EPISODE 276

[INTRODUCTION]

Jeremy Roll (JR): I would say, you know, especially if you're new to this type of investing, just be very careful right now. We all know that there's most likely, a probability we're going to head into recession, if not already in one. That has a lot of domino effects on income rents, on businesses, on real estate, be very careful. And if you're going to invest in something today, make sure you've looked at every angle of it from a recessionary angle, and that you end up 100% comfortable. Also make sure you formulate your own opinion about stuff. I listen to a lot of different opinions, on one person's opinion. A lot of what I, you know, predicted today that Tyler asked me to predict could be completely wrong, that makes you formulate your own opinions. That's really important as well.

Announcer: Welcome to Elevate, the masterclass where we dissect the elements of exceptional achievement and lifestyle design with a focus on personal growth and real estate investing. Now, here's your host, Tyler Chesser.

Tyler Chesser (TC): 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 Jeremy Roll today of Roll Investment Group. Not to tell you that today's episode is absolutely spectacular and there is tremendous value in this conversation. If you want to learn from one of the most prolific passive investors across the world, you came to the right place. And I hope that you are ready to jot down tremendous notes because we're talking about distilling 20-plus years of investing wisdom. And we're also talking about stuff really, that is applicable in today's market cycle, things that you can take forward with you, things that you can apply to your investment portfolio immediately. So, I'm so excited to share this with you.

TC: 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 that 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. And I have no doubt we are raising the bar. I mean, today is a, I'm telling you right now I'm feeling good. But I'm just riding high after this conversation, because it's extremely insightful and we covered such a wide range today. But also we went super deep into this beautiful mind of Jeremy Roll. So, I'm super excited about this.

TC: Before we dive in, please give us a rating, review and subscribe or follow Elevate Podcast on wherever it is that you listen or watch podcasts. By the way, we are available on YouTube, we are available across the board on all podcast platforms. So, we just want to invite you to subscribe because we're coming out with tremendous content that is going to help you bring your competitive edge to the marketplace. So that you can create your future, so that you can design your lifestyle, so that you can overcome challenges, so that you can capture tremendous opportunities in your life. And so that you can look back and say, you know what, this is amazing. And a lot of people told me I couldn't, I told myself that I couldn't from time to time but I did. And so that's what Elevate is all about. So I just want to thank you so much for being here.

TC: I also want to invite you to pay the fee and the fee is to pay it forward. Share this episode with a friend, someone else, a business, colleague, partner, teammate, whoever, share this episode with a friend. That's the fee for listening today, we just ask that you pay it forward to one person. If you've done that in the past, I just want to thank you so much for doing that. Maybe you are a result of someone else saying hey, you need to listen to this podcast so I want to welcome you if it is your first time listening to Elevate Podcast, we're welcoming you with open arms and we're actually going to be offering you tremendous opportunity, tremendous value today as a result of that. So, I want to invite you also to pay the fee. Again, it's just like any other business, refer us to someone else. And we just want to to show you our gratitude and thankfulness for that. So, all you have to do is grab the link and post it on social media, text message, email, whatever you need to do, go ahead and do that.

TC: And without further ado, let me introduce you to Jeremy Roll who started investing in real estate and businesses in 2002. And he left the corporate world in 2007 to become a full- time passive cash flow investor. He is currently an investor in more than 60 opportunities across more than $1 billion worth of real estate and business assets. As founder and president of Roll Investment Group, Jeremy manages a group of over 1500 investors who seek passive slash managed cash-flowing assets in real estate and businesses. Jeremy is also the co-founder of For Investors By Investors (FIBI), a nonprofit organization that was launched in 2007 with the goal of facilitating networking and learning among real estate investors in a strict no sales pitch environment.

TC: FIBI is now the largest group of public real estate investor meetings in California with over 30,000 members. Jeremy has an MBA from the Wharton School and is the advisor for Realty Mogul, the largest real estate crowdfunding website in the US. Jeremy welcomes emails, and he'll mention his email address at the end of this podcast. And he's open to network with or help other investors and to discuss real estate or business investments of any size. So, I think you're gonna see that you have someone here who is extremely abundant and willing to share knowledge and learn and humble. He's humble because he's asking questions. He's always looking to grow and to take his knowledge and his wisdom to the next level. So, there's so much to be learned today from the great Jeremy Roll. So, please enjoy this conversation.

