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1208 - 2023 Economy: The Shocking Real Estate Predictions Chris Rood Will Tell You!

Hosted by: Joe McCall

Guest: Chris Rood

Joe:

What's going on, guys? Welcome. This is the Real Estate Investing Mastery podcast. Glad you're here. This podcast is going to be really cool. Chris Rood is a friend of mine and a former student from a long time ago from Louisiana, and this guy is a massive, massive action taker. I remember talking to him for the first time and I knew he was not going to have a problem doing deals. He was a massive action taker. He understood the speed of implementation. He understood that he didn't have to know how to do everything. He asked the questions who, not how. And he just started having tremendous success. So, anyway, we're going to be talking to him today. And Chris, I've followed him a little bit on Facebook. Boy, I don't remember. I'll ask Chris in a minute. But the first time we talked was probably eight or nine years ago, maybe ten. We'll find out. But long time ago. And he's killing it right now in real estate, doing a ton of deals. So we're gonna be talking about I want to ask him things like, you know, how what do you see in people that helps them get successful in real estate? What is it about why some people do a lot of deals and why some people don't? The other thing we're going to talk about is the market, the economy. What's going on right now? What is he? What is Chris seeing out on the street? What is happening to real estate? And a lot of things are changing. Some things aren't. So we're going to be talking about what's kind of working now, what's working in the market, in real estate. So this podcast, though, first is brought to you by my class. I have a class called Simple Land Class, and you can go there as simple land class dot com. Go check it out. Also, some of you guys are big country music fans. It's kind of why I'm wearing my Texas University of Texas hat right now. I used to listen to a lot of country music. I don't know why. I just kind of stopped listening to it a few four or five years ago. I used to know every song on the radio and I could sing all the words to them. So somebody just sent me this warning, that song called Buy Dirt. Have you heard of this? The song by Jordan Davis is such a great song. So if anybody out there knows Jordan Davis, tell him I love his song and I want to know how I can get the how I can buy. What do you call it? The rights to play it or the license. If there is a way I could license that song and play it as an intro to my podcast, that would be awesome. I'd love to do it. I know there's all kinds of rules in YouTube with Facebook releasing podcasts through Apple and all the other channels that you have to make sure you have your music license and all that stuff. And I have no idea how any of that works. Listen, if anybody knows from this podcast how to do all that, which is Rivers, watch me



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Chris: Good man. How are you? Can you hear me all right?

Joe: Yes. You sound great. Do you. Do you like country music?

Chris: Oh, do I like country music? It's funny you talked about Jordan. That's the song I come out to on my speeches. And when I talk about mobile home park investing is buy dirt. So I love that song.

Joe: The song has been out for over a year and this is the first I've heard it. I think maybe a few people emailed me about it and said, Hey, check out this song. But I don't know if I didn't. What happened? I didn't pay attention to it.

Chris: Beautiful song.

Joe: It's a great song. It's all it's all about like family and faith and taking roots.

Chris: Life, man.

Joe: It's about life. And it's a good feel good song it's nothing, it's not depressing. And it's not about getting drunk in the bed of your pickup truck with your.

Chris: Or banging your sister. I'm just joking, I don't think there's any song about banging your sister.

Joe: Not country music. I know. All right. So thanks for being on the show, man. Appreciate that.



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- Chris:** I appreciate you, man. It's been a while and it's good to come full circle and talk to you again. And yeah, like I told you last time we talked, you're a big influence on me. When I first came up, I think you were like my second or third mentor I hired, and you were by far my favorite. Besides, you know, my first mentor that stole \$50,000 from me. But when we talk about that, we had him arrested and. But, yeah, yeah. Thankfully for you, you weren't on drugs and you gave me awesome information. And really, honestly, you had the most in-depth, comprehensive class I had ever taken. Bye, coach. So if anybody's just looking to get started, Joe's used to. I'm sure you still have that same course, right?
- Joe:** Yeah. I don't really sell it much. I think it was probably on lease options.
- Chris:** Well it was a mix of everything. Yeah, it was on lease options, wholesaling and.
- Joe:** Yeah. Oh yeah, yeah, yeah. And I remember when was it that we were talking when we first started working together.
- Chris:** 2014 15 ish and I, I was slowly trying to exit out of all, I had owned a chain of car wash mechanic shops, auto glass and quick look or whatnot. And I saw the writing on the wall and new technology was shifting that that type of business and real estate had gotten me to the point where I, where I bought all those in those mechanic shops that got me the capital. I needed to do that. And I was like, Man, I need to get back into real estate. And that's when I started going on YouTube and found out about wholesaling and then found out about you and hired you and off to the races.
- Joe:** I wrote, you gave me a testimonial or you sent me a Voxer and I narrowed it down here and I keep all of my testimonials in note and says, Hey Joe, about four or five weeks ago I joined your program. I hired an assistant like he told me to. He told me to get an assistant. And that is exactly what I did. I just wanted to tell you a little bit about my past success. The last 4 to 5 weeks, I've done about \$46,000 in profits since the 1st of March. And today's the 19th. And I have a huge deal that if it closes, I'll make another \$35,000. That should close by the end of the month. That'll put me at about \$80,000 for the month. I'm so excited. I can't stand it. I'm actually thinking about putting all of my stores up for rent because I want to do this full time. I'm just barely scraping the surface. I'm crushing it and I'm so excited. I'm so grateful and thankful because you really helped me out. You helped me get that list, help me with my first batch of mail while I was on the phone with you. And I really appreciate that. So I just want to tell you thank you and I appreciate it. Thanks a lot. Take care of goodbye.
- Chris:** Oh, man, that is awesome.



