



Why It's Important to Be a Student of History and Your Real Estate Investing Business

Hosted by: Joe McCall

What's going on, everybody? Joe McCall, Real Estate Investing Mastery podcast, REI In Your Car.

I'm actually driving right now, just went to the FedEx place to mail something, but just wanted to talk a little bit about what happened for me personally in the last recession that we had in 2000 seven, eight, nine. And, you know, I think it's important to study history for a couple reasons. One, if you don't study history, you're doomed to repeat it. Right. And in business, especially, history often repeats itself. When you look at when the economy goes down, certain things go up when the stock market isn't doing well. Other assets like gold or precious metals or oil maybe goes up or when technology stocks are down more. Blue chip stocks are up or something like that when small cap is down, big cap, large cap is up.

Or in housing, maybe in investing. Real estate investing. You know, when cheap houses aren't being sold anymore, maybe. Well, cheap houses are always going to be selling. But, you know, there's market phases where luxury real estate sells better than other times. Right.

Here's the important thing to understand. Wealth doesn't disappear. Wealth transfers. I talk a lot about that in my new book. REIProof.com. It's a book I wrote called Recession Proof Real Estate Investing. And it's really a simple book about how to find the new where are the new opportunities in this recession. And things are changing rapidly. And the market, the economy's down for obvious reasons with COVID and everything that's happened over the last. Can you believe it's been five months now? So as I'm recording this anyway, the markets go up and down, wealth doesn't disappear. Wealth transfers. It moves from one thing to another thing.

And I got started when the more I got started, when the market was roaring hot. I started doing real estate in 2006. Do you remember back then? Real estate never goes down. I remember so vividly, clearly looking at the history of real estate and studying history at that time. Thinking that. Hold on one second. I got to squeeze past this person. Holy smokes. All right. Don't ever do that, kids. All right, long story. So looking at the past. Kind of half with blinders on almost. Because in 2006 and seven, I looked at real estate as never going down. Real estate could never go down. Right. If you looked at the historic average over the last 50 years or so, real estate always went up.



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You know, a conservative, six percent average appreciation over 50 years. But I was ignoring, if you look back in time, we've gone through this stuff before. We had the dot com bubble in the late 90s, early 2000s. Before that, we had the savings and loan crisis of the 80s. And before that, we had high inflation and the oil embargo and the crisis with who was the president back, Carter. Jimmy Carter, I believe, was the president back then and everything going on in the 70s. And so, you know, every decade has had its ups and downs and then some markets have had more than others, like submarkets, markets within a market. For example, I think in the 80s and 90s, Texas, Dallas and Houston, they were hit really, really hard.

When oil prices plummeted and a lot of the industry that's dependent on oil was closing a lot of losing a lot of jobs and people were losing houses and all that stuff. Right. So you need you can't look at history with blinders or just looking for what you want to see.

You need to look at history for really what it's worth and what it does. And history repeats itself, you know, and you can look at long term big picture over time. Real estate always appreciates. But here's the point is you can't ignore the fundamentals. You still cannot ignore the fundamentals.

And once you make your investment decisions, your real estate investing decisions on things based like on appreciation or speculation, then you're going to be in big trouble and you're going to get burned because house prices do not always appreciate, do not always go up.

So you need to just be aware of that. And that's why I say this to you always gotta be careful who you take your advice from. If you take all your real estate investing advice from somebody that's only been in the market for the last five, seven years, you've got to be real careful because what is done, what has happened in the last five to seven years, prices have gone up consistently.

It's hard to lose money in real estate for the last five, seven years. I mean, it's easy to think if you're new to the business that everything you touch turns to gold.

And surely it must be you that your golden touch that has caused you to make all this money in real estate for the last five, seven years. Well, that's not the case, right? You're just a little flea on the elephant's back, you know, and you've been riding the waves to prosperity and success. It's been a great market, right? Well, what about when the housing market slows down? What about, and it will, when prices don't go up anymore? When foreclosures start rapidly increasing again.

You know, and if you're basing your profits and future income on appreciation or the fact that the banks will always refinance you and you're going to keep on refinancing, keep on pulling equity out. And that's



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what pays your bills, you're going to be in trouble. I guarantee it. I've been there, done that. That's all I know.

History does repeat itself, right. So you just got to be careful and be careful how you get your advice from. You should look. You should only get your advice from people who have been through a cycle, have been through the ups and the downs and have survived and come out of it realized, you know what? I'm not going to do that again. I'm not going to make that same mistake again. You got to just be careful.

I'm not saying you should not listen to advice from somebody who's only been in the market for five or seven years. There's a lot of guys out there that are crushing it, doing really, really well. So I'm not saying like don't pay attention to anybody who's only been doing it for a little while because one of the greatest secrets to success is you copy people who are successful. Right. Just kind of be thinking about it with a grain of salt and thinking about how, you know, have they ever been through a cycle.

And I'm not talking like a market cycle as much as I'm talking about an up and down cycle. I talked about this on a recent podcast. You should listen to it if you've not. It's about entrepreneurial scars and every successful business man or woman that has had a business successful right, has been through ups and downs, has had failures. And failures I look at as a badge of honor.

Only if you've taken that failure, turned it around and have learned from it and are back at it again, back on your feet. I would rather take advice. I would rather hire a coach. Who has seen the ups and downs, who has lost it all and has come back and succeeded in a stronger, more powerful than ever? Does that make sense? That's the kind of coach that you want. Somebody that has lost it all knows what it's like to have a business, have success, see failure, lose it and then come back again.

You understand what I'm saying? So fear is a good I mean, a fear of failure is not a bad thing. I would be more afraid of somebody who's never had failure, who's never had success because it is coming. Is that encouraging? Is that encouraging or what? I don't know. Maybe it is for you encouraging. Maybe it's not. But that's not my point. My point is this. You should be a student history.

