

## Episode 312

**Tyler Chesser** Elevate Nation. Welcome back. This is Tyler Chesser. I'm so thankful to have you here. And I'm blessed and grateful to be sitting with Matt Faircloth today. Today, you are going to learn about what it means to be an authentic investor who is finding the gift in challenges, and attracting new opportunities, attracting tremendous opportunities for the long haul. And really, that's what this is all about. That's what real estate investing is all about. It's not about short term wins or short term losses. It's about continuing to get up when you find adversity, continuing to face challenges, overcome obstacles, and look at problems in a different light so that you can receive the gifts of those challenges. But you're going to learn about really the mindset behind Matt Faircloth's rise from, you know, an investor almost 20 years ago to now being someone who's had tremendous amount of influence on the real estate industry. So I want to encourage you to buckle up. Elevate Podcast is all about mindset, mind expansion and personal development for high performing real estate investors. I'm your host, Tyler Chesser, and I'm a professional real estate investor and entrepreneur. It is my job to decode the stories, habits and multifaceted expertise of world class investors and other experts to help you elevate your performance and lifestyle. Are you ready to take it to another level? It is time. Let's raise the bar today. I would encourage you, if you haven't done so already, pay the fee. The fee is to pay it forward and share this episode with one person. The only way we can continue to grow. So I just want to thank you. I want to ask you from the bottom of my heart to help us pay it forward. If you've done that in the past, I want to thank you and I want to invite you to pay the fee one more time. Otherwise, it's 100% free. All you have to do is grab that link and share this with one other person. So I want to thank you for doing that. It's your first time listening to Elevate. Welcome to Elevate Podcast. We are here to pour massive value into your cup and to help you with the opportunity of transformation, because ultimately your success is a lagging indicator of your own personal transformation. So if you're here today, you are here to invest in yourself. You are here for an opportunity to transform. There's two different sides of the coin here, right, it's either growing or dying. And ultimately you chose growth because as you invest in yourself, the opportunity to grow and to challenge yourself and to evolve into the next version of yourself is here. So I just want to congratulate you on that. I also want to ask you if you have not done so already to give us a rating, a review and subscribe or follow Elevate Podcast on wherever it is that you listen or watch podcasts. First of all, subscription is important, you know, following us because you want to be notified of the next episode of Elevate Podcast. That's going to be the easiest way for you to do that in a review and a rating. It's so important for us, it's so helpful for us. And also it helps your, you know, comrades or whatever we want to call each other the opportunity to evaluate if this is something that they want to spend their time in. And I think, you know, that it is something that they want to spend their time in. So, without further ado, I want to introduce you to Matt Faircloth, who has been a full time real estate investor since 2005. And in that time, he has successfully completed projects, including dozens of fix and flips, office buildings, single family

homes and apartment buildings. He has completed hundreds of millions of dollars in real estate transactions and controls thousands of units of multifamily. He is a regular contributor and podcast guest on biggerpockets.com, has an active YouTube channel dedicated to educating investors and he is the author of the Amazon bestseller "Raising Private Capital: How to Build Your Real Estate Empire with Other People's Money". So with that said, I want to encourage you to buckle up and enjoy this phenomenal conversation with Matt Faircloth.

**Tyler Chesser** [00:00:17] Love it. Matt Faircloth. Welcome to Elevate, my friend. How are you doing?

**Matt Faircloth** [00:00:22] I am fantastic, Tyler. Good to hang with you. I loved our conversations you and I had at Best Ever [Conference]. What's crazy is, the show is supposed to start a half an hour ago, and you and I just sat and shot the breeze and talked about everything from business to life to family for the last half an hour. So I kind of joked around that you and I probably should have booked this show with like an hour runway before the show, or maybe the microphone should have just been on an hour ago and we would have had a great show there. You and I just talked, just shooting the breeze, you know?

**Tyler Chesser** [00:00:51] Yeah, no doubt, man. I just appreciate your energy. I appreciate your authenticity. And that's been one of the things that I've really enjoyed about getting to know you. And while our relationship is young, I feel like, you know, you are truly who you are. And that's a cool thing. You know, a lot of times people will go out there and they're educating, they're growing their community from an investor standpoint and they're adding value. But sometimes, you know, that authenticity doesn't fully come through. So, you know, that's one of the things that I've enjoyed about getting to know you so far.

**Matt Faircloth** [00:01:19] You know what? Let's get right into it. I mean, there is a mask through which we all wear that the world sees us. You know, Chris Rock, I call it our mask, right? But Chris Rock calls it, [00:01:32]when you meet someone, you don't really meet them, you meet their representative, [2.2s] You know? And so I don't meet Tyler, when I first meet Tyler. I meet the Tyler that he is putting forward to the world, right? And I see this and I'm not just me too-ing and saying this back to you, but I see that in you as well, that there is really not much of a filter there for for you or for me or I try not to be. I try to just be me, you know? And [00:01:58]if there is a difficult conversation I need to have with an investor or with someone on my team or whatever, I have it through the same filter that I give the world. I mean, I try to make that about as thin as possible and just be myself, because I think people gravitate to that. People see when you're wearing a thick mask and you're trying to be a certain way, where you're trying to be tough, where you're trying to be funny or trying to be something that you think the

world will gravitate towards, it's simpler and easier and better for me just to be me. And if they gravitate to that, then they'll become a raving fan, you know? [37.8s]

**Tyler Chesser** [00:02:36] And I think people also can tell when, you know, you're showing up in a self-serving type of capacity. And it's just so obvious. A lot of times people think that this mask is so, you know, concealing and, you know, they're going to get something out of this relationship, but they'll never really know that, you know, I'm showing up in this capacity. But that's one of the things, too, that people can feel it. And I think maybe it's a sense of just the state of the world that we live in is hyper technology, hyper connectivity, hyper advertising, where you've got advertising all around you, where it's like there's a motive behind every message. And I think, you know, it's a call perhaps for the listener to say, all right, well, how authentic am I truly being? I don't know about you, but it's less you know, I don't have to keep up with this message or this aura or whatever. It's just, I just am who I am.

