That's a good business model that appreciates over time. Or you could buy the stock that spike at the wrong time and it could go down and the company wasn't that great to begin with.

But each individual house, I don't think people think of it as much. Certainly, I didn't think of it as much in the first 10 or 15 that I bought in terms of buying in the right market and buying the right asset for whatever the reasons were for me to buy. It was like, ooh, there was a cheap house. I bought it. Now it's a rental property and is bringing in rental income. High five. Great. So there's selection of both of those. And before we turn the corner and talk about the asset selection, the house itself, and the market selection, I want to go back and I'm just reviewing, I can't remember which of my rentals was the first one, but it was one in Philly, there was a few of them and we were unwinding a partnership on some flips. And I inherited this house in Philadelphia and I think we had a tenant, or it was vacant. I decided to put a tenant in.

So I was already 750 miles away from that asset and I was now forced to figure out how to get that thing into management. And you know what? It did cost me more to get that house into management. I couldn't pay, I couldn't go down and change the toilet seat or whatever had to happen to your point, I had to pay for that. At first, I didn't like that. I wish I would've had the control. But now looking back, I have a number of units that essentially are like I mentioned, like a 401(k). They're off in an account, they are paying down debt, they are making some money every month. It's while I run my main business of buying and selling houses on a regular basis. So that's how I compartmentalize my rentals.

So I accidentally ended up with this out-of-state rental property and I figured out how to be a landlord. And I think I got like, I don't know, another 10 or 15 pieces that I bought and sold a few of them. I'm down to like 10 in Philadelphia now that I never would've even had them. There's still plenty of equity. The tenants are still sitting there. It's just this great long-term plan. If those houses have appreciated nicely in Philadelphia just in five or six years or so, I have owned them. And I didn't put any forethought into market selection there. I accidentally did it. So I'm going to want to help put the context together. So for you, Dani, what was the first out-of-state rental property? What was the story and how did you end up finding this before you perfected it.

Dani: So I have to answer it with a little bit of a twist because my first rental property was not out of States. It was out of country

Dani: Well, that means the young me living in Telviv Israel in 2002, buying a rental property in a tiny town, I'm sure you never heard of, called Phoenix, Arizona, completely site unseen. And if you really think about it for a second, it's 2002. No, Zillow, Redfin, and their friends. No public records online like county records, all of that. No, Google Maps. Actually, Google was a startup. It sounds like it's only 20 years, but it's a lot, a lot has been changed and we use MapQuest. That was the tool at the time. So a lot of the tools that are available to us today were not even thought for or thought about. And then if you really think about it, it's a different country, a different language. I always say you can know all English, but that doesn't mean you speak American. So it's not just English, it's American knew a lot of nuances, different time zone, different laws, different culture. It's a completely different environment and I've done it site unseen.

And that was my first introduction. It still felt better than my alternative at the time, I was coming out of the stocks and options with... I don't want to say not unsuccessfully, but not as successful that I felt that I should be compared to the risk. So for me it was an introduction coming from stocks and options, investing into the real estate feeling that residential real estate or US residential real estate provides a much safer, more qualifying environment for investment personally. It's not about just me, at the time just to be super beginner. Never owned a piece of real estate. It's not like I had three apartments or three condos in Israel, and now I'm buying my fourth one, zero. Number one, Phoenix, Arizona. Suburb of Phoenix, Arizona.

Dan: So how did you get the idea to do this in the first place?

Dani: So I was on a crusade. As a young adult, I realized that I am... I felt like real-life finances illiterate. I'm getting paid this salary and I'm putting money that I have to throw different retirement accounts and all. And I felt like, I don't know what they mean. I know the name, but I really don't know what it means. And I put myself on a path to... I told myself, you can't go through life when this is such an important part of our life finances altogether without knowing. It felt wrong. And I started a crusade to save a little money, start investing it. I guess naturally, the first thing I went to, I don't know why naturally, but was stocks options. And I kept looking for, I think I remember I looked at something called Forex, like exchanging different...

Dan: Currency.

Dani: And that just felt like speculative for me. So I felt, again, I think all the time without subconsciously, I was looking for... trying to evaluate risk rewards in my mind. And while I was on that path, I've heard a lecture in Israel, someone who introduced the whole concept of investing in US real estate. And that's how I got exposed to it. And I started it. I did the first investment. There's nothing exciting to say about it. I can share some stories about who are the first tenants and how long it took to rent. But you know what? It's...

Dan: No. Instead, let's go through the emotion because if someone is going to invest out of State, like I did it accidentally, I had to deal with the emotion. And do you remember, I don't know, being afraid to send the wire for the down payment. Can you take us to that night?

Dani: I'll tell you two stories related to that. So the first story is, well, first of all, I needed $25,000 to buy that first piece of real estate plus a mortgage. I didn't have $25,000. So I knew that in order to make it happen, I had about half of it. So I went to my cousin who was my same age. We grew up together and I said, listen, here's what's going on. I brought him in. He was the one who was mostly investing in stocks and option got me introduced to the other world, and I brought him in as a partner. He brought $12,500, I brought $12,500. We go up to the office to sign, to notarize the documents and everything, the purchase document, the closing.

And I remember it's a high rise in Tel Aviv. We just signed, it's like midweek evening. Both of us stepping into the elevators. We're 26, 27 years old. We're looking at each other, putting the ch... it was a check that we gave them, and we're looking at each other the same time. Like, what have we just done? We're shocked that we did something. And there's no investment clubs in Israel at the time. There's no meetups, there's no environment like here, there's a podcast. We go to this group, we go to this meeting or webinar. There's no environment or ecosystem for investing. You won in a way. Also there's a bad reputation to the industry. There's a lot of charlatans in our industry.