[INTERVIEW]

TC: Jeremy Roll, welcome to Elevate, my friend! How're you doing?

Jeremy Roll (JR): I'm good. Thank you for having me on. Hopefully this will be helpful for your listeners.

TC: Absolutely. I'm excited about our conversation today. Obviously, with your level of experience as an investor and just sort of reading the environment. I think, today's conversation is gonna be tremendously valuable. Before we really dive into the topics that are impacting investors today and the way that you are reading the landscape as well as how you're continuing to condition your own mind for ongoing success, I'd love to go back and talk a little bit about your upbringing, your backstory. Why don't you sort of share with the listeners a bit of where you came from and how you came to be this guy we know today as Jeremy Roll?

JR: Yeah, absolutely. So let's see, I'm from Montreal, Canada, originally. I spent half my life there, grew up, went to undergrad there and had a few years of work experience there. And then I moved out to Philly for two years, did an MBA over at UPenn, or Wharton, and I've been in LA since 2000. And I started off in the corporate world in LA. Last two corporate jobs were Disney headquarters and total headquarters but I've been a passive cashflow investor and got into all this starting in 2002. So, it's been over 20 years. And then I became full-time passive cash flow investor as of 2007 which is now it's been over 15 years. So. it's been a long time that I've been focused on this full time.

JR: And ironically, you know, we're recording this now at the end of 2022 when I think we're about to go into recession, we're not sure yet. If that happens, it's going to be interesting to see how everything adjusts, we've already, we're just talking before this, the prices are already adjusting very significantly in the real estate market. And I started investing after the dotcom crash. So, similar timing, but two cycles ago, just because I was sick of the lack of the volatility and the lack of predictability of where my retirement account was going to be in, you know, 10, 20, 30 years with stock. And so, I have always looked for more predictability. And that's why I got into more of a cash flow, low-risk, stabilized type of focus in this type of investing. And I continue to do that 20 years later because it's the right personality-fit for me. And so it's interesting timing, that we're talking about this where this could be now, you know, the second cycle, so to speak, that I'm gonna watch go down as I'm in this.

TC: That is really interesting. And when you think about it, I guess I'm just realizing it and obviously, I'm sure you've been aware of this. I mean, we've met the 20-year mark, we're now 2022 from 2002. And in general, you would expect to have gone through two cycles at this point in time. And it's interesting that that next sort of potential recession is occurring now perhaps a little bit overdue. I mean, have you reflected on that? I mean, did you anticipate it to play out this way at that point in time? Sure, you didn't but maybe you did.

JR: No, not necessarily. But I will say this, I'm very data-driven. I'm very focused on taking path data to try to predict where things are going to go for myself just to try to avoid the landmines and make the best decisions possible and what's challenging for me in this past cycle that we're just kind of ending right now was that there was like, you know, stimulus in 2018 from Trump at the time, that was in a weird time that it came and it extended the cycle a couple of years. And then, we had the pandemic stimulus that extended the cycle another couple years. And so this is the longest recovery we've had on record by a longshot. And so we're way overdue for this down cycle. And I've been very careful since the end of 2016, because of how everything was lining up and where the cycle should have gone, you know, based on history. So this has been a frustrating for years for someone like me, who tends to be highly conservative. And it's not necessarily the wrong thing to do in retrospect. But there's so much artificial stuff going on right now compared to historically that it's changing things. And of course, you can never predict what's going to happen with it, you got to do the best you can. But it's certainly frustrating for someone like me who tries to use the data to extrapolate the future.

TC: That's an interesting point. It's almost like reflecting back if you held that viewpoint, in some cases, you may have been lulled to sleep to say, well, wait a minute, is that the right path? Maybe you know, this modern monetary theory thing really isn't a thing. And maybe my whole data-driven approach is based on out-of-date sort of concepts in terms of the economy. I mean, I'm sure you've had to sort of deal with that internal dialogue to a certain degree.