**Matt Faircloth** [00:03:21] I think it goes back to results, right? So, you can tell when you talk to someone (and we won't name you names, right), but like, you know, either guests that you've had on your podcast or people that I've heard speak on stage, there are people that I've just met in the world that there is a result that they're trying to get from my interaction with them and they're trying to steer the conversation or the whatever they got towards that result, whether that's me buying a \$30,000 program from them or whether that's, you know, me investing with them or me aligning with them or me, you know, endorsing them or whatever it may be. Or, whether the simple result is to just, you know, absorb someone and get to see where they're at and feel where they are, and if there is alignment towards my goals, then to continue, and if there's not, then high five. Nice to meet you. Right? So [00:04:15]when I meet someone, I'm really trying to understand on what footing are you? Where are you standing? Is there something I can learn from you? Is there something I can gain from you or something I can give to you? Right. Can I give and can I gain, right? And if there's alignment in those things, if you can help me advance towards what I want in my life and if I can give the same to you, then there's an alignment and we should continue talking. If not, I just try and be as present as I can and, you know, give whatever nugget I can and get whatever nugget I can and then move on, [32.8s] you know? [00:04:49]But I'm not going to walk into any situation with a preconceived deliverable or a preconceived result that I want to see at a conversation, because that's how you show up, inauthentic. [8.6s] That's how you show up trying to sell something. And you could be trying sell something when you meet somebody in line in Starbucks, you know. You just talk to them, you could have a result attached to that conversation or you could have a result that you're attached to when you're on stage or when you're on a podcast too, and all of these things are completely evident when you talk to them.

**Tyler Chesser** [00:05:17] You know, it's so interesting. So this morning, I started my day with I had a random 15 minute, you know, agreement or some scheduled meeting

or a call with someone that I hadn't spoken to in years, and I think he set up a meeting. Somehow he found my Calendly link and he set up a meeting. And I'm like, okay, this is interesting. What does he want to talk about?

**Matt Faircloth** [00:05:39] Those Calendly links are a curse and a blessing, aren't they?

**Tyler Chesser** [00:05:41] Yeah.

**Matt Faircloth** [00:05:43] Because sometimes people get a hold of them and they're just want to like, "Oh, hey, I'm just going to grab Tyler for 20 minutes", right?

**Tyler Chesser** [00:05:47] And, you know, the topic of the meeting was just to catch up and all the stuff. And I'm like, all right, okay. I'm sure that's the case. At the end of the call, it was to share with me the, you know, the network marketing plan that they had.

**Matt Faircloth** [00:05:59] Oh no!

**Tyler Chesser** [00:06:00] And it's like, oh my gosh. It's like you could feel it even before it started. You know, it's like you're looking to gain something without that being a part of what I'm looking to accomplish or whatever. It's like there's no authenticity there. You know?

**Matt Faircloth** [00:06:11] Like I am doing great and things are amazing because I've encountered this great organization that's helped me make so much money or whatever, like, oh come on.

**Tyler Chesser** [00:06:20] You can just feel it before it even starts. But for you, I mean, like, where did that all come from? Did it just come from, you know, just growing up in a family that was just honest with each other and just like that was a value? Or where did that come from for you?

**Matt Faircloth** [00:06:34] Here's what's interesting. I actually-and it wasn't always this way-and I did, by the way, the network marketing thing, we can go there if you want, but I did that years and years ago and there's good sales training, but there's also like a certain level of inauthenticity that shows up in those organizations, right? So it's good and bad, right? But anyway, where I got the attachment to transparency and attachments to being really like raw and authentic as I need to be was in my like late twenties, early thirties. First, my wife and I did this program called Landmark Education. Right. And Landmark Education is phenomenal. It will force you to find the scar that exists on your body and stare at it, you know, and just engage. You know what I call landmark is we're all carrying around baggage from our past, right, and stuff that happened from our childhood, stuff that happened from our teens and stuff that happened last week. Right. And Landmark acknowledges that we're all carrying around

baggage and Landmark is a bag check, you know, is a means to put down the stuff that we're all carrying around, you know, in everything. So I did Landmark education right when my wife and I got married, and then soon after that, I met a group of men that were running an organization called MDI. And it was right in line with Landmark and like a lot of that rawly authentically looking at your stuff, a lot of tough love, you know. These are like group of men meeting around campfires out in the woods kind of stuff, like that kind of thing. Right. And I got a lot out of that. And it forced me to really look myself straight on, three inches away from the mirror and acknowledge how I was showing up. And it forced me to also step into leadership in a safe place. It allowed me to try on what it felt like to be a leader and to run a small group. And I did. And I ended up evolving to one of the leadership positions in that organization. So it's now under new names and it's evolved, it's still around, but it's a very micro organization. But if anybody is looking to look themselves in the mirror from three inches away, consider Landmark Education. They're all across the country.

**Tyler Chesser** [00:08:54] I've heard of it. And I believe a lot of what Landmark is about is kind of what Tony Robbins is all about. And it's about introspection, it's about understanding, It's about truly getting to the root cause of certain beliefs, certain behaviors, certain patterns that we find ourselves repeating. So talk to me about what you discovered about yourself through that experience.

**Matt Faircloth** [00:09:16] Sure. By the way, I'd want to do UPW.

**Tyler Chesser** [00:09:19] It's so good.

**Matt Faircloth** [00:09:20] I've never done it. I've had mild exposure to Tony's products. I haven't done any deep exposure to anything that he's done, but I like to do UPW. So if I do, maybe I'll call you afterwards when my feet are still burning from the hot coals.

**Tyler Chesser** [00:09:34] Yeah, highly recommend it. And by the way, they will not be burning, which is shocking, but it's also, you know, liberating in so many aspects to recognize what is possible if you focus on the outcome and get into a peak state. But I'll just leave it there.