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- Joe:** That was from me. I don't but like and you gave me another testimonial and a couple of different Voxers, but then you're killing it. And I kind of remember talking to you that first time, the first few times that you were going to have success. I just you just had that feeling with some people about it. They exude that confidence and you just had that, you know, talk a little bit about what you're doing now and what kind of real estate are you doing now and kind of your evolution. And because you started maybe doing some wholesaling and some lease options and stuff like that, I remember you telling me you putting up bandit signs in Lafayette, Louisiana, and getting tons of calls from that. I think you're signed in it. Say we buy houses regardless of what you owe.
- Chris:** Regardless of what you owe because I was using that the lease option that you told me so.
- Joe:** Yeah. Yeah. So you started doing deals. You sold your stores, is that right?
- Chris:** I sold all yeah, all of them. But one I still own one today.
- Joe:** Okay. And then what happened after that? You started doing more and more deals. Bigger deals?
- Chris:** Yeah, man. I mean, you know, today, you know, in 2023, you know, we have a massive wholesaling flipping operation. And my partner with all my students, we did about \$2.3 million in assignments last year. So we I just got back my reports from my CPA. I doubt I'm gonna do it. You know that this year because the market has definitely shifted. But now in my mind, you know, for me as an entrepreneur, I've always what's made me really successful is a combination of things. For one, I was always diversified. So I knew going into this thing that when you get comfortable with one business and you've got it stabilized, it's time to start a new revenue stream because that old revenue stream could get disrupted. The technology, the economy, politics, whatever it may be. Right. And because I had experienced that in the past with my shops. Right, what got me out of my quick new car wash and mechanic shops was technology automobiles, where when I first got in, people were changing all every 3000 miles. As we progress, I had those jobs for about 12 years. You know, people change it all every 15, 20,000. By the time I had exited and they were getting free, all changes from the dealership. And you couldn't even work on these cars because they were so high tech. You had to have so many so many tools there. It was getting the power didn't make any sense. I've always carried that along in the fusion and whatever business I get into. So as we said today, you know, I have a huge portfolio of mobile home parks. We own 17 mobile home parks all over the Greater South. I do have some in there and two in Indiana, one in Missouri, but most of them in the south Florida,



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Louisiana, Mississippi. We do land development. We're developing neighborhoods, taking raw land, taking it through entitlement with the counties and cities. And we're developing putting in the infrastructure, roads, utilities. And it's selling off the lots to these big builders like the airport that might be called. They might have different names in your cities, but they hardened in DSLD or some of the ones we sell to and then sell our off to build there. So doing that now in some apartments on a lot of Airbnbs on the beaches that we've done really well with that I really like that Indiana all over I have I have about four or five in Louisiana on waterways. I got one in Destin, Florida, on the beach. I got one in Gulf Shores, Alabama, on the beach. And they do really well, especially after COVID and people stop vacationing out of the states. And they man, they literally doubled in revenue. I mean, it's really been really been good. So but, you know, my new venture right now we're actually close on a HVAC company in 45 days. I've been talking with the guy for about two years now.

Joe: This is really interesting. HVAC, like heating and air conditioning.

Chris: Heating and air conditioning.

Joe: Why is this? Because this is what started our discussion a couple weeks ago about where do you see the economy going? And this is fascinating. And by the way, guys, this is why I said, hey, Chris, can I just get you on my podcast because we want to talk about this. So why HVAC? Let's talk about that.