JR: Well, I have, except that I tell you what's been helpful is I've watched Japan since the 2000s. and Japan, to me is a really good example of what we need to look at because there are some differences and some similarities. But with the money printing and the debt to GDP ratios, they're the front runner as far as debt to GDP. I forget where they are now but I think they're over 250% debt to GDP. We're at about 130%, I think, if I remember correctly, 125%, 130%. So we're behind. But now they're struggling because they have so much debt that not only can they not increase their interest rates that won't be able to handle the debt payments. They have the situations are going on for a long time where in a given year, you don't know, at any quarter is going to be plus or minus GDP. Because it's just so crazy because of all the money printing and the lack of just a regular economy at this point.

JR: Just high level, if you look at what happened between 2000 and 2010, our economy in the US had a long run kind of GDP annualized potential, we'll call it 4%. Anything above 4% was unusual but we were able to get the 4% quite easily. Then there was a lot of money printing in 2008, 2009, and 2010. Then what happened is that during the 2010 to 2020 era, because of that previous money printing from the previous downturn, we had probably a long run GDP potential down to 3% because of the debt overhang. And so, if you notice Trump was like trying to get to 4% and he was talking about 4 and he was pushing 4, but frankly, I think numerically it was unlikely to happen and it didn't happen. I think that was the reason.

JR: Now, what I'm concerned about is that in the 2020s, you have a lot more money printing that just went into this one and granted, they're draining some of the money out quantitative tightening, but I don't think it's gonna come anywhere close to what went into it. And so, in my opinion, this next decade or next cycle, however long it's going to be, I think we have between 0.5% and 2% long-run GDP potential per year now. So, what's fascinating to consider and I won't make this too complicated is, I think after the next downturn, we have a major challenge in investing because I think this next cycle is possibly our last cycle where we can count on positive GDP every year. Therefore, rent growth in our properties and therefore just be able to kind of run on that assumption that we're riding a wave up during an upcycle. Because what may happen next is that you're going to be in a position where every year is gonna be plus or minus 1% GDP because of all the debt. And then you have this whacked-out economy like what's Japan's experiencing that's completely artificial. And yet, they're just constantly fighting.

JR: I don't know what a good analogy is but it's almost like there's a dog barking, you never stop, and you're just constantly trying to make sure it doesn't bite you but it never ends, you know, and it's limiting. There's only so many, so many ways you can go when you're in the corner, right? You can't get out. And so I'm concerned, that's going to be the case. But I do think we're going to be in positive GDP probably, you know, a typical cycle per year going forward. But we're getting really close to the end of normality, I think, in terms of cycles, because of all the money printing. It's one person's opinion, I could be wrong, who knows what could happen, but that's how I'm reading it, what I'm expecting, just try to take it historically and extrapolate it out?

TC: Well, I think it's a helpful viewpoint for the listeners to consider because obviously, there's many different scenarios that could play out. But thinking about what you just shared with us, you know, a couple things would be alright, well, if that is the case, you know, how would you position yourself? And then also, what's the length of the next cycle? You know, to try to kind of predict when that may happen? I mean, obviously, it would have to be a range of years. But what are your thoughts?

JR: Yeah, so the length of the cycle is really challenging because I think you would expect a typical cycle between five to seven years historically. A lot of the most more recent cycles in the past few decades had been longer, but we were just at 10 years, or when we hit 10 years, it was like, record long cycle. So you would expect even an elongated cycle to be seven to ten years. Now, where I have a lot of trouble making a prediction is that we saw this, in the pandemic, we saw this, what's going on here, now, the effect of the money printing, and the level of the money printing is just on a different scale, and has a different scale impact on how long that recovery is going to be. So, if I had to make a bet, I would bet they're going to support the economy with stimulus to go for a very long cycle. I don't know if it's gonna be record long, but call it 7, 10, right? If you're just trying to play the percentages, and we'll have to see what happens. And it also could be that we look like we're on the brink of recession, but then they print money, and then they stop it, and then that keeps going and eventually catches up with them. Because that's kind of what happened with Trump and then it happened again with the pandemic stimulus.