**Matt Faircloth** [00:09:47] Yeah. Okay, cool. Mental note. What I learned about me is that I had a strong-and it's not like you change and evolve and become not something. What you do in these kinds of things like Landmark or whatever, you become aware of a part of yourself that exists. It just makes you more aware of some of the subconscious habits and traits that we all make. Right? [00:10:13] And something that Matt does on a regular basis is does things for the benefit of being liked. Right. And so Matt loves getting liked by people, and that's something that validates me. I get that itch scratched when I'm on stage, I get it scratched when I get attention, whatever. It goes back to childhood, right? And so I got clear that that is there for me. And I can either serve that

and scratch the itch when it's appropriate, or I can intentionally give it up and say like, okay, if I need to have a difficult conversation with Tyler about a business thing that he and I are in, or if you're one of my investors and I need to be real straight with you, I can go the route of being liked and I can tell you what you want to hear, or I can intentionally put that part of myself down for a second and tell you what I need to tell you. Right. And that second muscle, that second habit was not a muscle that was there for me in the beginning, but it's there for everyone. And for those that are hearing this saying like, oh, I can't do that. You know, I can't be something I'm not. You sure can. You just got to build the muscle up to do it. Right. Then you have to acknowledge that your instinct, your subconscious is going to tell you I want to continue to do actions in exchange for being liked. And if you're aware of it, you can put that down when it doesn't serve you and you can pick it up when it does, [81.6s] you know. So that's one thing I learned about myself was the whole being like thing, and I learned when I can give it up and I learned when I can reach for it and allow that to be there. You know.

**Tyler Chesser** [00:11:45] I love that. And I really love the fact that, you know, you're asking these type of questions of yourself. And I think that's really sort of what is being communicated here is like, what is it that may be limiting you? What is it that may be serving you? And perhaps that's not a one size fits all answer, because maybe at times being liked is something that can serve the greater good and can serve you to make a contribution to someone else and to grow and to scale. But, you know, thinking about how this sort of introspection or this dialog applies to the way that you invest. I'd love to know. I mean, looking back, like you've been an investor now full time investor since, what, 2005, so 18 years or so? I mean, talk to me about that journey from then until now and how these type of questions have played into greater levels of success as an investor.

**Matt Faircloth** [00:12:34] Well, yeah, I mean, it really goes back towards like acknowledging what all my, you know, Dan Sullivan would call it like your unique ability, some would call it your God given talent, some would call it just, you know, your purpose, whatever you want to say. [00:12:49] It goes back to acknowledging what it is that I am great at and how I can bring that greatness to real estate investing. [6.2s] Right? [00:12:56] In addition, how I can acknowledge that there's things that I am absolutely terrible at, and I will allow certain traits that I have to undermine things that need to happen properly in a real estate investing business. [13.3s] You know, you've got great partners, as do I. And [00:13:14] I've been able to build partnerships of people that are very different than I am because they're great at other things that I'm not great [7.8s] at. [00:13:22] Right. And that's what's been key to my success. [3.9s] And also in my early years, a cause of my failure is by me doing things that I'm not great at and that I am subpar in. By me forcing myself to do those things, whether that's, you know, allowing my need to get liked, get in the way there, a.k.a. that shows up in allowing a contractor to tell me that he can't show up on the job site for three more weeks or allowing a tenant to tell me directly that they can't afford to pay the rent this month

because they got a flat tire or whatever, right? Whatever reason was, my desire to be liked will tell them I accept your terms, that you won't be here for three weeks or I accept your terms that you can't pay rent this month because "excuse". Right. So it forced me to surround myself by people that can negotiate through things like that and are able to work their way out. Like I said, I can build the muscle up to have the difficult conversation, and I have that now. But it's also better to have people that instinctively know how to deal with that. Right? They shine, they relish things like that and they can make it work, right? And so, [00:14:29]my growing and scaling really has been around me surrounding myself by people and acknowledging different skill sets and acknowledging different personality traits and backgrounds. So I can have like a full spectrum of people around me that are just great at different things. And if I wind them up and point them in the right direction based on what their greatness are, you can create an A-team.[20.4s]

**Tyler Chesser** [00:14:53] And it feels like it's almost like radical self-awareness to a certain degree to say, look, this is not a bad thing, but I'm just aware that I perhaps have a weakness in this category. So now let me find somebody who has a strength in that category.

**Matt Faircloth** [00:15:09] I got to give a shout out to my wife who spent ten years-and this is this is where I got a lot of this awareness, too. She spent ten years in personality assessments. When her and I got married, her and I agreed that I should quit my job. I was a traveling sales rep. You know, fast forward, you know, the guy that wants to be liked is a traveling salesman. Of course he is. Right. So I'm a traveling sales rep and she was graduating grad school and she got her degree, her master's in social work. And so she was going to hang a shingle and help people, you know, through, you know, becoming a social worker. But because her and I had both read "Rich Dad, Poor Dad", and had the entrepreneur bug or whatever, she went and worked for a company selling a product that helps people evaluate themselves, a.k.a. a personality assessment. So she spent ten years marketing that assessment. And that assessment taught me about people's talents and what people are here to do and what their personality best serves them to do in an organization. And so now pretty much anybody I interact with for more than a few times has taken the personality assessment that she marketed for ten years, doesn't anymore. But I still have access to it because I believe in it.

**Tyler Chesser** [00:16:27] Which one is that?

**Matt Faircloth** [00:16:28] It's called The Predictive Index. It's similar to (she would shoot me if I said this), but it's very similar to the DISC. Don't tell her I said that, right? No, it's not. It's very different than the DISC, that was a competitor of ours. Yeah, I got it. But it's like the DISC. You know what? Again, really don't tell her I said this, but [00:16:44]it doesn't matter what personality assessment you take. Take the Myers-Briggs, take the DISC, take The Predictive Index, take the Kolbe. These are all



phenomenal tools. Few more, the PRINT, the Enneagram, right? They're all great products. Just use it to become more aware of who you are. [18.1s] And oh, one more Strengths Finder. Phenomenal tool, a great book too. Do you remember what you have you taken the Strengths Finder test?