Chris: Well, if you understand cycles and patterns, you know, I'm 42 years old. I've been an entrepreneur since I was 22. I started that oil change business at the back of my truck, was a junior in high school in college, and scaled it into, you know, four locations. We're doing 3 million bucks a year. By the time I was 25, 26, I thought it was yeah, I thought I was on top of the world and then come 2008 you know, I got my I got kicked in the balls, so to speak. And you have to excuse my language, Joe I don't speak the appropriate language a lot of times from South Louisiana. So just you have excuse me in your audience but, but you got kicked in the balls, so to speak, and almost, almost went bankrupt in 2008. So, yeah, very, very nerve racking, very humbling, you know, because I pride myself in work and, you know, I work and everybody and this and that and but, you know, since I'm you just can't I'll work with the economy wants to do it no matter how talented, smart and how hard work. You know how hard of a worker you are, if there's no work to do, you can't work right? So I learned a lesson there and in 2014 happened. And just see guys to know what the significance of 2014. I'm in the South where there's a lot of heavy oil and gas. Oil went from \$128 a barrel to \$28 a barrel. We lost tens of thousands of high paying jobs. So that really crushed my quick lubes and car wash mechanic shops because we had tons of fleet



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accounts related to the oil field. They were all gone bankrupt. They're moving back to Texas. So that hurt really bad, too. And I just kept making note of like, what can I learn from this? I would take shrapnel from all of these the losses and tournaments a lesson. So here we sit in 2023, I'm 42 and I'm like, okay, we know what goes up, must come down. We know when things are really good. They can't stay that way. But we also know when things are really bad. They don't stay that way. Everything comes in seasons and cycles. So I know things have been really, really good for a long time. So I know based off of, you know, history and cycles that we're coming in for a huge, huge downturn, way worse than I think that we're even expecting because it's not like the other downturns we have huge, huge political turmoil, massive, massive government spending, massive, massive credit card debt. Like everything is extremely overinflated on the price wise, we're in the top of the market cycle. So I know for a fact it ain't going to be good, Joe right. So for me, I'm like, okay, what can business can I get into that? I know is recession proof, right? So.

Joe: This is yeah, I think I love where you're going with the HVAC industry because in all of the different industries out there where there is the biggest demand and there's lowest supply of skilled labor is in the trades, right? Electricians, plumbers, HVAC contractors, welders and in men. If my kids were interested in getting a degree in or not, well, one of them getting a chiropractic degree, but the other one still trying to figure it out. I tell them all the time that if you get a college degree, forget about the four year thing, forget about the bachelor's, go get a technical degree in one of these trades or these disciplines and you're going to be set for life. And then if you look at the starting salaries of some of these people, they're making more money and by the way, working a lot less right then executives and C-level suites of these companies. Right. Much more job stability. And so they're and this is only going to get worse or better depending on who where you are on this thing. Right. But fascinating, like you just Google this and you'll see articles in The Wall Street Journal, The New York Times talking about this kind of stuff because we're in trouble.

Chris: We're much so in trouble. We've been sold the bill of goods for the past 30 years that you have to go to college to be successful. So all these people that had no business going to college who are just, frankly speaking, not academically inclined enough to be in school, which is somebody like me, you know, I barely I cheated my way through high school. I barely passed college. I mean, my wife wrote all my papers. I'm you know, I'm the furthest from an academic. I'm a blue collar entrepreneur. But just overall mindset. But we've been sold the bill of goods that we have to go to college. And now here we sit in 2023, we have \$2.3 trillion worth of student debt. It can't be paid off. It's a failed system, Joe. And you have you tried calling a landscaping company, electrician or an HVAC lately and see how what the waiting list is to get, you know, try calling one of those guys, see how long it takes to get on their schedule.



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- Joe:** It's months. And my landscaper, because we have three acres and it takes two guys is like 4 hours, two more lawn. He keeps on raising his rates and he's been working for me for years and years and I'm too afraid to go price him, you know, try to get some more pricing to get someone else, because I don't know if I can find anybody else. And if I let this guy go, he may not want to come back because he's got enough work. So. Yeah. I mean, we're trying to get a contractor right now to come replace her, citing our daughter's three months waiting just for siding and gutters. Three months. Right. You want to build a pool, You're talking a year, year and a half at least.
- Chris:** So Joe just had just had carpets installed for us to company one of my Airbnbs. I'm building out right now. It's 35 days.
- Joe:** 35 days for carpet. The carpet and the reason why. Shortage of labor. That's the real reason. Maybe there are some supply shortages and things like that, but really, it's labor.
- Chris:** Yeah. So this tells you there is the gap. Right? There is the strategic advantage. There's the opportunity. And I saw this. I told my wife. So now I had no business being in the, you know, quick lube business. I just happened to start that business out of the back of my truck because I just wanted to start a business while I was in college. But I wasn't very strategic about it. But about halfway into it, about seven or eight years later, I remember telling my wife, This is probably 2010. I told my wife, I said, Man, if I could do it all over again, I would frickin started coming out. I went to back school because I knew bodies that and not just people in general that that service are. AC These guys are 24, 25 years old making a half a million bucks a year as a man, and they might only have two or three techs. And here I had I was making good money too, but I had four stores. I was doing the car wash attendants and quick lube all change it ten years. It was just you know, it wasn't a skilled labor, right? I mean, anybody can wash cars as paying them 5 you know, 8 to \$10 an hour, whereas these techs are making \$25 an hour. You can make can have a, you know, a good business and have employees that have a career there. So I made note of that. And I know now that I'm a little bit older wise, I got a little bit more money. I got I've built up a little bit of, you know, wealth where I can, you know, be more strategic and take and extrapolate from the wisdom I've made. I know that I'm I want to be in a business that when it pulls back on that, you know, utterly destroyed, I hurt really bad. And I know people are going to pay their age back or the heating and cooling bill before they pay their mortgage when this thing gets really ugly, because it's going to take two years before the bank or year two for the bank to take back their property. They can they're not going to suffer on getting cold or hot.