So how can you really know for a fact? We did whatever we can to mitigate those things and there's no reason but those are the thoughts going through your mind. I remember clearly while I was... that this conversation having with myself going through the elevator right down, I told myself, all right, there's practically no money in my back count left. So I literally mean there's maybe $100, $200 left. But I said, I told myself, first of all, I was an employee. My salary's coming, I don't know, in two weeks, three weeks. So it's not like I'm at discrete on what's going to happen. I wasn't doing it completely responsibly. There's salary's coming up soon, and that's fine. And then I told myself, listen, you're 26, 27, if this will be a catastrophe, you'll have plenty of time to recover.

But in my mind, I'm young enough to make that mistake because I will have that time to recover. So that was the really main thing I remember from that situation to this day. The other thing that I remember is after the closing, it took 45 days to rent that property, to get a renter. Now, Dani at the time, nobody actually handhold me and calibrated my expectations, it'll take 45 days. What do I think? I thought you buy a house on a Monday and you rent it on Tuesday. Why would I think it? I don't know. But that's just the way I thought about things. So I was stressed out about that, very stressed out. But then 45 days, a family came in and they stayed there five and a half years. But those 45 days, or maybe I should say after two weeks, I got really nervous, super nervous. Super nervous about it. Something that I make sure that today my clients know it's not going to end the day after. It's going to take some time, maybe a month, maybe two weeks, maybe even more than a month. So they're more mentally prepared. There's a lot of preparation, mental preparation that's required in order to... when something bad happening and you know it may happen, it's less stressful. There's not surprised. You're not like, oh, what happened?

Dan: Yeah, I had one, it was probably like number three or something in Philly, and I think I had like $50,000, $55,000 that I paid cash for this house, and the tenant was paying maybe $1,000 or $1,200, whatever they were paying. And I remember my big fear was that the tenant wasn't paying and I was going to have to evict her. And I almost didn't close on the deal. I also remember that feeling like you talked about. I had a somewhat consistent business already with flipping houses. So we had other money, it was going to come in, we had other deals working, but when the $55,000 went out of my account, it was like I was wiped out. And there was several other deals. Even some of the deals I still do today where I put the money down, the 25%, I feel like I'm wiped out every time. And I'm like, now I know, okay, it's okay. There's a really good chance this is going to work out. It's going to come back. I did my homework, I did my due diligence. And on the first one that I'm relating to where I put my savings, it felt like I put everything on there.

Dani: Yeah, absolutely. Of course,

Dan: $55,000, I think three or four years later, she did stop paying, and I did do the eviction. That was the other worst fear. Oh my God, I'm going to have to do the eviction. I had to do that. But once she was out of there, I did a clean out and I sold it for $95,000. And I didn't do any other work to the house. In fact, I collected like $30,000 $40,000 in rents. Some number like that maybe more over the course of that same period. But the deal worked out, and I've had many more of them where that worked out. But I can relate to that initial, holy crap, I got to put everything on the line, whether it's $12,000 and $55,000 $200,000, like whoever's sending that money out, it probably feels like we're putting everything on the line for that deal.

Dani: Absolutely.

Dan: So how did the Phoenix deal...

Dani: One of the reason I don't like to do closing on a Friday, I try not to do closing on a Friday, but any other day of the week, so if something happened with the wire, I'm nervous the entire weekend.

Dan: Oh yeah.

Dani: I'm like, I am stressing out probably for the wrong reason, but I'm still nervous. It'll bug me, distract my thinking for the entire weekend until Monday comes and we know the money is there. So I'm like, ah, can we do it on a Thursday?

Dan: Smart. So how did the Phoenix deal work out for you in the end?

Dani: So, the Phoenix deal was really good because it's kind of funny a bit. When I moved to the States in 2004, I've already owned that property for something around a year and a half or so, a year. I can't remember exactly, maybe a little bit. And then I took the time I was in California back... the Bay Area. I took the time to fly out to check the property for the first time. That was a very learning, a big learning experience because first of all, I come to my own house scheduled, not surprised. The property manager notify the tenant I'm coming. But there are a few mistakes that have been done. First of all, I come and I just go to the property maybe late afternoon, all scheduled, and there's only the kids at the house and they knew I was coming.

So I'm walking into my house, but they have a lease. So they have rightful usage of that property. So coming to your own house with someone else lives there, it's an awkward situation. It's awkward. So one of the things I learned is how to unmake those situations when I'm visiting my own houses while they're occupied by a tenant, how to make it less awkward. So things I taught myself, if you do this, it'll make it less awkward for you and to the other side. So that's one thing that I learned. The second thing is, someone told me afterwards that Dani... I was young immigrant from Israel, my mind was not... And they said, you're stupid for doing it this way. My property manager was scheduled to come with me to the property, and she bailed on me in last minute for whatever life reason.

And I come into a house with two, three, I don't remember kids, and someone told me, your soupy shouldn't have gone to the house with kids. I didn't know that either, because what if someone makes a complaint about you and you can't really prove that nothing happened? So just being in that situation taught me never to be in that situation again, where I'm coming to my house by myself, and there's a, let's say a minor person or even just a one person. So I always try to make sure I don't do house tours just by myself or make sure who's there just to avoid someone putting a blame on you for the wrong reason. And it's almost impossible to get rid of those you of those situations.

Nothing happens. I'm just very fearful, very concerned. The other thing that was surprised to me, is that I saw four kids well, at least I knew those four kids, I can't remember how many were there, two dogs, hamster and a bunny. And I'm like, looking at this, and I'm a little bit freaking out right at the time, and then I think about it a little bit longer, and I come back to the Bay Area after that, maybe I was there for a few days altogether for different things. And then I realized it's actually a good thing, not a bad thing, because what happened is that family of four kids, two dogs, hamster and a bunny stayed there for five and a half years. They were only late on paying the rent twice in those five and a half years and they paid, it's not like they're just late, I guess, life. Which actually, if you think about it, if you run a little zoo in Arizona, I would expect you to be late more than twice.