**Tyler Chesser** [00:17:14] I have and I've read the book and in fact, we've interviewed the author on this podcast a couple of years ago. So, but you know, I don't remember exactly what mine was. I could tell you what my Myers-Briggs was and, you know, the PXT and all these different ones and DISC.

**Matt Faircloth** [00:17:28] You're in to that too? You're aware of like...

**Tyler Chesser** [00:17:28] Oh yeah.

**Matt Faircloth** [00:17:28] Like using this stuff to become more self-aware.

**Tyler Chesser** [00:17:31] You know what's interesting about this though, because I'm fascinated by this stuff and I love it. Like, especially like if you ever look up like the Myers-Briggs, if you look up, you can find out like what animal is associated with the different, you know, profiles. And to me, it's fascinating. And maybe I love it because mine's the lion and maybe that helps my ego and it makes me feel great about myself, you know? There's a guy who I've interviewed here on the podcast a couple of times. His name is Dr. Benjamin Hardy, and he actually wrote a book and he's written many great books, a few with Dan Sullivan. But he also wrote a book called "Personality Isn't Permanent". And I thought that was fascinating because, you know, a lot of the self-awareness of where we stand today in many aspects can be innate, and it is kind of encoded within our DNA. But I think what he's saying is that we continue to evolve. We can grow our strengths, We can, you know, perhaps expand our weaknesses as well.

**Matt Faircloth** [00:18:24] It's funny, there's no coincidences right? There never is. I'm reading a book right now called "Mindset". I forget who it's by.

**Tyler Chesser** [00:18:28] Is it Carol Dweck?

**Matt Faircloth** [00:18:33] Yes, there you go. So you're familiar with it. We're starting to do this book club with our mastermind students that we have under DeRosa Group. And so that book is what we're reading right now, and it's completely in that in that philosophy, right? So either you have the mindset of believing that I am static and I either can or can't do things and I either win or lose or, you're of the mindset that I am growing and I'm becoming a bigger human as I go. And if you look at a lot of people's track records, they used to be failures at things that they are masters in, right? And in the book they give examples of Mozart, Einstein, you know, many, many other people that we look up to as geniuses, perhaps at the mountaintop of their field. Right. But they



didn't used to be, like [00:19:19]Einstein wasn't born, you know, with  $E=MC^2$  tattooed on his arm, right? He failed out of a lot of his tryings when he first came in and he became a larger human as he grew. Right. As can all of us and we can grow in new personality traits and build muscles that help us become stronger and better as we evolve. [21.3s]

**Tyler Chesser** [00:19:41] I totally agree. And it's a fixed versus growth mindset. The growth mindset says, yes, I'm aware of where I am today and this can change in positive directions. And as I continue to invest in myself, I'm going to evolve in my results and my surroundings will evolve as well. Talk to me about that evolution for you, because over the past 18 years, I'm sure you've evolved tremendously, not only as a human being, but as an investor. So talk to me about what has changed most about yourself through that time period.

**Matt Faircloth** [00:20:09] So, probably the biggest epiphany that came up in 18 years, as you can imagine, right? Like real estate investing is not all sunshine and roses.

**Tyler Chesser** [00:20:20] No, it's not.

**Matt Faircloth** [00:20:22] I don't care what the gurus that want \$10,000-\$15000 for me to teach you the secret of real estate investing. Right. What Those guys will tell you. Real estate investing is not all million dollar checks and sunshine and roses. Right? It can be a very difficult business and it can punch back very, very hard, you know? And so I've had my teeth knocked in many, many times in this business, and I got back up and tried again. [00:20:43]One epiphany that I had early in my game, Tyler, was that the more I get up and try again, the more successful I'll be. And if I just take on this mantra of not quitting, no matter what, that the only way I lose is if I quit. [15.2s] Right. And and I've had that happen and I've had a lot of money stolen from me. I've had a lot of things not go right, but just in tide with that, I've also tried again and then had things work, you know, And if I like said, okay, I'm going to go play baseball, but the first time I strike out, I'm done. That means I can't play baseball. And I'm working very hard to convey this to my nine year old. I think some of the human condition there is a quitter in all of us, and we've got to let that quitter go. In my nine year old, I'm conveying to him that that success is trying again. [00:21:37]Success is failing and then trying again. And then again and again and again until it works. [3.7s] So that's probably the biggest aha that I had, Tyler, is that like [00:21:46]I got to just keep going until things work and tweaking and trying and doing things a little different each time that I try, but then eventually owning that it's going to work out. That if I keep poking at it from different angles, it's going to work and then do that again. You know. [17.2s]

**Tyler Chesser** [00:22:03] I love that you share that because a lot of people look around and they see the people who are at the top of the game or at the top of the industry, and

they say, well, they must be smarter than me, they must have more resources than me. They must have started more wealthy than I did.

**Matt Faircloth** [00:22:15] And I got lucky. A lot of people think I just got lucky that I happen to catch bigger pockets at the right time or that I happened to, you know, get into the market at the right time or that I happened to, you know, do whatever it is at the right time that I did it. And so Matt just got lucky and that's why he's where he's at is because of his luck. Right. And it's very easy to think that.

**Tyler Chesser** [00:22:38] You know, my my mantra has been when I go through challenging times in real estate, which to your point, it's not all sunshines, rainbows and butterflies. You know, when you go through those challenging times, what I've told myself is, you know what? Just show up and face another day and just go and give it your all. And you know, it's interesting because over time, somehow it works out. And, you know, there's times where it just feels overwhelming. But if you just keep showing up and you keep doing the hard thing, somehow the gift does come through. You know, there's this mantra that, hey, problems are gifts and challenges are opportunities, and sometimes it's hard to understand that or believe that. But over time, if you keep showing up, it happens.