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- Joe:** That's right. You know, and when you might have a recession, but they say, you know, the service industries like what we've been talking about and the and I'm just running short on words here. But like the service industries of electricians and plumbers are all very recession proof. And in fact, what you're seeing is and I don't have any hard scientific proof for this, but just from what I'm saying, it seems like the margins are getting higher and higher.
- Chris:** When I started my mechanic shop, when I first my first one I bought was in 2005, Little Shop in Lafayette, and I leased it. The going rate for mechanics.
- Joe:** Chris will be back.
- Chris:** The going rate for mechanics was \$55, 45 to 50, but 55 bucks an hour. In 2005. Now mechanics are charge and in excess of 125, 250 dealerships, I think 175. I mean, just to show you, you know, what the rates are now and.
- Joe:** And people are paying it.
- Chris:** Have to, they don't have a choice.
- Joe:** Don't have a choice. Yeah, they don't have a choice. All right. So should everybody go buy an HVAC contracting company right now or.
- Chris:** No, not necessarily. I mean, it makes a lot of sense for me. I spent six figures on HVAC last year just with all that. We owned 600 and some rentals, you know, you know, I spent and then we flip a bunch of houses. So it makes sense because it's a symbiotic business that complements what I'm already doing. So I know just from one I can get that a discount on. I'm I get it. I know I can get a discount on my stuff number one. Number two, I know all the investors in town where I can give them a discount on my buyer's list from Joe helping me show me how to build a buyer. Is this, You know, eight years ago, I got, you know, 850 people in Louisiana that they buy from me. Now I get do that build relationships with. Yeah, I get I know they I can switch them over to whoever they're using to to my new company And three I know I can help scale this company that that I bought this guy particular guys, young awesome guys, 25 years old. His dad recently passed away and he inherited his business that does revenue and he's a great operator, but he's overwhelmed. Right. And I talk to them.
- Joe:** These guys. Oh, man. They don't understand sales and marketing.



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Chris: They don't.

Joe: They don't understand systems and processes and managing the books, if you can bring that kind of stuff.

Chris: That's exactly what we're bringing to the table. Joe. And he reminds me a lot of me when I was his age. I was, you know, very capable guy, very hard work. And he's the same way. He just as I understand that the business behind the business understand the systems processes, he didn't have a clean set of books, but his phone rings off the hook. 24 seven She has to turn down work in the summertime. So business and this is every age back. I mean, this ain't just his particular one. It's just about everyone is established. So, you know, he did some height. I mean, he did I think he did one point he did want \$1.2 million in revenue with zero marketing.

Joe: Look at this. Bruce just posted a comment on YouTube. Elevator mechanics. The charge out rate is about \$250 an hour, so their salary is probably about half to a third of that, so that the elect elevator mechanic is making 100 to 125 an hour, probably.

Chris: Yeah, but to back to your point, Joe, what I was telling you is that, you know, you said you asked me, should everybody go buy it back up? No, I think you need to play to your unique strengths. I have a strategic advantage because. Because of the fact that I can. I'm sorry. I'm on my phone. People keep calling me. Yeah, but, you know, obviously the advantage where I know that we can complement his business and scale it. So, yeah, it didn't have to be. In fact, plumbers, electricians, we opened up one so at one mechanic's shop that commercial building our and we're reopening that that shop right now I had shut down and I had tried to sell I couldn't so I got two good operators that have partnered up with me and given the vast majority the equity and I'm letting them reopen. And so just think of where, you know, what business, especially for real estate guys, it may make a lot of sense. We were like in a septic tank companies too, before we bought into the fact, you know, because we changed a lot of I just had to spend 200 grand on a new asset to take out before when our septic tank system for one of my mobile home parks. So that was something we were looking at and it makes sense. But just getting into the trades is a lot of work. But guess what do the things that most people don't want to do and most of you don't want to work and you can make a lot of money doing that if you're willing to do what other people aren't willing to do.

Joe: Right now, there's a friend of mine who I'm helping coach a little bit. His name is Jon Paramore, and he has a coaching business for contractors. And anybody listening to this, I really highly recommend you go Google Jon Paramore. And this company is called Smash.



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S.M.A.S.H. But he's talking to me all the time about how many guys out there you have so much business coming their way, contractors that they just can't handle it. And if they could just install some simple systems that you and I are used to in the real estate space, they can kill it. But anyway, Chris, back to the economy. You know what? This is a real estate investing podcast, right? And people are thinking houses, real estate, the economy, you know, is falling apart. This is something we don't really need to be worried about. How can real estate investors who are concerned about the future of this economy, where it's going, how can we diversify and be prepared for any coming earthquake that is coming?