So I always called it my little zoo in Arizona that was very stable. They just paid rent. I would say almost always on time. There's no issues, there's nothing to be concerned about. Very stable investment. Five and a half years, that's good. And then I refinanced it twice. I think in 2005, in 2006. I remember my first refinance, I got a check for $79,000 of a refinance. $79,000, I was like, wow. I held a check in my hand. I was like, wow, that's amazing. It's only been a year or maybe two and a half years. I'm like I didn't clean for... and all of a sudden I'm like, so that house in Arizona bought me four other houses within a short period of time just by refinancing and reinvesting it in other real estates. So that was turned to be a really all-in-awe with all those little zoo situation and 45 days vacancy. And this traveling over and visiting myself, all those little ifyness taught me a lot. And they paid for buying more houses.

So I'd call it very good investment altogether, at least in my book. Excellent investment. And what did I do? I just bought a house without making all those expectations that what will happen, and it outperformed the Excel by far. There was no Excel by the way. There was just a piece of sheet. There was a piece sheet of saying, here's the rent, here's the expenses, not even all the expenses and good. So I'm shocked how minimal analysis went into that house.

Dan: So you got three things right there by accident. Number one, the timing. Buying in 2002 to have a run-up through 2006 or 2007 turned out to be perfect timing, which would be one of our components we'll pull apart here. And then the other piece was the market selection. So you didn't know that Phoenix was necessarily one of the perfect markets. Maybe the people who were pitching the investment did a little market selection to identify that market and that worked well. So we had market selection there. Someone who's thinking about the world at a higher market selection level than the 26-year-old Dani was thinking about it when he walked in with his $12,500.

Dani: Absolutely.

Dan: And then the other piece was the asset itself. So whether it was a three bed two bath, two bed two bath, or whatever it is, picking the right house in that location is part of it. So would you mind going into those three things with where we're at, we're 2023, interest rates are 6.5%. Clients who want to buy right now, how do we put proper values and thought around the timing, which could be challenging right now. The asset selection, meaning buying a house, maybe it needs repairs, maybe it's perfect. Maybe it's four bedrooms, maybe it's three, maybe it's five. And then the other piece of the market selection itself, the geography. Can we dive into that?

Dani: Absolutely, and you're touching on the core I think of what I do on a daily basis in a business. So first of all, it's really important to know what you are looking for as an investor. My philosophy and my clients who are attracted to this philosophy are typically well-to-do people who are in Silicon Valley engineers or Seattle engineers living in expensive area, have a very demanding jobs, family. They don't want to deal with the real estate. They would rather have as passive as possible. I just want to make it clear. I'm not familiar with a fully 100% passive investment. Maybe a syndication or REIT will be qualifying, but for the most part, rental property, passive it's not, it doesn't mean it's all full-time job, but I wouldn't call it 100% passive.

So we are very focused on finding the type of assets that will be as passive as possible. And part of that decision factor is what to buy, where to buy. So I'll talk about the economy in a second, but for me, it's always been I want to buy in parts of the country, besides the weather that we talked about earlier, that are seeing an increase or are on the path on the migration in the country. So there's a lot of migration, internal migration in the country we are seeing for the past 20 years or more. There is migration from the Northeast and the Midwest towards the southern warmer states. Part of it is opportunities. Part of it is whether part of it is cost of living, but there is definitely a migration from the Northeast and Midwest towards the South.

So you can check multiple resources, mostly if you want to find those resources are, look any national moving company, like Van Lines and U-Haul, they all put all those the migration patterns every year. So I want to be on the receiving end of that. Where people are migrating to. That's very important because that means I will continue having potential buyers and potential renters. That's one key element. Another key element is buying that boring piece of real estate. This single family home in a nice community. Normally we like rent ready or just needs a little bit of work. Not the rundown piece of property that needs a lot of work. Not that there's anything wrong with it. It all comes back to passive-active investors of mine. They don't want to deal with contractor running through, maybe just a little bit.

They know some of it needs to be done. We don't want to take a lot... big renovation jobs. So that's definitely part of it. Again, not being what is right or wrong, it's just what fits to the model, we are tackling. So houses that are three bedrooms two baths, four bedrooms three baths, five bedrooms sometimes. Two car garage, one car garage. All that combination. I call it the upper middle class, middle-middle class, lower middle class, good schools, boring real estate. We are looking for the family with the 2.4 kids and a dog. That's what I would like to see. That creates stability. That brings the tenant that likes to stay and send the kids to school and many times they stay multiple years. So that is again, meet that boring type of real estate. So those are very important factors. I call it quality piece of real estate. And I'm looking for those metros around the country that have the nicer weather, the warmer weather, and then landlord friendly and cheaper to purchase. And the ratio between purchase price and rent is higher than, I don't know, maybe California and other parts. Those are the main items to what kind of real estate and where to buy it.

Dan: And to be clear, it sounds like MLS source deals that are probably in maybe a little dated condition, we're not grabbing maybe the just renovated house in that market, or are we?

Dani: No. They could be turnkey in the sense that here's the key, go rent it. As much as that, but mostly MSL. But honestly, I've bought wholesale MLS auction for sale by owner, packages. I don't care how the source is coming, I care about what I'm getting.

Dan: And you've done how many of these at this point?

Dani: 5,000 ish. Yeah, not all mine. Most are my clients. But about 5,000 of those rental properties, a lot of them are two different...

Dan: And I ask too, because we're talking about market selection or anything. So even if it's not necessarily your portfolio, you've went out and helped source and been a part of the conversation around sourcing in these locations.

Dani: Absolutely.

Dan: 5,000 houses. So that's where we're getting the context of experience for this...