JR: It's become much more difficult to predict, which is really tough for someone like me who just, I would rather do the work, figure out the percentages and make the bets and have no intervention so that I can actually play on like a level playing field. But this is no longer a level playing field whatsoever. I will say in general, though, that one positive thing is I do think we're going to have positive GDP into this entire next growth cycle. And so as far as how to play it, play it like a regular cycle. But I would be very concerned for anybody who expects major growth. And I also think inflation is gonna take a long time to properly tame based on historical and is probably gonna take a little longer than what most people expect at the moment.

TC: So talk a little bit more about what you expect thereafter. Because I think that's a very unique viewpoint that I haven't heard much of, I'd love to hear more about that.

JR: It's my own theory. So I've not read it anywhere. But I'm just looking at what's happened to Japan. And they're like plus or minus 1% in a given year. I know the difference, there's varying years, but I'm just making a generalization. So look, if we get to the point where we printed too much money, and the overhang is so substantial, it's causing a huge problem for us, then you have to question yourself, like if you're a long-term passive cash flow investor, like me is looking for predictability, but the economy is not predictable in an upcycle. That's a huge problem. And then the question is, is the economy no longer in alignment with my strategy, and I'm not going to get the results that I want to the point where maybe that's not the right type of investment for me. And that would be really tough for someone like me, because I might be 30 years in and have a lot of experience to be able to apply to like do well in this type of investing. But it might be what happens. And so that's my primary concern, I'm not going to worry about it until we see what happens. But I'm going to be very careful after the next downturn, to see where GDP growth goes in the first couple of years.

TC: So, what you're projecting is that there's not going to be substantial enough growth for it to really be commensurate to the level of risk that you would be assuming after this next cycle. Is that essentially what you're saying?

JR: You know, I haven't thought about it from a risk perspective too carefully because it's complicated. And it's also far out. But what I am saying is that if you're looking for more predictable cash flow, and you're looking to depend on the economy to grow every year, and therefore for employment growth, like a regular year, and therefore, for all these typical pieces of the puzzle that fall into place what you expect in a typical recovery, I'm not sure that that's actually the thing to really expect. And again, this is many years out we're talking about, but it's something that's absolutely on my mind. Thankfully, I'm not going to worry about it too much until we get close to the end of the next cycle because what I'm focused on today is being very careful at the very moment right? Not investing at the wrong timing today because you're like catching a falling sword to an extent, and then taking advantage of the fact that I've been very patient at the end of this cycle to position myself with cash and other things to be able to then invest in really good timing and the type of stuff that I look for.

TC: To be able to support this type of viewpoint, is there any historical context to what you're describing here?

JR: You'd have to go research Japan in a lot more detail and see the unbelievable challenges they've had over the past 30 years. I don't want to get the numbers wrong and the fact, it's been 40 years really, but like, if you look at their stock market, I think that they had, you know, you can have a lost decade, right, they've had last two, three decades, I think the stock market peaked. I don't wanna get the numbers wrong in the early 90s, if I remember correctly, and I don't know if it's ever recovered since or if it just recovered recently. But that's kind of the degree of challenge that they're having over there. Also, if you take a look today, at their, the equivalent of they're fed funds rate, they cannot let it go over 0.25%. And their currency is getting smashed as a result because even though they should be raising rates because of inflation, they can't afford to raise the rate because of their debt overhang. And so they're caught in this huge trap and it's complicated. But if you go research it, you'll see what I'm talking about. It's actually interesting, it isn't discussed much more than it is. But if you go look for them, there's a lot of articles out there.

TC: So from what I understand the Federal Reserve in the United States still has this tool in the tool belt because of the fact that the dollar is the reserve currency of the world, and they can play by the rules of their own game. And they can dictate the rules and continue to do that. The question is, when does that playbook change? And what you're basically describing is the rules of the game are completely changing from an economic standpoint? And it seems like the centerpiece right now is the Federal Reserve. But what do you think about that? I mean, when does that all change?

JR: Yeah, well, if you take a step back, a lot of people say every time there's a downturn, people are saying, oh, this is it, the whole thing is gonna blow up. It's a Ponzi scheme, we can't support more printing, etc. Well, that's not necessarily true, as proven by Japan, right? Because Japan doesn't have the reserve currency, and they've got twice the amount of debt to GDP ratio that we do, and they're still surviving today. They're having challenges, but they're still surviving today. And they have one of the largest economies in the world. And so I think it's a complicated question, because there's a lot going on in the world right now.