**Matt Faircloth** [00:23:16] Yeah. And I mean so many times that I've lost sleep at night, not sure how I'm going to make things work out, not sure how I'm going to make this work. You know, we bought one property one time that we bought it at 75% occupancy and in two months it fell down to 30% occupancy.

**Tyler Chesser** [00:23:32] Oh my God.

**Matt Faircloth** [00:23:32] Yeah man. And I wasn't sure what was going to happen, how this is going to go. And we kept our investors in the loop on the entire time. We overcommunicated and kept to our core tenants and we turned it around, you know, and we got it up to 95% and it became a cash machine. But it was because we kept trying and it wasn't because I just said, oh, it'll work its way out, you know? I mean, I didn't just fold my arms and stand in the corner. I got neck deep in it, you know, I was all over that property for a period of time. And I think the universe rewards strong effort and confidence. And so because I came in with confidence and I latched on and wasn't willing to let it go, things worked out. And I think that it is that confidence you got to bring towards trying again and over and over and over again that things tend to work out. I wrote this down a while ago and this is I think this is a Matt Faircloth quote, but [00:24:27] **the universe conspires around the confident man.** [2.2s] You know, I think I made that up. But [00:24:34] **I've found that to be true, that even when things aren't, you know, where I want them to be, if I try again, as I said. But if you try again with confidence that I will work it out. And I have faith that tomorrow is going to be a little bit better and I have faith that it's going to it's going to eventually work its way out, even if it**

goes through the dark tunnel for a little bit. Nobody stays in a dark tunnel forever. Right. And I've always had that and it's always come true. [28.2s]

**Tyler Chesser** [00:25:03] Well, there's a safety net behind this belief of I will do whatever it takes. Yes. And I may not know what it takes at a particular moment. Like if a property goes to 30% occupancy, you want to talk about challenges, you want to talk about problems, it's hard to recognize gifts in those challenges. But for that particular example, I mean, looking back at that experience, what was the gift and that opportunity just out of curiosity?

**Matt Faircloth** [00:25:31] Thinking way outside the box. And having to come in with some of my personal cash to keep it going. Right. Number one, it's about being willing to do whatever it takes. Right. As you said. Right. So if that means I got to write a check. Okay. And secondly, thinking outside the box, we actually, and this has fallen out of fashion these days, but that doesn't mean you can't do something else. In that instance, what we did was on bridge debt. Oh, not bridge debt! right? Yeah. You know, Yeah, that was the vehicle everybody was using. So don't be don't be throwing rocks at me today about bridge debt. I mean, everybody was doing it back in the day. Right. It's what all the cool kids were doing. So it was on bridge debt and we took it from bridge to bridge. So we refinanced it and took it in "another bite at the apple". And my partners at the time wanted to sell it. Yeah, that's it. Cut bait, you know, whatever. I don't think so. I think we got a great asset in a great location. It was in Fayetteville, North Carolina. You know, it's just a good property all the way around. So we ended up going bridge to bridge to refinance it. And in that it also transitioned management companies, because it was partly the management company's fault that it had fallen from 75%-30% occupancy. So we tried another bite at the apple with management. We refinanced to get us another round of capital improvement dollars to put into the property. And our bridge did a bit with my own money, all that and it goes from 30%-50% and then COVID happens. Right now we're like, Oh, you know, so what do we do now? Like, yeah, what's interesting there? Another outside the box thought, right? All the other properties in the market and this is like right in the beginning of COVID when everybody is really weird and thought that like, you know, if I'm near another human inside of six feet, I might drop dead and die. You know, nobody knew. Right? And so a lot of people erred on the side of caution. And so a lot of the properties in Fayetteville shut down, stopped showing apartments, a lot of the leasing offices that had the luxury to do so because not many people were moving at that time. But there were some people that were but with properties that were in the 90% occupancy range. Again, we just won't show apartments right now. We just won't. Like we're not taking applications. True story, so we decide, okay, well, we can't afford to do that. We're not going to wait. We're going to keep going. And so at 50% occupancy, we figured out a model (and everybody's doing it now), but we figured out a model that we could do touchless, contactless showings with a little box that hang on the door called a ShowMojo box, right. ShowMojo let the tenants schedule their own showings and show the property to themselves and then they can

apply online. So we marketed that. We had touchless showings, no contact apartment showings, and we did a big Instagram thing when Instagram was just getting cool, right? And so we went from 50% occupancy up to 95 occupancy in six months.

**Tyler Chesser** [00:28:34] That's phenomenal.

**Matt Faircloth** [00:28:35] Nobody else was showing apartments at the time, Tyler, right. And we also kept our crews renovating. Because the bank was like, well, if you guys want money, we can still put it back into the property. We'll still issue, you know, draws and stuff like that. Contractors were like, yeah, we'll go work on site if you want us to wear a mask, no problem. So we kept turning apartments in the middle of the pandemic and it was really easy to find contractors for a while there because they were all kind of waiting for work. Right? So we just decided, you know what is, Tyler, I'll bottom line it. We observed the masses and did the opposite. Right? And everybody was shutting down. Nobody was turning apartments, nobody was hiring contractors. Okay, well, let's not do that, because that's not going to take me where I want to go. What will take me where I want to go if I do something different than what the market's going? Right. So that's how we ended up getting 95% occupancy. Tons of cash flow, ended up selling the asset and made investors a 30% IRR.

**Tyler Chesser** [00:29:31] So there's a there's a book called "The Beginning of Infinity", and I think the guy who wrote it, David Deutsch, but he said that every problem has a solution and in the solution contains progress, right? That's where progress lies. And the other thing too, you mentioned Albert Einstein. Albert Einstein said if you approach a problem in the same level of thinking that created it, well, then you're just going to ruminate in that problem. And that's not exactly the quote, but you get what I'm saying.