Dani: Yes. For the most part, single-family. But duplexes, triplexes, and fourplexes as well. But normally any other type of real estate, like commercial land, I've done, but that's just on the... I'm not even worth mentioning it. So such small numbers. Now the one thing that I've learned, I think this is a lesson learned mainly from the 2008 crash, is that 5,000 properties later, I still don't know to time the market. I have no idea. But I do know that, or at least I'm not trying to time the market, I am anticipating that any time that I will buy a downturn will arrive. Statistically once every decade, we have a downturn.

So it's almost like if it's coming, it's when it's coming. So if I know a downturn is coming, let me embrace that and work with it. Not just shy away or be afraid or try to turn the market and then always see what the opportunities that are available at every given market. So to give you a the simple answer to that, 20 years, there's never been a single time that we were not in a buying mode. Never a single time. So whatever the market did, we were buying. It's all about working the opportunities in the market and the way I like to hedge against the unforeseen, and what I'm saying, embracing the knowledge, the understanding that the downturn will happen. I just don't know when is saying I will buy quality property like I've described up until now, and I will hold it long term. When you are holding real estate, especially if it's leverage, but real estate really loves time as I'm sure you know very well. So if you just give it time, even the bad flip that didn't work well, if you just hold it and don't sell it, you'll probably over time, even with minimal appreciation and a little bit of cash flow, any crash in the middle or downturn will slide up eventually.

You just have to be patient, right? That's the challenge, patience. Sometimes very patience because you may only materialize or see increase in equity with the property maybe 6, 7, 8 years down the road. Now, I'm not saying it couldn't happen sooner, obviously, we know it could, but buying in 2019 and this craziness of COVID happened, that's like you said earlier. I was lucky in 2002 because I bought the lottery ticket without knowing I'm buying a lottery ticket. But I did purchase, I did participate in the game. My friend who was just sitting on the sideline and talking about it did not benefit from that craziness or equity increase. So buying long-term an equality property and expecting the market to do some ups and downs, picks and valleys. No guarantees, we know that, but there's very good chance that this property will just write it through on different.. at least keep up with normal inflation.

Inflation, almost a bad word these days. Normal inflation is, I would say 3%, 4% a year, let it ride. It'll be okay. Very likely. Again, not if you buy a rundown house in the middle of nowhere, I don't know about that, that may be more speculative, but just that middle class house in the suburb of a good metro, it will probably just ride it through whatever storm will happen. You just have to be patient. Because you may plan to sell it in 10 years and then exactly in the 10 years point, there's a downturn. What do you do when that happens? Be patient. By the way, I'm talking from first of experience. I think the second, third or fourth property I've purchase was a single family home. I still have it in East Orlando. A really good area, I would say exactly middle-class type of property for $190,000 in 2005, September, 2005. I remember everything about it. And somewhere in 2009, I looked at Zillow and what was the value? $84,500.

Dan: Wow.

Dani: $84,500. So what do I do when my house, my rented house is worth less than half what I pay for it four years later? Whoa. Obviously, first of all, I freak out a little bit.

Dan: Yeah. Right.

Dani: You're like, oh my god, and you feel a failure and what have I done? And you bash it on yourself.

Dan: But it was still cash flowing. Few $100.

Dani: Not exactly, because what happened is I bought it, I think with 5% or 10% down, highly leveraged and it was a negative cash flow. Not a lot by design, not by mistake. By design because I was trying to buy as many as I can. So I was highly leveraged at the time and actually took few good years to get to a breakeven, but when that happened, and I saw this $84,500 on Zillow, I can't delete that from my mind that after going through the emotions of freaking out a little bit, I told myself the following. I just said, "Hey Dani, shut up. Shut up and write it." Write it out. It'll be okay. And you know I was... I wasn't as experienced as today. I told myself, you bought a good house in a good part of the country, the good part of Orlando altogether and the value is a value. It's not something you're seeing because you're not selling it and just let it ride out. And it worked very well because what happened with this house, it's now worth $350,000. I don't know, depending on the day, give or take maybe, $335,000, I don't know, depending who you ask.

Dan: So now you're a genius again, right?

Dani: Not a genius, but it did well and let's and in... Let's call it...

Dan: We'll see what happens in the next two years.

Dani: Yeah. And it had three tenants in what? We're talking about almost it's like 17, 18 years, three tenants. It's been vacant combined four months throughout. And by the way, at least one of those four months is because I decided to do some work. So I held it back and I think if I measure the average repair per month over that time, I probably get to $25 and that includes a new roof and that includes painting the house, and then HVAC and renovating one of the bathrooms. A lot of stuff. So all in all, and it's not even an amazing house. It's just a nice house in a nice community. Nothing to bargain about. But the value being there, seeing that, and that wasn't the only house, not easy, but just knowing that you bought it long term and you have to be patient and it'll most likely be okay, that that plan worked well. I didn't panic.

Dan: And there's a few cool things. So when you bought in 2002 with no Zillow, MapQuest being the most sophisticated tool available. You were absolutely crazy from the other side of the world on top of that. And I'm sure some people did this all through time. It was done. But now with the internetization trend in real estate, Redfin, Zillow, Trulia, the public records, you can pay for other data sources. There's so much more clarity into the markets throughout the country that we're living in this time where I can then Breslin select these different markets all around the country easily and at low or almost no cost. I can underwrite my deals with Zillow, and sometimes that's better than the MLS that I don't have access to in Texas or wherever it is. So we have the internet trend playing at our back where we should be looking in these other markets for the potential for the higher appreciation.