JR: There is some discussion about a separate currency being made for trade, not necessarily for trade settlements, so not necessarily for consumers to use as a piece of paper or physical currency, but as for example, Russia, to trade with China, or Russia to trade with some other countries other than China, that there's like digital currencies that are being and these are rumors that I've been reading, that are being contemplated backed by gold to be able to facilitate that. So you don't actually have to use a dollar, and trying to get more and more away from the dollar because if there is ever a time that's showing countries that being dependent on the dollar is tough, you know, take a look at now, our dollar is crazy strong, and causing all kinds of challenges, even for the EU, huge, you know, conglomerate of countries, amongst third world countries and all the other countries.

JR: So and also, you know, you look at China and Russia having separate interests. And so they have all these technologies coming together to be able to enable all this, you know, there's a lot that's moving there. And if you take a look at the holdings of treasuries, a lot of these large countries have been selling them off slowly, like under the radar almost. And so it's all lining up the deck could cause a challenge for the fed into the medium term, I would say. It's like not next year, but maybe less than 10 years from now. And the currency piece itself may come into play at any time, right? So you know, trading currency, the currency views for trading and settling that meet either the dollar, that can happen anytime nobody knows.

JR: But I'm talking about, let's say, the lack of demand for treasuries and the debt overhang. Again, I don't think it's going to be a major challenge yet, and it has proven hasn't yet to be. But I do think that after the next downturn, if it's not that people aren't buying the currency or our treasuries anymore, it's more a factor that at what point does the debt service cost us so much money to start to impact our own economy, because instead of being able to spend it on growth, or roads, or social services, it's going to the interest, right, and that's what Japan is experiencing? And that's why their GDP growth is much slower, and then the government does have some growth. And by the way, their employment contributes to a lot of GDP, right? It's a very complicated question you asked, because there's a lot of factors that can affect us now.

TC: Well, I knew you were equipped to answer a very complicated question, which I wanted to toss your way. And I appreciate your analysis. And honestly, I appreciate the way that you're thinking about these complexities because at the end of the day, we do have many different moving parts. And we are in a global economy, and everything is interrelated. So I do appreciate that thought process. But you know, a few things, obviously making assumptions in terms of where the future may go. I mean, one of the factors, of course, is interest rates. I mean, that's a gorilla in the room, at least it has been this year, and we would expect it to be to a large degree next year, and perhaps, you know, ongoing here for the next few years. We've been at, you know, historically low rates for historically longer than ever, you know, in thousands of years, from what I understand from an economic history standpoint. And so what are your predictions in terms of where interest rates are actually going to go? You and I were talking about this prior to the show in terms of you know, that spread between cap rates and interest rates, will that run because it's very, very tight right now. It has changed a little bit but where do you anticipate interest rates as well as cap rates yourself?

JR: Yeah, great question. So, for interest rates, I mean, the most I can do like anybody else is read what the Fed is saying. And then read opinions about what the Fed is saying and draw some type of conclusion without knowing. But in my opinion, they're gonna raise a couple more times like, like it's been discussed in the media. I saw just today, an article from one of the Fed members showing that I think everybody's expecting it to get to about 5% right now, and then hold steady. But this chart that he presented actually showed a range of five to seven as being based off of some economic theories, the right range to end up in in the situation at the moment, this is one of the Fed members. So, that was actually the lowest end of the range that he thought was appropriate. The problem is, you know, the other day, there's a lot of opinions that go into the decision, right. I don't think we're gonna end up on the downside of assumptions, meaning I don't think we're gonna have any lower than the current guidance on what Wall Street's betting on. But I do think that there's upside potential. In other words, I don't think there's any downside potential in the short term. I think there's too much at risk for the Fed to stop short of what they've already talked about. And I think the only probabilities that they're going to stop at what they said or possibly higher, right?