**Matt Faircloth** [00:29:55] I know exactly what your're saying.

**Tyler Chesser** [00:29:56] Thinking outside the box created this opportunity, which I'm sure you're now applying to many different properties as you continue to grow. But thinking about observing the masses and doing the opposite. I mean, if you look at today's marketplace and where we're perhaps moving, you know, there's a lot of this mass movement, there's a lot of mass belief system. And of course, that's the function of the, you know, the psychology of the market. But what is your outlook? And I do want to talk about your book. I do want to talk about, you know, some of these things that you guys have been, you know, obviously educating so many investors to scale. But before we get there, talk to me a little bit about how you see the market today and how you see things playing out over the next couple of years.

**Matt Faircloth** [00:30:33] It's funny, Tyler, I think that, like the real investors may manifest a crash by everybody talking about it. You know, like we all believe, like it's all going to crash. It's going to crash. Multifamily is going to crash. It might just because we

all think that it would not because the fundamentals indicate that it should or not. Right. And so what my mindset around it is that, again, you know, standing way out here looking at the market, okay, there are still deals that make sense. Not everyone, not every deal. And that's like where the masses do the opposite. Maybe another mindset shift. There are people out there that need to sell. There are people out there that bought assets that are overpriced, that are trying to pass the hot potato down to the bigger idiot. You know, that will not be us, right? And so there's those out there. But not every deals that way. You know, there are deals out there. There are still mom and pops. People forget about the whole baby boomer retiring thing. Right? There are there are 75 year old multifamily owners that have been doing this thing forever that have either all the way paid off or have almost paid off their assets and really just want out. We're talking to one right now that has like 100 and some odd unit apartment building, Tyler, that's free and clear. Okay, let's have a conversation. Right. There are those out there and you got to find the needle in the haystack. But if you're willing to look into it, then those are there. They maybe aren't going to be broker listed properties. So you got to get outside the box and look for deals in that fashion. We're also taking our blinders off completely, Tyler, and looking outside of multifamily for asset classes and places to put our investors money to work. So we will always be owners of multifamily because that's where my heart is, where my core is, my core is to transform lives through real estate. That's the mantra for our company, and I believe I can do that the best by creating phenomenal, awesome housing for people that, you know, like, you know, safe, secure homes. But I can also do that through other vehicles and we're getting into other things like we're going to do a lot more hard money because I think that America is going to need some resurgence of cash and some bridge and some revitalization and some cash to take things from A to B, whether that's a defunct strip center or a rundown office building that needs to get turned into apartments can be a lot more that. Or a multifamily asset that needs to round second base. [00:33:02] There's going to need to be micro bridge capital and I think hard money is going to be one of the solutions to provide that to people, not to take advantage, not to be loan sharks. I don't want your property, I don't want to foreclose. I want to find operators that really just need a bridge to get from A to B and need somebody to believe in them that's willing to come in. That's what we're going to do. [20.5s]

**Tyler Chesser** [00:33:23] Well, in those opportunities for folks to be resourceful should exist in the marketplace. And you're wise for observing and looking on the horizon to say, look, there's going to be a need for this and let's fulfill that need. It's not about taking advantage, but, you know, that's how a free market should operate. And I think what you just described as well is thinking outside the box. It's like one of the big challenges that a lot of investors say is, well, you know, over the past few years, it's just been tremendous irrational exuberance, it's been very challenging to buy deals. Now we've got dislocation in the marketplace. We've got uncertainty. It's very challenging to pencil. It's very challenging to find deals that make sense. But what you just talked about is, look, yes, they may be a needle in a haystack, but there are sellers out there

who have owned for 40 years who've got free and clear assets that are willing to sell for reasonable prices. And there are opportunities that are out there. Now, you've got to work and you've got to think outside the box to find those deals. And then you've got to think about, you know, what other type of distress or solutions can you bring to the marketplace to add value?

**Matt Faircloth** [00:34:19] Sure. Or just another way to look at things. Another perspective. Again, from the current owner, we got another deal that we're looking at where the current owner did like five different renovation packages on one type of apartment, right? So you get two bedroom, two bath, right. You've renovated them five different ways and you get a cool names for them. There's a gold and a platinum and a diamond and a bronze and whatever. But that's confusing, right? Market doesn't like that, you know, And you think that it will. And you can totally lay it all out on paper on how this is all the market's going to totally absorb my gold package and some people like this and be like that. No, it's confusing. It doesn't make sense. So that is a perspective to look at it, to say, okay, let me be way macro and say, well, how can I solve this? And yeah, I could just pick up the ball and keep doing what they've been doing. But no, because that's not working for you. You bought the property 95% occupancy and now its down to 82, you know. And so maybe it's not working. The owner doesn't want to look themselves in the mirror and own that it's not working, but they're also out of money. Right. So we're looking at this from way, you know, macroscopic 10,000 feet and saying, okay, all of that doesn't make sense. Let's change that entire perspective, entire business model from macroscopic perspective and try on something completely different. So it's another deal that we're looking at. You know, maybe it works, maybe doesn't. But that is the way to go about things and to constantly question why is this thing not working? What's another way that I can try on this asset to make it work? You know, it could be anything.

**Tyler Chesser** [00:35:57] Now, one of the things I love about what you do is that you're an educator and you're a giver and you've been building a brand, you've been building a community, and you continue to just give back. And one of the components of that is the book "Raising Private Capital". So what I understand is you guys have an updated version. So tell me a little bit about this updated edition of "Raising Private Capital".