Chris: Well, Joe, can I be candid with your audience?

Joe: Yeah.

Chris: Well, I mean, if you understand history and you kind of pay attention to what's going on, we're coming to an end of a financial cycle. Back from 1945, after World War Two, the Bretton Woods agreement that we had. Right. And the dollar has been in the U.S. has been the world dominating country and currency for the past. What is that, 80 years? Right. And it's ran its cycles. So I think we're at the end of that cycle and it's a controlled demolition right now that they know that it's a failed system. We have massive, massive debt and they don't there's no way we have a massive aging population that are all I mean, we've got 10,000 baby boomers retiring per day. They've already stated by 2030 Social Security, Medicaid and Medicare will be bankrupt. So we're all, you know, frankly speaking, up shit creek with no paddle like we say here in Louisiana. So if you know that, then you got to pay attention and figure out, you know, how can you insulate or mitigate your losses for what's coming. And because it is coming and they've already started talking about it over TV with this. The Great Reset I'm sure you've heard about this is no conspiracy theory, guys. You know, this is what they're trying to do. They they're trying to roll out a more equitable economic system, more socialism to make everything more fair. And whether you're, you know, leaning left or leaning right, you know, is it right or wrong? It's not for me to tell you how to believe politically. You just got to be aware of it as an entrepreneur and make proper preparations. Right? And that's kind of what my feelings is that we're in for a huge, huge disruption and change.

Joe: I agree. Although let me play devil's advocate here a little bit. I heard people say the same thing in the nineties. There is a book that came out in the nineties called The Coming Economic Earthquake by Larry Burkett. Larry Burkett was a very popular Christian financial author at the time who had a popular radio show, and he predicted the same stuff back in the mid-nineties with the coming economic earthquake, that book. And it kind of sent



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shockwaves because it was one of the first guys who really sound the alarm bells. But then Clinton became president and was seven or eight of the most prosperous years we've ever had as a country when Bill Clinton is in office. And then we had you know, we've had our ups and downs since then. But when it comes to real estate, Chris, everybody is always going to need a roof over their heads. People are always going to need a place to live. And the population of the U.S. is growing. So is it all that bad for people who are in real estate, whether you're a realtor or a property manager or a wholesaler? You know?

Chris: Well, it's hard to say. Is it all that bad? Is it a matter of perspective? I'm not an optimist, Joe. You know, I'm more of a realist. I like to be, you know, pessimistically realist and I can say pessimistically. Optimist, meaning I always look at the downside. I don't like I don't play the upside because that's just a bonus treat. If I can look at every possible bad scenario that can happen in game theory that out of my head and kind of prepare for it, then I have a plan. I've been there in my mind and when it happens on that shot, it's a good place to be. When you being a little paranoid is a good place to be. As an entrepreneur, I used to be overly optimistic. As a young entrepreneur, that is a not a good place to be, you know that. I'm just to be honest, because I got my hopes. I got my hopes and dreams, crashed twice, almost went bankrupt twice. Because this stuff is so hard. Being an entrepreneur, you know, this show, being an entrepreneur is so hard is one of the hardest things you going to do in your life. I rather be doom and gloom and pessimistic and then be happy that it didn't happen. That's a better place to be than be hopefully optimistic and then the shit hits the fan.

Joe: So if you look at a SWOT analysis, right, you look at this your strengths, your weaknesses, the opportunities and the threats. If somebody is in oh, by the way, Facebook users asking Larry, who guy's name is Larry Burkett. And he wrote a book called The Coming Economic Earthquake. You should read it. So, like, it's important for every business owner, I think, to look at what are the good at, what are their strengths, but also what are their weaknesses. Because I agree, man. Sometimes you can be too pie in the sky and forget about worst case scenario. Like even when you're looking at deals, it's easy to get tempted by the big dollars and not look at worst case scenario, not think about, all right, do I have multiple exit strategies on this deal or am I just dependent on one thing? That's where you can get into trouble. Looking at your as w a T, right? You're already. Oh, the opportunities. Where are the opportunities out there? Because the opportunities change as the markets change and cycle through. And then what are the threats out there? So what would you say? You know, let's, let's talk to the wholesaler right now. Right. It's not you can't wholesale deals maybe as the same way you could a year ago. Things have changed. So talk to the wholesaler right now who was used to wholesaling 10 20 deals a month a year ago, but now they're struggling to do five a month. Talk to them.