JR: But I do think, you know, inflation is starting to slow very slowly. And I think that if that continues, that's going to allow them to pause. I'm telling you, I've read word for word what Powell has said, and a lot of opinions on this. And if you actually take away all the noise, just read what Powell is saying. He's saying, they're going to continue to raise, it's not time to stop yet. And then they're going to hold steady for an extended period and measure what's going on. So, I am expecting that let's say they stop in March, okay, that we're probably going to be flat for at least six to nine months, if not longer while the Fed assesses what's going on, because there's a lagging effect of the interest rates. The Fed's really not stupid despite what you may read opinions, they know what they're doing. And so, you know, they know they have to wait to see what happens. Now, will there be some type of implosion and pressure from the stock market to come in and say they actually will they do it this time? That remains to be seen. Will it be through quantitative easing versus an interest rate change? And by the way, when they use quantitative easing, from a real estate investor perspective, is that money going towards mortgages, or something else? Which can impact interest rates that we deal with and not just the Fed Funds. There's a lot to be seen, and obviously another complicated topic.

JR: But again, prediction is that they're going to raise a few more times, like they said, could go one or two more times higher, depending on the data, and then go steady sideways for at least six to nine months, possibly 12 months while they reassess. Where it goes from there is anybody's guess. I am telling you right now that I expect another leg down in the stock market.

If you look at historically, how much the stock market should go down, given how high it was in ratios, it still has another 15% to 20% lower, in my opinion, minimum 10%. And I think that leg down is then we're going to have to see is the Fed going to react to that or not. So that remains to be seen.

TC: Hey, guys, I want to remind you to check out CF Capital. CF Capital is the premier boutique real estate investment firm in the Midwest and southeast region of the United States. We are a national real estate investment firm with a purpose. We provide property investment and asset management solutions to help passive investors maximize returns on high-value multifamily communities. But our investments go far beyond acquisitions, we invest in people. We are in the business of elevating communities and raising the bar for everyone within our ecosystem. CF Capital is a real estate investment firm focused on the acquisition and operation of multifamily assets. We confidently deliver tax-advantaged stable cash flow and capital appreciation with a margin of safety. By investing alongside our team, investors can preserve and grow their wealth without having to deal with tenants, termites, or toilets. Investors come and stay for the outsized returns we create in our deals while appreciating the ancillary opportunity to make a bigger impact that only CF Capital can provide. If you're an investor and want to invest with us, here's how to learn more about CF Capital at CFCapLLC.com or by simply clicking the link in the show notes of this episode. We will see you on the inside of this powerful community. So, let's elevate communities together.

TC: As a passive investor, how do you project a protection of capital as well as a growth of capital in this type of environment? Is it sitting on the sidelines waiting and seeing? Or what other type of methods are you employing yourself right now?

JR: Great question. So I'm highly conservative, right? So for me, the best course of action is to wait. And actually theoretically, if you think about it, it's the best course of action because real estate moves slowly, and it doesn't rebound in six months, right? So, the best course of action for me is typically it will take 18 to 24 months for stuff to fully adjust and then it doesn't increase quickly thereafter. Now with all this Fed stimulus, maybe something different will happen this time. But looking at the past history, I would be best served waiting the full 24 to

36 months and then getting it right near the bottom even it's not right at the bottom because it moves slowly. That would be the smartest move for me.

JR: The problem is that I don't believe in having my money sit for another three years and not working for me because I live off the cash flow and just inflation as well. So what I'm planning on doing is waiting a little bit more. So, right now I think the reward of me waiting is great because the timeline is really short. So I think by February-March, we're gonna have a good idea of what is really happening with the Fed, right? And if we see that it really does start to taper off and it's gonna go sideways, we can make some better predictions about cap rates at that point. And then I'm gonna look for uniquely good deals until stuff continues to go down in price probably in the second half of 2023.