You should look at, OK, what has happened in the past when the market crashed in 2008, when the market crashed, especially on the West Coast and two thousand ninety-nine two thousand with the savings and loan crisis in the mid-80s. What happened then? What happened with the Great Depression back in the 30s and 40s? One of my heroes is Nelson Rockefeller Vanderbilt. Well, all the Rockefeller, Nelson and Jonathan or what was the senior Vanderbilt's you know, those guys. They were titans of the industry at that time. Right.



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And when the market did crash in the 30s, what did these guys do? They hired a bunch of people. They created a bunch of jobs, and they didn't rely on the government to bail them out. They took matters into their own hands and built huge buildings and took on huge projects and took on great risks and created jobs for people. I really believe that entrepreneurs are critical and vital to the success of our economy and our nation.

And the more we tax and penalize you people for being successful and wanting to start businesses, the more we're going to drive ourselves into the toilet. This is why socialism is such an evil concept, because it kills enterprise and it kills people who want to be entrepreneurs and start businesses and be successful for themselves.

If you think the government is going to be the savior of everything, it is the only answer to our problems, then you're making a huge mistake. I think it was John Adams that said we're one of those founding fathers.

It said if you think government is the answer. It was a stupid question to begin with. So anyway, you've got to study history. Look at the recessions. And one of the things I did in my book, REIProof.com, you can get it for seven bucks.

I talked about how during the Great Depression, I studied companies that did really well and they did several things in common. And I don't remember all seven of them. I think I had six or seven in the book. But one of the things they all did is they all invested more into marketing. They did more marketing. They spent more of their resources and time on marketing and building the brands.

They also created more products. They didn't slow down and hide and cower in fear. They created more products. They created new offers. They did more marketing.

They reinvested themselves, reinvented themselves into other aspects and started actually doing really, really well when their competitors died. They survived and thrived because they buckled down. And so, yeah, I just want to encourage you with that, like a student of history. Look back to see what's happened. Listen to advice from people that have been through that, done that, who have that T-shirt, who has walked in with those shoes. And that's one of things I did. You know, I started when the market was flying high and the market crashed and I lost everything, made a lot of stupid mistakes because I was ignoring the fundamentals. I was ignoring things like cash flow. I was ignoring things like saving money for unexpected expenses and repairs and vacancies.



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I thought the market would always go up. And so it's important to know that it's important. Think about the fundamentals and not ignore them. Listen to people that have been there, done that in the past. So when you get the book REIT proof dot com seven bucks, you get more than just the book. You get the PDAF, you get the mind map where the book came from and you get all the videos of me teaching the stuff that was in the book and in the mind map.

You're going to find some really cool things. You're gonna find the calculators that I use, the scripts, the marketing pieces that I use, and I do a lot of show and tell in the video. So you get to see the stuff that I'm teaching and where it came from and how I implement it and do this stuff. And I want to show you where I feel like the new opportunities are in this market and how you need to be prepared to succeed in this market.

Where are you? Where does your head need to be? What are the things that you need to be doing in your business from a strategic technical standpoint? And you're going to see all of that. There's two or three or four different things I talk about in terms of knowing how to make multiple offers to sellers, knowing how to find the good buyers, knowing how to do automated follow up. You'll get all of your follow up done for you, in spite of, you know, the opportunities that are coming now, our way in terms of different types of deals, we're doing a bunch of vacant land deals right now. We're doing creative financing deals. We're doing deals in small towns.

So there's a lot of opportunity if you know where to look and you don't get scared and, put your head in the sand. The other thing that you get for the seven bucks, it's crazy. Just go to the REIProof.com and you'll see everything I'm talking about in there. You get a free course that we created called Wholesaling 101. And it's a class on how to buy properties at deep discounts and sell them to other investors for a quick five 10000 dollar profit.

And this is a course that people sell for hundreds, if not thousands of dollars. You get it for free in the mind map with the videos and the transcripts and everything that we do. It's a pretty incredible value. I know you're going to love it. All right. When you go to REIProof.com, and when you sign up for the seven-dollar book, you're going to get a couple opportunities after that to sign up for some things that I'm pretty, incredibly proud of because it's just awesome stuff. Like you actually get to watch me demonstrate this stuff live in a new market in an area that I've never invested in before. And you get to watch me and a couple of friends of mine go into those markets, start doing marketing, start talking to sellers, start talking to buyers and start actually making real offers.



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You get to see us demonstrate this in these video series. And so that's gonna be really cool anyway. Yeah. Let me know what you think. Listen, if you don't like the book, let me know. I'll refund your money. You can keep it. Not a big deal. Go to REIProof.com and be a student of history. Guys, you know be a student history. You should be reading books. You should be looking at people that have been successful in the past. And look at their lives and think, all right. How can I be successful like them?

What were the things that they did when they saw recessions, when they saw the market go down? Always be thinking about where did the cheese move to because cheese is moving right now. I'm talking about a book called Who Moved My Cheese? You should get that book and read it.

The cheese is moving right now. It's constantly moving. And we're in an accelerated pace right now. For the last five months. And I want to be in a position to survive and thrive in all of this. And so that's why it's important to stay touch, to stay in tune with podcasts like mine and other guys who are talking about these things because markets make changes.

And one of the cool things about real estate, too, is it doesn't change on a dime like the stock market. It doesn't just go up and down 10, 20 percent in a single day. Real estate slowly moves over time. And so you've got to stay educated. You gotta stay connected with people that are talking about, OK, this is what's working today. This is where you need to pivot. This these are the new opportunities that you need to look at.

You need to pay attention and stuff. Cool. All right, guys, we'll talk soon. Take care. Comb your hair. Go to REIProof.com, REIProof.com, and get my book.