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- Chris:** Yeah, I think it goes back to diversification. You can't be a one trick pony, right? If you look at real estate investing like a wheel, you got spokes on those wheels, right? You want to have as many spokes is on that way as you possibly can to turn that wheel fast. So I'm always, like I said earlier in this podcast, is that I've always been diversified. I started out from the get go. You know, if you're only doing wholesaling, you need to get you need to figure out something else. The maybe wife needs to be a realtor, maybe you need to get your realtors license. Even though things are slower, you need to look at maybe flip land like Joe's doing. We're doing land. Also, you have to evolve the name of the game and business is change. Business is no different than if you steady and follow nature. Right? You have to change with the seasons, right? Spring, fall, winter, summertime. So what I would do if I was a just a wholesaler right now, maybe you've on it, you better say last year was your first year and you crushed it in like, Oh man, Joe, things are really slow down, like, and I'm freaking out. And Dan again, for one, understand that this is not going to last that long. In my last year, two years, three years max, I doubt I think it's only the last maybe two years, maximum even a year. Figure out which you can do without totally changing industries. That is symbiotic to what you're already doing. Right. Maybe that's, you know, learning how to raise private money. That's a skill too. I mean, that takes my business to the next level. You learn how to raise private money. I'm telling you, that's just that is like the most what I have three core things that that I teach and that I stand by it. Right. That's direct to seller marketing, raising private money and building a personal brand. If you work on those three things, right as individual skill sets, you will crush real estate.
- Joe:** Oh yeah. Because if you've got the money, the deals will come to you.
- Chris:** Absolutely.
- Joe:** The buyers will come to you. The deals will come to you.
- Chris:** Yeah. So and what I would do is learn how to keep some of your deals. Like I find like a lot of guys I started wholesaling with, you know, eight years ago and Joe trained me. They're still doing the same thing they did eight years ago. Like I noticed Joe's changed and he's now he's doing land now, like, Dude, you got to change. Everything changes. So I would figure out just what other businesses that are symbiotic that you can do that are very close and synergy and generic to what you're doing. Like for me is the age back, right? Because that's, that's still real estate. It really age back is just a real estate service provider is what it is. It's not like I'm getting out of it industry so.



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- Joe:** Well but some examples might be you're getting your license like you talked about maybe doing some creative real estate strategies, lease options or owner financing, subject to's, raising money, being a the capital syndicate, maybe some kind of broker. There's a bunch of rules in that. But like, there are other things, right?
- Chris:** Absolutely. And the lease option what Joe what you know, when I when I first took a course on lease options I think lot like I think I may end up making like 70 \$80,000 my first year just doing lease options because it was the perfect time in 2014. Matter of fact, Joe, it was 2014 because I remember that is when I when I hired you. So that's about the eight year. Years ago, years ago. I because that's when economies that are crashing in my area when the oil crash and there was a lot of people upside down on their mortgage are they maybe they just didn't have any equity so they couldn't sell it traditionally with a realtor because they couldn't pay the realtor fees. I would get that under contract and I would go marketed on Craigslist. And to get a lease option buyer, I'd get 5 10. I even got 30 grand down on a lease option. I would just a sign that lease option. So that's it. That's a strategy that works really well in a down economy after people have overpaid and over bought because frankly speaking, there's not a whole lot of equity in a lot of these people that just bought because they you know, they maybe put 5% down, 3% down, in some cases 1% or maybe ten. So that's another strategy. Owner finance. I mean, we we're actually buying a 62 unit mobile home park right now from an older baby boomer who doesn't want to cash out. That's another skill is that the art and sales tactics of showing and telling and demonstrating to these older baby boomers that have a lot of their real estate in this country. They're about to get, you know, hammered with Uncle Sam. If they try to sell one, why don't you just if it if they had no mortgage on it, let them owner finance it to you and you can raise the capital, put a hundred grand down, whatever it may be, and you can buy deals, you know, a great a finance way.
- Joe:** That's really good. Really good. All right. So here we are in February 2023. Where do you see, you know, the rest of the year kind of going in? You see unemployment going up, inflation getting worse, interest rates going higher. What's your projection on that?
- Chris:** So this is not my opinion, Joe. I told my wife this this that yesterday, this week is funny because I'm on the phone with a lot of, you know, people that come to my masterminds. I've had three people this week, but I'm sorry, between this week and last week tell me that either their wife lost a job, they're losing their job. Three people and you feel in it. And I was like, okay, the economy is definitely slowing down because I have I have conversation. I'm on the phone with people all the time, and nobody's told me this before. In the past seven, eight years, something's going on. And it and sure enough, if you check all the statistics, these big corporations are laying off massively right now. So that so that that



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answers that question. Yes, definitely. People are to lose jobs, that the economy is pulling back and people are they're cut and they're gonna lose fat. If you're not highly valuable in your company, you probably need to get cut or or get a pay cut at least. But as far as inflation, I don't know that inflation is going to continue with interest rates that keep going up, you know, because that kind of flattens the demand. There's still pretty strong demand for housing. I mean, historically speaking, interest rates are not that high. But, you know, let's be real. We got high on low interest rates for the past seven, eight years. So people are freaking out because interest rates are going up. But Joe, I bought my first house in 2003, my first starter home, and my interest rate was six and a quarter and that was a good deal back then. I bought I bought my first business in 2008, my first location from a SBA loan, and I paid eight and a half percent and I was a good deal. So frankly speaking, historically speaking, you guys in it, chill out. Rates are not that high. We just got high on low interest rates.