JR: And the thing is, I'm never not investing, because, I don't know where your house is, it looks very nice, but if you sold it to me for $1 today, even though prices are going down, I'll gladly buy it, right. So, there's always deals out there. And if you're not going to be open-minded to them, you're gonna miss opportunities. And so always looking for opportunities, but I'm gonna basically require unique opportunities until at least the second half of 2023, to shield from some potential downturn still, and it could go further out than that even. And the other thing I'll say is that I don't just invest in real estate, and so there are stuff I'm investing in today. So you know, my major concern right now is a reduction in asset prices. And it's something going to do well during a downturn, right, in economic downturn, but there are some things where I don't have to worry about the asset value, like for example, a cash-flowing business that doesn't have much asset, now, that's what I prefer to invest in. But there are deals out there and businesses that either counter-cyclical or do well during downturns, where I don't have to worry about the asset value going down. And you don't necessarily need to wait if you buy it right. There's a lot of angles on this.

JR: But I do think for cap rates, can we talk about interest rates a little bit? I think the cap rates are gonna go up still. And the reason why I say this is, we were talking about this earlier, as an investor, I like to see a spread between the cap rate and the interest rate for positive leverage, right? Because from a risk-reward perspective, that's what's typically happens in the past, and

I should be getting that spread. And so, right now the spreads are some of that are negative leverage I've seen some deals, and some deals have been like maybe a 25 to 50 basis points spread. I like to see 100 to 150 basis points spread looking historically. So, until I see 100, 150 basis points spread, I have to assume cap rates are going to increase, and then I have to assume properties are still going to decrease. And that's going to be one of my guides, okay. That's not gonna be the only guide because cap rates can go up for multiple reasons, right? So, but I do have to see the spread come back to normal range before I can get somewhat comfortable with what market rates say.

TC: One of the problems that we're seeing in the current environment is with all of the uncertainty and even the correction that we've seen, and I've shared with you, we're seeing in our market, you know, 15% to 20% price correction on some of the multifamily assets that we're looking at in the midwest and southeast. And you know, that is intriguing, but at the same time yield is still not necessarily where I believe it should be considering the level of volatility and risk. So are you demanding a premium on yield in the current environment? And if so, I mean, what does that actually look like? And if not, please feel free to share otherwise?

JR: Yeah, look, I wouldn't call it a premium on yield, I would say a much larger reduction than market rate in price because I think that will then result in more yields, right. But that's what I'm really focused on. I am a yield investor. I invest in stabilized cash flow. And that's what I focus on. But I'm more concerned about the price. And that will just cause the yield to be higher anyway. You know, the one thing we didn't talk about, though, is that prices may still go down because cap rates go up. There's another reason why they may go down, even a cap rate stayed the same. And that is what happens in a recession, NOI goes down because rents go down, vacancies go up. And I've been saying this to people since earlier this year. And earlier this year, when inflation was crazy rampant, nobody could picture rents going down. They'd say, oh, it's just gonna stabilize, it's impossible, they're increasing so quickly. And they're still increasing nationally right now. But some markets are going down. And we have to expect that rents are gonna go down because that's what they do in a recession. And then you have decreased NOI in an inflationary period where expenses are gonna continue to go up. I know you have a compounded effect of cap rates going up while NOI it's going down. And that is compounded reduction in value. And that is really a potentially major problem for someone who's considering to invest today versus waiting.

TC: Yeah. And the remedy there is to be able to weather that storm, obviously. But at the end of the day, I'd love to hear your thoughts, and by the way, I wanted to make this comment, because I think it's a huge takeaway, at least that I'm reading into this. I mean, I'm talking to you, you can describe yourself as a passive investor but what we're talking about is very active in nature in terms of your analysis and your study in your evaluation. I mean, do you want to make any comments on that?

JR: Yeah. So any of you who are saying, okay, Jeremy is a passive investor, I'm diversified. I made over 60 things. I'm hyper-diversified right now. This guy lives in the LA area, and he must go to the beach every day. Not true at all, okay? I work very hard to keep on top of all this, because now the pressure is on me to get this right, so that I'm avoiding the landmines because if I got it wrong, I'm gonna lose all my money in a downturn, for example, right, and which we're now seeing. And that's just the nature of cycles. So to your point, I actually read about, I would say, about two to three hours a day of articles and news and everything else, very consistently. I mean, except for when I'm on vacation, but even then I probably still read an hour a day, you know. If you miss a day, you might miss something important. I'm very, very consistently reading, I'm consistently getting people's opinions.