So you go on the internet right now, if you are on Facebook, Instagram, Twitter, you're going to see the 10 top markets that are holding. You're going to see the top 10 worst markets where not to hold. And you could relatively easily start to pick some somewhere in the middle on one list or the other that start to make sense. That might be better than our own backyard. The other thing about real estate that your example paints a picture perfectly and even mine. I'm holding on to a bunch of rentals and there's a big pain in the to try a turnaround and sell them. I'd have to get a tenant out, then I'm going to do a cleanup. What if someone breaks in during the cleanup? All right, I'll just leave the tenant in. It's easier to hold it than it is my stock portfolio. I sold the whole thing in an afternoon. Anyone can do that mostly depending on the number of stocks they hold, you could sell it all in an afternoon, in a panic moment, and then wake up the next morning, the prices are higher. So the Orlando example is a great one of the illiquidity of real estate actually being the...

Dani: Protecting us.

Dan: Yeah, exactly.

Dani: Going back to the beginning of the conversation of stocks and options, I knew that if I'm a stock person, I'm like, what's going on? What's going on? That's not healthy. So just by choosing real estate, I knew I don't have that ability to buy on a Monday and it doesn't work. It's in sell on a Tuesday. You got to be patient and then you cool off and then you ask yourself, should I really do that? So absolutely. I love that inherent feature that, maybe I don't like it, but that's just the way it is.

Dan: Yeah, right. Depending on if we needed to sell that day for some other reason.

Dani: Exactly. Yeah.

Dan: So there's like a trend I guess I learned of yesterday or another way of looking at today's market. So you're probably at 6.5%. If you put 20%, 25% down on a mortgage, if I had to guess you're at 6.5% for a 30-year term. Maybe it's 0.5% higher, maybe 0.5% lower, not sure. But the great thing about single-family houses compared to my multi-family 10-unit building for example, is the fact that I can hold this for 30 years and not have the interest rate exposure. And right now the interest rates are not our friend, but man, if you can pencil out a deal in Kansas City, Atlanta, or wherever else it is, even at 6.5%, get it now. And then sometime in the next decade we probably see 4% interest rates again.

Now you're refinancing and you give yourself $300, $400 or $500 raise on that asset and the asset probably goes up in value as the market shifts with an interest rate shift. So I'm noticing in Atlanta, Philadelphia, and Chicago, the exact properties that you're talking about, we have like 170 deals cooking, I think right now in March. And some percentage of them are exactly what... it's you on the other end, Dani. It's somebody who's buying the property it's rent ready, it's in a better-rated school district. It's a $200,000, $250,000 house in a neighborhood may or maybe the renovated product is $300,000 or $325,000 or $335,000. And this is what that buyer's strategy is, is to hold it long term so you can fix the interest rate and really have us set it and forget it on a single family where you can get like 10 of them under conventional financing and then you hit a limit.

But I had an interesting phone call yesterday with the founder of Renovo. Renovo Capital is a...

Dani: Yeah, I know them.

Dan: Okay. So he...

Dani: They are Chicago-based [inaudible]

Dan: That's right. So they're doing like servicing and then they have like secondary markets. So they're this like next-level lender where they're putting product together where you can literally get up to 30 units on a 30-year term portfolio loan that runs the full 30 years. Now, let's say interest rates are 4%, I don't know, he didn't quote it, but if the interest rates were 4%, that loan's probably 4.5%, but it's fixed for 30 years. You never have to refinance it. And what that indicated to me, he was saying that when they were putting the product together, I'll probably have to get them on the show at some point here, but when they were putting the product together, the Wall Street level conversation with these guys is that there's this demand for us resi commercial, he called it resi commercial borrower who's going to put a 10, 20, 30 unit property portfolio together.

But once something that behaves more like the single-family conventional loan. And my mind was blown on this call. I'm thinking like, man, this is great, but it's also great if that indicates a trend and other people pick up on it and see that's profitable. There's a good chance we're going to see a little bit more of these volume portfolio lenders start to grow and probably copy each other. So I would expect money to get a little more sustainable for investors who want to have 25 or 30 single-family houses in a portfolio. I thought it was great. I'm thinking, wow, this is fantastic financing that this guy has.

Dani: I'm actually a little bit surprised to not see more creative financing program coming out. I just noticed that every market trends generates or triggers creativity in the lending world. And that what you're telling me is, is exactly what I... not exactly the program, but the thought that someone will come up with something and we are... things started slowing down in July of 2022. So that means we are seven, eight months into the correction period and they're not crashing on one end, but with the interest going up, I'm just surprised. And I had a conversation with one of my lenders, the main lenders I worked with just yesterday, touching base. I'm disappointed, I should say. I would expect program like this one to come up and entice people to do something. They're just... You know what I also thought would happen, and I'm also very surprised about that, you don't really see that. I thought we'll see more wrap or subject-to-seller financing deals because if I am an owner with a 2.5%, 3%, that's a no-brainer for me to give you a 5.5%, 6% today to get my ass sold and do it as a wrap.

But I thought that we're going to see the rise of the seller financing sophisticated. Again, it's not for everybody because there's a gap in the market. Renovo, find that gap and find a way how to get into the gap with the interest rate. I thought more programs will come out. I'm just surprised I'm not seeing more things coming up creatively.

Dan: And it's funny because when I saw the Renovo email, I don't know, a year back, even a year and a half back when he announced it, I just dismissed it thinking, well that's a five-year term loan and they're going... Yeah, five-year term, 30-year M, who cares? So I had to ask three or four times. No, there's a 30-year term, 30-year Ms. It was amazing. I digress. So what are the five favorite real estate markets and why, right now, March, 2023?

Dani: My five favorites are, let's say Nashville, Tennessee, Kansas City, which is both Kansas and Missouri, St. Louis and Birmingham, Alabama are my top four that I like to be in right now. And I have other markets we are active in that I'm not really active. I have slipper agents over there. It's because the numbers are still tight. That's Phoenix still. Numbers don't work. Dallas and Houston, numbers don't work, maybe an exception here and there and Tampa and Orlando. So I have my eyes on all the other five that I just mentioned. Testing, checking, looking, hoping maybe there's going to be a stronger pricing correction so we can resume working in those areas. But still I do it once a month. I check all four, all five of them still not happening. So I'm putting them on the sideline.