Joe:

There is an article that I want to share with you all here talking about this. And I was reading this the other day in The Wall Street Journal, and I don't know if I'm going to get in trouble for sharing a copyrighted Wall Street Journal article here, but oh, well, make this a little bigger. The US consumer is starting to freak out and flush savings accounts and cheap credit that helped keep Americans spending at rates at high rates since 2020 are disappearing. And this is a fascinating article. If you just kind of Google this Wall Street Journal, the U.S. consumer is starting to freak out. You'll find this. And there are some interesting things here about how the rate of savings is way, way down. And here are some charts on the slowdown, seasonally adjusted consumer price index. Retail sales are starting to come down. Personal savings rates are coming down to very, very low levels. The share of US adults who's monthly this is freaky here. The share of U.S. adults whose monthly expenses were more than their income. So look at this. These are the share of percentages of us adults whose monthly expenses are more than their income. And if you look at those who make let's look at those who make less than 50 grand a year, it's seven. It's the average is 20, about 21%, but it's up 7.2%. Those who make between 50 and 100, it's at the average is about 11 or 12% and it's up 2.6%. But look at this. The percentage of adults where you see this going up, whose expenses are more than their income, it's going up over the last few months and the average is about eight or 9%. And that's going up, which means especially people who make, quote unquote, a lot of money, they're spending way more money than they're actually making. And you go through this article and it starts talking about the how much everything is costing more and then the layoffs and how they're getting worse and worse. And employers are shedding temporary workers at a fast rate. And people who do lose their jobs are taking longer to find new ones. This guy here in a tattoo shop. You know, it's kind of a luxury thing, right? He's seeing the weights go way down for his tattoos. Mortgage rates are reaching highs. And blah, blah, blah, blah, blah.



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This whole article, I should have just highlighted some of this thing, these things, before I brought it up here. And I thought there was another chart. There's not any way they can be scary if you're not prepared for it. But I will say this. Let me stop the screen here. Wherever there is a crisis, there is an opportunity. Right. And whenever wealth just doesn't disappear, it transfers, Right? If money is disappearing out of the real estate market, out of the employment market, out of jobs, it's going somewhere else. It's going somewhere else. And so we need to be active as investors to follow the cheese and to be educated to mastermind network with other people. Because I remember when the market crashed in 08. Chris 2007 and 08. It didn't just happen on a dime. We if you were reading the market, understanding it, it was it actually was kind of slow. It's not like the stock market where one day it's all of a sudden down 5%, right? It goes slower. And some people think it happened overnight, but it didn't. You could read the warning signs for at least a year or two years in advance. People talked about the bubble. They thought, you know, it just was it just got out of control. But anyway, it's important that we are students of this economy, of the market. We're listening to podcast, networking and masterminds of being connected. If anything, as you as the economy is kind of shaking. I think the worst thing you can do is stop investing in your education, stop investing in your masterminds. You need to plug in deeper with these kinds of groups of other investors that are more successful than you, Right. Would you say? And what you see, where the what are they doing now that's working that didn't work six months ago anyway?

Chris:

Yeah, 100%, Joe. I mean, you know, we're part of a bunch of masterminds I put on masterminds and, you know, I think it is the number one thing an entrepreneur can do to succeed is to be around other entrepreneurs, Entrepreneurs, only 3% of the population. Yet, you know, we have to mingle amongst the other 97% of the population who are not entrepreneurial. So you can get a lot of bad information from people that just frankly speak and you shouldn't be getting information from. So I make sure I get my information from people that are doing better than me. And I've gotten further in life, Joe, by not listening to people versus listening to people because the information is terrible at that. Right. So back to your point, Joe, about, you know, this will be an opportunity of life that I know in 2008, I didn't have the wherewithal to I didn't know about how to raise private capital. You know, 2014, I had just gotten into wholesaling. You know, I didn't I didn't had that order raised in private capital then either. But now I have that skill down packed. I've been able to raise, you know, probably 50 million bucks, you know, in the past four years between flips and, you know, buy a mobile home parks, apartments, all the Airbnb, everything we're buying. So that is a skill. So if you can get access to money, if I were you, I would I'd start raising private capital. Don't stop marketing. In 2014, when I went through that crisis, when I first got into wholesaling, it was a perfect storm for me when I first got in because the economy is crash and I started doing direct to seller in Africa and cleaned house. I just didn't have the



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money to better buy deals at the time, and that's not going to happen again. So for your audience here, I'm telling you, stack the cash for the crash. Warren Buffett says, you know, you make your money when there's blood in the streets. And that is absolutely a fact. Right. And it sounds kind of shitty, but you need to get ready if you're going to capture all of it. Like Joe said, that wealth just doesn't disappear. Wealth is energy. It just transfers, right? This is going to transfer to somebody else.