**Matt Faircloth** [00:36:17] Sure. Well, I wrote "Raising Private Capital" years ago just documenting my journey through real estate investing, starting from, you know, my father-in-law giving us 30K when my wife and I were still dating to get going in real estate. And that was pretty much a lot of what he had and believed in us enough and we were able to get him a good return on it and got it back to him and all that. And then fast forward to all the different deals that we did. So we put a lot of our story and a lot of [00:36:44]the concept that I firmly believe is that it is our job as real estate investors to help people around us in our immediate networks achieve their financial goals while we grow our business. Right. And I also firmly believe that everyone knows people with



money if you look hard enough to find them. [16.8s] And the book talks about, you know, where to find them. Right. And so the new updated version of "Raising Private Capital" really, really lucky and grateful that BiggerPockets came to me to say, hey, we want to update the book. It's been a couple of years. I want to give it a facelift and want to also give it, you know, just some new content. And so I agreed to write some new content for the book, which I did. And it went really well. And it's new, just new stuff, new perspective on today's marketplace. Everything from like, you know, how crypto plays into real estate towards like how do you go from being a deal centered operator towards building a brand? Right. And I think that and this is like I'm a big student of Gary Vaynerchuk, right? This is what goes back to building brands versus doing things to keep your head above water. Right. And so how do we become brand managers as real estate investors? All that's in the book. Also lucky enough to have a absolute force of nature, the hurricane of real estate. Pace Morby, who is a phenomenal human being, great, great giver, was kind enough to write the new introduction to the book. Still has an introduction written by Joe Fairless, who I look up to and I still think is a great human being too. But Pace is also the same and has agreed to write the intro to the book. So got new intro by Pace Morby, Joe Fairless still has his own kind words in here as well and new content from me, and so it's relevant to today's market and the book still is everything else in the book is still relevant. So if they haven't read it, they can pick it up at BiggerPockets, forward slash RPC, the initials for "Raising Private Capital", BiggerPockets.com/RPC to get a copy of it now. It's available today.

**Tyler Chesser** [00:38:44] I love that. We'll put a link in the show notes as where the listeners can find that and pick that book up. And I think that, you know, one of the big undertones of our conversation is what you just talked about was sort of being a magnet, you know, being a magnet for capital for people who want to, you know, find this type of opportunities. There you go. There's a magnet if you're watching.

**Matt Faircloth** [00:39:05] It's got a magnet on the cover of the book!

**Tyler Chesser** [00:39:07] Look at that!

**Matt Faircloth** [00:39:10] You didn't see it but you said it. You and I are living that whole there are no coincidences thing today. Right?

**Tyler Chesser** [00:39:15] No doubt. I didn't even know that because you got a new cover there. And you know, the authenticity is what attracts and being a giver and adding value, thinking about others, putting others first, having self-awareness. There's been a great undertone to our conversation. But Matt, this has been so much fun. I want to transition to the rapid fire section of the podcast. It's called the Rare Air Questionnaire. It's all about being uncommon. It's about attracting. It's not about chasing. It's not about keeping your head above water. It is about creating opportunities for scale. So let's talk a little bit about a few other things. Obviously, being a prolific



author yourself now having another edition of the book that we just discussed, talk to me about two or three of the most impactful books that you've read over the past few years and why.

**Matt Faircloth** [00:39:57] Sweet. "High Performance Habits" by Brendan Burchard is a phenomenal book. You and I talked a bit about this before the show. We've talked about this a lot during the show about just examining who we are and how we can live into who we are from this point forward. right, from the next. I read a lot of great books recently. One more. It's kind of like that's waned a little bit but people should talk more about it. And it's not a business or self-help book, but it is a life book. It's a autobiography about a man's life. And it's "Greenlights" by Matthew McConaughey.

**Tyler Chesser** [00:40:34] I've heard great things about it.

**Matt Faircloth** [00:40:36] Phenomenal. Listen to it. Don't read it. Because when you listen to it, it's him reading the book. Like he lives in Australia for a little while and he does the Australian accents, you know. So it's him doing his schtick and everything like that. Matthew McConaughey is a man of our generation, phenomenal human being, very giving as well, and lived a lot of what you and I talked about, about elevating and, you know, just living a bigger life and, you know, kind of taking it step by step. I mean, it's not all been sunshine and roses for him and a lot of the book uncovers some of that stuff, too. So "Greenlights" has been a good, refreshing book. And that just really enabled me to realize that we're all on a journey and maybe not 100% sure what the next steps are going to take for us, but if I keep walking forward, I'll only be able to see a few steps in front of me I can't see the whole path. And "Greenlights" has taught me that as well.

**Tyler Chesser** [00:41:33] Leaders are readers and you mentioned that earlier in the discussion today about the opportunity for you to introspectively look within to understand more about yourself so that you could then lead others. And, you know, one of the things that is sort of-it's an unspoken thing when I ask that question is how are you managing the inputs that you have? And I think most leaders are managing those inputs by continuing to devour other content. They're continuing to consider other perspectives, whether it's through biographies, autobiographies, memoirs, you know, other books like "High Performance Habits". So thank you for that. We'll put links in the show notes as to where the listeners can find those books. But aside from what we've already talked about today, Matt, what's the biggest way that you elevate your life on a daily basis?

**Matt Faircloth** [00:42:17] Hmm. I work out almost every day. I find that very few people are born with all the energy they need to, like, be at a powerhouse. You look at guys like Tony Robbins, you know, I've talked about as well, like Tony's doing cold plunges. He's really, like, found out hacks to manipulate his own personal energy. Right. In working

out, hitting the gym, it doesn't have to be like hours. Right. I try and do at least a half an hour and I try to make sure I break a sweat and I try and make sure that I move my body for at least a half an hour. It reduces stress, helps me kind of "turn my brain off" and it also releases a bunch of endorphins that kind of stay with me throughout the rest of the day. So I find that I just feel really good when I move my body, even in a small fashion. I mean, I'm 47 years old, so I'm not egotistical about it, like, oh, let me run a marathon. You will never see me run a marathon because more people run marathons and get injured or have heart attacks running marathons. You're better off just running three miles a day. You know, I put my ego down when it comes to working out. I'm not trying to, you know, beat myself out or, you know, burn my body up. I'm trying to just keep my body moving in a conservative fashion to where I can still do something when I'm 65 or 70 than I'm doing today.

**Tyler Chesser** [00:43:43] And, you know, our DNA expects us to move. And in many aspects, you and I, we're not moving right now, but we've moved perhaps before this dialog, which gives us the opportunity of thinking outside the box. But to your point, you know, I've noticed within myself, I have a hard workout in the morning. The energy level that I have throughout the day is drastically different than days that I don't have that. It's interesting because it almost feels like a paradox. You almost think, well, wait a minute, if I'm using my energy in that way, well then it's gone. But it's like you recharge yourself, you recharge the brain.