But if main four that I mentioned, Nashville. Actually, it's funny, it's the greater Nashville. Greater Nashville is probably a stretch of four hours between tip to tip.

Dan: Wow.

Dani: Yes. So the greater Nashville, they call it... the nickname is Middle Tennessee, Kansas City, St. Louis, and Birmingham, Alabama. Those are my favorite. There's a lot of similarities between them, but still each one has its own little... when I try to optimize with my clients, there's reasons why you consider one or the other on a case by case. But big overview, there are a lot of similarities in many ways between those metros.

Dan: Can we run through an example of a deal maybe that got done in the last 60 days? I'm assuming something's gotten done. What is down payment? What is an investor making right now challenged with the interest rates the way they are?

Dani: So we closed on fourplex, I'd say two weeks ago in Kansas City. It's part of Kansas City that's close to military. So you get another layer of potential renters on the top of the normal layers that we have, fully occupied. It was $465,000, about 4,000 square feet. So those are large units, relatively three, two. They're paying $3,200 or $3,400 right now. One vacant, one we already knew is moving out and two are occupied. When we go through the... I call it the first tier of a fourplex, I always consider it the restabilization of the fourplex. Once we raise the rents, put new tenants, it'll probably generate about $4,200 a month or just about that. With 25% down, I think they did a 6.2% ish interest rate. After expenses and realistic analysis, this is probably going to generate cash-wise, about $500 maybe when it's restabilized, $500, maybe somewhere between $450 to $500 a month. So that's $4,000...

Dan: That's after the management fee. That's after...

Dani: Everything. Vacancy, management, leasing, repairs, insurance, property taxes. So there's no joy there. So we don't just ignore little costs. For me, I always learned that analyzing rental properties, it's not a big numbers game. It's actually a small numbers game. So you can skip $30 enjoy a month and that actually over time adds up a lot. Not in this case, but we stay away. That's was one of the things I've learned to do better during the crash of 2008. The analysis level that we did before, I call it amateur and I'm being generous. Now it's being done like professionals.

Dan: Yeah. It sounds like it.

Dani: Got like 10, 20, 40 times better.

Dan: And in that area for that buy for the client, what is the reason? So if I'm going to put myself in the client's shoes, I'm thinking first off, one day the rates go down and I'm probably making now $750, $800 a month after the refinance. So that's one reason. Another reason is what? Is the location looking like long-term? It's a good area.

Dani: So fourplexes are an interesting creature, I would say because I see working with a lot of investors, those who are attracted to the fourplexes are doing it for multiple reasons that are not all financial, pure financial reasons. They are, but they're more to the story. So this guy already owns multiple properties in two other parts of the country. Atlanta is one of them and another one, and he wants to diverse out of Atlanta. And one of his challenges is I'm starting to be, I can see where I'm getting more and more residential mortgage challenge. Normally around 10, it's becoming challenging, not impossible, just not as attractive after the 10. Sowe have ways to work with our clients to navigate that as well. So a lot of my more experienced clients are saying, for me, buying a fourplex, I'm simplifying life for me because I get one mortgage on four houses, four units, but they're looking at as if they're buying for the time. It also simplified the admin work, the time, the energy that they need to spend on four mortgages. If it was four different houses, it helps me do that.

So those are two benefits that are not purely financial. They're more simplifying and wanting to leverage their time. But the other thing that we're seeing is, again, going back to what I call the restabilization period, almost all the fourplexes that we've purchased. The first year is not a good year. It's not necessarily bad, but it's not living up to its maximum potential. Why? Because we need to raise the rents. Almost always, it's coming from an owner that is already... he wants no vacancy over increasing rent. So you see tenants that are paying 10%, 15%, 20%, even 25% below market.

So we know over time of the next year, we will raise the rents or move out legacy tenants and bringing new ones at market rent. So the cashflow potential is better when it's restabilized. Of course, many times, my investors are also saying, okay, maybe if we need to, we will go and improve the property. Again, we're not looking for major renovations, but painting, replacing carpets and appliances, absolutely, they do that. We we're going to do that over time. Also, with the fourplexes, we're seeing the opportunity to shift some of the expenses onto the tenants typically is they're either paying or not paying for utilities, and sometimes there are all the meters or some of the meters or no meters. But there's an opportunity there to start shifting some of those expenses, whether it's the part of the rent or not, but onto the tenants.

So over time, what we're seeing there, we're going to generate improvements by shifting those sum of all those expenses or most of those expenses, the utilities wise to the tenants, as well as increasing the rent. And within relatively short period of time, you get a much better-producing piece of asset. So it's always about the finances as well and the returns, but they're also some that it's simplifying for the old type of investors. So it's not normally that the beginners that they see by that, mostly the experience one, all of them already understand that, all right, so we have a 6.5% interest rate, all right. Not okay, but I'm not marrying into my interest rate. We all believe that in the next two, three, four, five years, there will be an opportunity to refinance even to 5%. You mentioned 4%, 4.5%, amazing. 5%, 5.5% going from 6.5% to 5% on a $450,000 piece of property. I'm not talking about fully cash out. It's going to generate another $150 a month, $200 a month. That's not a lot of money, but it really adds up. Multiple months, multiple years that really adds up and improves your return quite a bit.

Dan: Yeah. The three flat, four flat, even a duplex is also nice because when you go to sell that, if it is 10 years down the road, if it's 15 years down the road, you're going to sell into... it's going to keep growing the rent dollar for those four units grow. So it's like multiplication of the rental impact. And then you can sell to someone maybe who's going to like house hack live there, that kind of thing and you can get still the emotional sale that comes with single-family houses of residential, whereas my 10 unit building's never going to sell to someone who's going to live in one of those units.