Joe: I remember when the market crashed in between 2007, eight, nine and ten, it seemed like there was a huge mass exodus. Everybody was leaving the real estate investing world, but there were people that were still doing deals. And I remember there was the community at the time called Flipping Homes dot com and the people that were doing deals there, they learned how to raise private money and they started learning how to raise local banks money from local banks. And so financing was really, really hard to get. It used to be easy to get loans. Then it became really extremely difficult. But the guys that succeeded and did well were the ones that knew how to get the money, either from private investors because there were people still willing to lend money. Not everybody is broke in that recession. Right. But then also the ones who understood how to build relationships with small local banks and could then sell their deals with the financing in place. So there's still when things get hard in the real estate market, I know this from just past experience. People that are going to do well are the ones who can sell deals with the financing in place or bring the money to a deal. That's going to be critical. Yeah. And Craig, who's watching this on Facebook, he's absolutely right. He made more money during that time than any other. Joe and Craig, you remember? Remember guys like Nate in Wisconsin who were. That's what they were doing at the. Time. And I remember reading voraciously all of his forum posts on flipping homes dot com because that's what he was doing and that's what people I knew back then were succeeding with doing. So anyway, really good advice. Chris, we need to wrap. Go ahead.

Chris: I want to leave one more thing, because you asked me a question that I never answered in the beginning. You said, you know, what makes a successful guy versus not successful? You know, I think you got to figure that out, you know, for yourself as far as I'm sorry, mine stretch in my one of my kids. I guess I've got five kids. Joe, I'm sorry. It it's like a zoo in my house and they all homeschooled. So in a anyway, it makes people want to focus on.

Joe: What makes people successful versus not.

Chris: Yeah. So you said some very pertinent, right. Earlier you said you said I exude confidence. And I was going to say that's one thing, is that you got to have massive confidence. This stuff is so hard that if you can't be your biggest cheerleader, you can't be your number one



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fan. You can't you can't let people get in your head. Right. You don't have to be that smart to be successful. Listen, I got at 2.1 GPA at best out of high school, and I cheated my way all through college. Right. But one thing, I may not have a whole lot of brains, but is one thing, Joe. I got a whole lot of. And that's balls. You need more balls than brains in in being in business, guys, as an entrepreneur. Balls would take you away way further than brains. Now, I'm not saying you got to be no dummy. You know that You could be a dummy and do this by taking action and building at the skill set of a building that that tolerance risk, that that that risk tolerance. That's a skill, right? And that's it. That you stretch that thing. It's a mindset. So you stretch that every time you take a little bit of risk and you got to learn to take a little bit of risk, calculated risk. And just not just any kind of risk. And you do that on a gradient scale until you build that confidence and then you're as you grow and you build that confidence, you'll become more aware and take, you know, by the \$100,000 property becomes net and then by May not a property becomes that and then behind it two or 3 million. Now it's all numbers. You just got to get past that point of the risk tolerance.

Joe: Fortune favors the bold.

Chris: Yeah 100 percent.

Joe: Cool. All right, Chris, let's wrap this up. How can people get a hold of you? They're you active on the social media and all that?

Chris: Yeah, I'm very active on social media. You can follow me at my business page, Chris Rood Entrepreneur. You can follow me on Instagram where I show, you know, stories every day of properties I'm looking at and deals I'm doing at Real Estate Rood on Instagram, I'm on LinkedIn, I'm on YouTube at Chris Rood Entrepreneur, I host masterminds. Joe, we going to have you come speak to one of my masterminds here.

Joe: Is this your correct handle? Real Estate Rood?

Chris: Well that's Instagram. And then I have a website Chris Rood.com and I put on these masterminds called the Allies masterminds where I, you know, have experts come speak on different topics all over the country. I said, Joe, we're not to have you come here soon. But oh, yeah, I appreciate you. And it is really cool to see, you know, you still in the game and, you know, there's a lot of there's a lot of gurus that come and go, but man, you're the quintessential like true Master Jedi Knight of real estate, you're still doing it. You're like the Obi-Wan Kenobi of real estate man.



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Joe: Thank you. I appreciate the kind words. I'm not going anywhere either. I still get a lot more black hair in this, you know, I still got a lot more room for gray. But ChrisRood.com. And on the IGs, it's Real Estate Rood dot com. Thanks for being on the show, man.

Chris: Appreciate you, Joe.

Joe: Congrats on having five kids. I have four. That's amazing. Good for you. And you homeschool all of them? We do too.

Chris: Homeschool all of them, man. But appreciate you, Joe. It's been fun.

Joe: All right, Chris. Thank you. Hey, guys. We'll see you all later. Take care, everybody.