**Matt Faircloth** [00:44:16] It's like you're setting your energy thermostat, you know. I've never looked at it that way, but that kind of just came out of my mouth by what you just said. But it makes me think about like I'm setting my dial at a certain level for the rest of the day. So that gives a money thermostat we have and perhaps is an energy thermostat that I set by working out. By the way, I'm at a stand up desk right now. Isn't that cool?

**Tyler Chesser** [00:44:37] I love it. The energy is continuing.

**Matt Faircloth** [00:44:40] Well I find just sedentary sitting causes a certain energy feeling. So I can raise it up and down and I can sit if I need to type or whatever. But when I'm in conversation like this or when I need to be my absolute best, I stand up. Yeah, I love that I can, you know, move my body. I just like a 10% bump by me standing.

**Tyler Chesser** [00:44:59] No doubt. No doubt. What's the biggest way that you elevate others around you, man?

**Matt Faircloth** [00:45:07] I try and give different perspectives. My favorite thing I must say is "let me give you another perspective on that". Like, let's look at it a different way, you know? And so I try and make sure people are doing their best and I just try and

throw out like, you know, like questions, you know, like just magician level. Okay. Let me create something that's not here right now by asking a question of someone and causing them to look at things in a different way.

**Tyler Chesser** [00:45:34] Matt, this has been so much fun, man. I just want to acknowledge you for, you know, being you and continuing to invest in yourself, continue to challenge yourself in setting a phenomenal example for so many others, but also, you know, helping others realize, you know, how problems in real estate can create opportunities and truly what that looks like instead of it just being a platitude. I just want to, you know, really, really acknowledge you and let you know how much I appreciate you, how much I've enjoyed this conversation. Do you have any parting thoughts or words of wisdom that you'd like to share with Elevate Nation today?

**Matt Faircloth** [00:46:05] I haven't said this one in a while, but this is a good quote that, again, a realtor friend of mine gave me. You cannot change the market. You can only hope to participate in it. And so as the market continues to change, which it always does, the market's changed in the last ten years. You can't be like, oh, the market was up and it took off for the last ten years. No, it kind of didn't, though. If you chart the market, it changes daily, right? In the real estate market and every geographic market is very different. So I think that [00:46:32] the worst thing you can do right now is to try and push the market in a different direction, try and force a square peg into a round hole. Find out where the market's going and try and find a way to participate in it as it grows and moves in different directions in that. So it's going to be more imperative in the next year or two as the market makes drastic changes. And if you find a way that you can participate in it, that's the way that you're going to do the best. [23.8s]

**Tyler Chesser** [00:46:57] So good, so good. Matt Faircloth, Elevate Nation. I think you found tremendous value in today's conversation, but Matt, tell the listeners where they can learn more about you and what you do.

**Matt Faircloth** [00:47:07] Thank you. Just go to my website [derosagroup.com](http://derosagroup.com). That's it right there. D.E.R.O.S.A, DeRosa Group dot com. You can get a copy of my new book. You can also check out some of the education vehicles we have including a phenomenal mastermind that gives you access to me directly and my team. And you can also hear more about what we offer from a passive standpoint at their website as well.

**Tyler Chesser** [00:47:30] Outstanding. Matt Faircloth. Until next time, my friend. Thanks again for being on the podcast, really appreciate it.

**Matt Faircloth** [00:47:34] Thanks so much for having me, Tyler.

**Tyler Chesser** [00:47:39] Elevate Nation. Matt Faircloth bringing tremendous value today. Diving into the thought process behind this mask, who we are, who we are meant to be. You know, who are we truly showing up as? Are we showing up as our authentic self, adding value to other people, attracting new opportunities? And now when we attract those opportunities, how are we working through those from a problem perspective? Creating gifts, creating opportunities through those challenges and through the creative thinking, you know, thinking outside the box. I just think there's so much value in the way that Matt is sharing how he looks at things. And, you know, ultimately real estate is a long game, and playing the long game requires thinking bigger, thinking outside the box, thinking about things in a different light, asking yourself challenging questions like what may be holding me back, you know, who was I before? You know, what is a limiting belief or a limiting behavior that I need to be aware of so that I can start behaving in a way that is serving my greater future, my greater purpose, my goals, and doing the right thing for other people as well. So I think there's tremendous value in this conversation. I hope you've enjoyed it tremendously, maybe even half as much as I have. But if you have and maybe if you want to get as much as you want out of this podcast, I encourage you to relisten to this podcast because repetition is the mother of all skill. If you listen twice, you're going to learn twice as much. You're also going to identify opportunities to recognize certain things that you may have missed the first time around. So when I encourage you to relisten to this podcast, I also want to encourage you to have a conversation with a friend, someone that you appreciate, someone that maybe is active in your business. Maybe that's somebody who's not. Maybe it's a mentor, maybe it is someone in your family. Maybe it's someone that is totally not involved in this business at all. Have a conversation with them about what you learned. Maybe something that was not discussed today, an idea that came up for you. And I also want to encourage you, as you're having those discussions, as you're relistening, to identify your top one or two or three key takeaways or distinctions from this episode, because ultimately when we identify those takeaways, then we have the opportunity of saying, you know what, it's time to take action. It's time to make a change. It's time to invest in this book. It's time to invest in this resource, this program, or it's time to invest in myself, whether it's from a fitness perspective or from a, you know, challenging myself and challenging the way that I'm thinking or listening or being. Right. What type of changes or what type of opportunity did you identify in today's episode? So when I encourage you to jot down those distinctions and take massive action, because that's where the real power is, you know, knowledge and information is not power, it is only potential power. The real power lies in your capacity to take massive action on what you learned today. So, Elevate Nation, I just want to thank you so much for showing up and investing in yourself today. And until next time, make sure you go out and elevate others around you. Elevate Nation. I'll see you soon.