Dani: And we going to add that we try to buy those fourplexes that are behaving as much as possible like a single-family home. So we're normally not buying the one-one or two one kind of units. We're more buying the three two or three one and a half type of building. So they're already have that potential attraction to people for the house hacking aspect of it.

Dan: Yeah. And the house hack, that's what I tell the guys that work for my company, some of the younger guys who haven't already gotten single-family houses, it's like bedrooms and bathrooms, go for as many units and as many bedrooms as you could possibly get. Extra bathrooms are great. That stuff's going to be desirable. The rents will be higher. You're borrowing more money up upfront. It's a large, scary $700,000 purchase price, but that means you're paying down. They're getting FHA financing I think. So they're paying down a $650,000 note over 30 years. They do nothing else. They've got this three-quarter of a million dollar asset that build up on autopilot while they were about living their life, let alone if they bought a second or third or fourth or 10th or 12th or several.

Dani: That's amazing. Yeah.

Dan: Dani, what would be like your fee and your role in a deal like that if an investor were to call?

Dani: So, without diving into the numbers we have different options. We charge a fee per transaction, and I'm using the word transaction because it's basically per door. So a single-family home will have a fee per the door. And for every additional door we charge an additional fee. And we do charge a higher fee on the first transaction that we are working on together because there's always more handholding, support, question, et cetera. So we charge a higher fee for door number one and lower fee for any additional door after that. Just because we put a lot of time and energy into coaching our clients to be investors and more knowledgeable and not just say, yes, Dani, I'll do exactly what you say, I want them to be... I always like to teach them to have enough independence so they can rely on themself, handle things by themselves, but also know we are here to support them during the transaction, this one or the next ones.

But also we stay involved and support our clients after they purchase. Because all the property managers they're going to work with is companies that we line up, we vetted, and when there is a problem, not if there will be a problem, there will be sooner or later, we are here to help them and support them. Even if they purchased one piece of property from us five years ago, we're still going to be here either consulting, advising or I need, I call the property manager and management company, the owner, and we sort things out. All the property managers, management companies we work with, simply do it. My company is their biggest account. So if one of my clients comes and buys in Kansas City and work with that property management company, he's automatically under the biggest umbrella.

You'll get better at traded and fees when you are part of the biggest account of the company. So that's just how the buying power works and that I leverage that buying power to my clients. So I tell them, we're going to help them. I tell them, you're going to have some friction and misunderstanding and miscommunications, but I also tell them we're ging to be here to help you sort those things out. Because that's, I think property measure is what scares most of the people when it comes to remote investing. And when they know there's another layer they can depend on, they can have a conversation. That layer has some buying power, it help ease up that fear. It's never no problem, it's just more manageable.

Dan: Yeah, it is definitely something that even stopped me from buying in a lot of other areas. Because without the positioning of being a large client or the positioning of a good introduction from maybe one of the owners of the company, that's how I found my property manager in Philadelphia. Without that positioning, it's a very risky situation, especially if you're bringing one unit, the manager doesn't really... they're going to do your best, but you're not really moving the bottom line for them. You don't really have much economic leverage on the property management company. So it's pretty cool to hear you be part of this accountability triangle or circle here with the property management company.

Dani: Very important. Yeah.

Dan: Cool. I have a couple wrap-up questions here for you.

Dani: Sure.

Dan: So, one of which we're going to go back to you being 26 years old in Israel and you can go back and share the crown jewel of wisdom from everything that you know now, if you could go back and share the crown jewel, what would that be?

Dani: Crown jewel would be buy less leverage, buy less properties, be more stable. What's one of my biggest mistakes going into the crash of 2008. I wish I had less number, a smaller number of properties more stabilized, meaning cash flowing and not depending on my income to feed them.

Dan: So less of an appreciation play more of the damn thing has to stand alone and pay its expenses right right.

Dani: Exactly. And I'm not talking about extreme, something can always happen. I'm talking about the routine day to day. I want every property, and this is always what I try to design for my clients. Every property needs to be independent of you. That's the ideal in my mind.

Dan: Okay. I see a lot of books behind you there on the shelf. Are there one or two books that have made a big impact on you over the course [inaudible]

Dani: I'm sorry to share that, but this is... I do have books behind the green screen.

Dan: Okay. Oh, it's a green screen. Got you.

Dani: Now to lift my green screen. This is an image. So I'm glad to learn, but if I lift it, it'll look different. But there's still a lot of books.

Dan: I should have saw that. Yeah.

Dani: You know the one book that I don't wouldn't say impact me, but I read, Rich Dad Poor Dad after purchasing the Phoenix Property. And it talks about Phoenix, by the way.

Dan: Wow.

Dani: So for me, it was like reinforcing what I'm already practicing or just starting to practice. So I read it while I already was an owner of a rental property in Phoenix. And in this book he talks about Phoenix. I actually met him in person as well once or twice. But that book was not impactful, but it was really clarifying things. Plain English, easy to understand, the basic and fundamental. It came in a time of reinforcing what I'm already going through or experiencing and saying, hey, I'm on a good path. So it was maybe like a good push when you're starting out and you don't have the confidence of what you're doing and there's nobody around me to really talk to about it because I was the only one that I knew. It's nice to have that kind of a book in your life telling you it's okay.

Dan: Yeah. And that's pretty cool. It's like you're already doing it. We were having a team meeting with my guys here in Chicago yesterday, and one of the comments on one of the other books we were discussing at the time, so we'll periodically review certain ones that seem really impactful. The Leader With No Title by Robin Sharma was the book we were discussing. And one of our guys was like, yeah, I already know this. I already do it. And it sparked for me the comment, which goes along the lines with the Rich Dad thing. You were already doing it. Maybe it wasn't this big eye-opening thing and you were already aware of some of the stuff in the book, but there's something to be said for the repetition and almost the universe delivering the same message in a slightly different story or context to like you said, let you know you're on the right path, It reinforces the confidence.

And for me it's like, hey, I got to go back to the beginner mindset. Like one of the top performing guys in our company every January he reads two books. He reads Never Split the Difference and he reads How to Win Friends and Influence People. And you would think, doesn't this guy already have it? But yet he chooses the repetition to like recrystallize the thoughts, recrystallize the things we're working on. So it's like, I caution myself anytime I have this, I know it all mentality. If I'm reading something again or I'm listening to a podcast again, I'm hearing the same thing. It's like, don't turn it off. Maybe I needed to hear this reminder, even though, yeah, I do already know this.

Dani:
Yeah, reinforce it.

Dan: It's like, hey, wait a minute, am I actually doing specifically this thing that the guy's talking about? Or do I just know it? And I've been very guilty of just knowing it and not necessarily having been taking the actions, but like dismissing it as though the... oh, I know the knowledge is mine, but where are the results for that specific thing? Are they as good as they're supposed to be in our life or not? I don't know.

Dani:
True. Very good point. I like that idea of reinforcement of those things that you... even if you think you already know it, it's not bad to remind yourself. We need those reminders.

Dan: And it's amazing just in the last six months, how many action items landed on my list got done and moved the needle in our company in a really huge way from stuff that I already knew. Yet I heard it again and it was to trigger to go put the action into place. Some simple little minor offhanded comment in the book I was reading, sparked the thing that really moved a needle for us to keep our company growing. So Dani, my final wrap-up question before I allow you to point listeners to your web presence and that kind of thing. What is the kindest thing anyone has ever done for you?

Dani: I think that we all talk about the good real estate and everything is amazing and stuff. Through 2018, I was involved in ran, multiple flips in different parts of the country, mainly in Indianapolis. Things were not going well to say the least. Things were going bad in many ways. The typical stories, I've done 90, 80 flips before, and the last few were just very challenging in many, many ways. And I realized I'm in some business trouble. I need help. And I reached out and asked multiple people that I know in the industry and I reached out and I was blown away by the amount of help I got back from so many directions. And that was really during a very challenging personal time and business time, so I didn't take it for granted.

I'm glad I was saying, hey, I need help. Not always easy for an entrepreneur to share that. I'm glad I did. I can't say that I'm 100% surprised because I always in my history, when people call me when they were in trouble or I knew I was, I tried. I was there, I never shied away from someone who's going through a rough patch. So for me, it was like calling Karma back. Never intended to call Karma back, never intended to test karma. And one of the people that I helped, actually a team I used to work with in Chicago, when they came and came down from Chicago, two guys and tried to help with the situation, see if they could, we're standing there one evening and I say, guys, I really appreciate you coming down driving and one of them turned out to me and that was like really... I get the shivers.

He said, "Dani, what are you talking about? We're have a good relationship, of course with Kevin." And then he said, I want to tell you one other thing, Dani. "Few years ago when you came into our lives, our entire business changed. Just having those conversations with you, you kept telling us I will do this. You think probably want to think about that." And he said, "I don't know if it was by coincidence, but you got very involved with our business and our business changed. Now maybe other things happen as well, but I think just you coming in and being so involved in our business and we are having conversation with you, running different situation in our company or in professional life and you suggesting and telling us great ideas, good ideas, having those conversation helped us steer our business in a different direction."

So he said, "For me, being here, it's an opportunity to say, Dani, thank you for all those past few years of helping us. Thank you for letting me an opportunity to pay back. So I'm glad to be here that I can help you." So that was really... I'm like, really? I did that? He says, "Yes, you did. You may not notice." I was like, I never even intended. And he says, "You may not intend it, but you are always open to us. You always have a conversation. You are always more than just a vendor or a client or something of that sort and we appreciate it and now we can pay back." So that was like, wow. That was like a wow moment. A big wow moment.

Dan: Wow. That's cool.

Dani: Yeah, that was nice. It was nice to hear. He's not wrong, but it was nice to be acknowledged about it. I never thought I'm doing it by design and it just I know it's there, so I'm glad to hear it.

Dan: Cool.

Dani: Thank you for the question by the way.

Dan: Yeah. Good stuff. Good trip down memory lane.

Dani: Absolutely.

Dan: Not to the greatest moment.

Dani: But it's there too. Anyone who tells you I'm in real estate for many years and everything was a no problem, that person is probably not really doing real estate or is lying about it or is sugarcoating.

Dan: Yeah. Fair enough. So where can listeners go? Maybe you want to give out some contact information or websites or anything like that?

Dani: The easiest way is if you just type Simply Do It. Simply Do It is my company name, but it's also my professional web identity. So anywhere you will Google Simply Do It with Dani or just Simply Do It or Simply Do It Real Estate, very likely you will end up with something that belongs to us. Website, one of the social media. So that's easiest way to remember. If you do want to reach out to us by email, it's meet, like short of meeting, meet@simplydoit.net. Very easy, I think. I hope.

Dan: All right, well, I got a couple of pages of notes. I had a great time. Really cool conversation.

Dani: Always a pleasure to have a conversation with a fellow experience investor and not just generic interview or something like that. So thank you for that. Thank you for those questions.

Dan: Yeah. For sure. I thank the listener for participating along. We don't do the necessarily stop and define every real estate term. So you guys will have to keep listening, get books and do some study and we really try to make it fun for those of us who are continuing to scale the business grow and just keep doing deals. So, hey, thanks again for coming on. We'll catch up with you soon.

Dani: Thank you very much.

Dan: Thank you for listening to this episode of the REI Diamonds Show with Dan Breslin. To receive email notifications of new weekly episodes, sign up at www.reidiamonds.com.

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