Me, hearing that your market is going down 15% to 20% is a fantastic data point, right? Because you're getting that from a multitude of sources and deals you're looking at. And then if I take that and ask 20 different people, I start to get a sense of what's really going on in the market. Huge, important thing to protect myself as an investor as well. But the reading and the consistent reading to formulate your own opinion is very important. And, you know, I think one very important takeaway for people is that I'm one person's opinion. Everything I say could be wrong, truly. And it's very important that people formulate their own opinions. And that's the most important thing, because then you can invest in your own comfort level, you know, the best decision possible that you can make. Not that I can make, right? That's a very important point.

TC: I totally agree. I'd love to follow up on the reading piece. What resources do you find most helpful? I mean, if you're reading two to three hours a day, I mean, obviously, you're talking about multiple resources, but give us a sense of...

JR: Yeah, there's a whole bunch of resources. Okay, so what I try to do is a combination of what is going on in the mainstream media that is actually affecting consumer sentiment, what an average person seeing, and then what does the data actually look like? And that's a different story sometimes.

TC: Just to dive into that, you're talking about basically headlines and understanding how that impacts consumer sentiment or psychology? Am I understanding that correctly?

JR: Well, so yes, let me give you a really good recent example. We had the Q3 GDP print that came out recently. The first one was positive by a couple of percentage points, I forget the exact number, two point-something percent, and you know, an average person is going to see that right on whatever, CNN, and they're going to think, oh, things aren't so bad. The economy is growing. Okay, that's the story they're seeing. Take a look at actually what caused that 2% GDP. And it was almost all a combination of exports. And it was actually exports, in fact, the whole thing was exports. Without exports, it would have been negative. And the majority of those exports, I don't remember the percentage of it that actually caused that very large GDP was actually weapons. There were war items. So, if you take that factor out, our economy is still not good.

Now, people won't know that because they didn't do the research to figure that out. And that's actually understanding the data. And the reason why that's important is because of the war changes that we're having. Or if that's a one-time spend of stuff that was shipped off, that may not happen again. Where is really the economy and it's not great, right. And that's important to understand. So, that's why I kind of tried to separate the two at the same time, our GDP is made up of 70% consumer spending roughly.

And so, the psychology is crazy important. Psychology dictates a lot. And with social media and other things now, knowledge has spread much more quickly. In other words, the influence and understanding is done in many different sources. And it's not like you have to wait for the newspaper to be delivered the next day to be able to read what some of the news is. You're seeing it in a second if you want from multiple sources. So people are getting that information much more quickly. But they're being influenced much more readily in terms of their psychology. So staying on top of what they're generally reading is really, really important. It shifts things very quickly. And by the way, there's been a ton of talk in the media about an upcoming recession, right? A ton of it across many months now. You can be sure that all the discussion of upcoming recession is probably influencing people wanting to save more in advance of a, you know, a quote-unquote, recession that hasn't happened yet. Or maybe we're in one I don't know. And that will impact their spending and that could cause a recession, for example. So even seeing that in the headlines, and being able to understand how that can affect people is important. So that's my long answer, sorry.

TC: I agree. No, don't apologize. I mean, I think mindset comes down to understanding others' mindset as well as sort of the collective mindset. And the fact that most people, you know, fall into sort of the the conformity trap, and people are able to be pushed in a certain position based on media narrative, I think is critically important to understand. And also making anticipation in terms of that mass psychosis, or psychology, or however you want to describe it. But going back to the resources, I mean, where are some of the most sound resources that you feel are critical for you to get that data and get to the truth?

JR: Yeah, sure. And I just had another really good example of, you know, consumer spending, they say it's robust, but then when you look into it, they're like, with inflation, the published inflation, which probably is understated anyway, you know, negative real wage growth for 18 months in a row. And yet, people are using their credit cards to make up the difference and spending looks great, but that's not the real situation. But the point is, the headlines will say one thing. That was just another really good example.

JR: So. for mainstream media stuff, I look at a few different sources. Just to be clear, I don't even vote because I'm fed up with politics. I'm not making any statement. But I look at Drudge Report which I think is more Republican, I think, I've been told. But the reason why I look at that is because it's one of the most highly tracked, in the top five, I think, web sites in the world, if not the US. It influences a lot of people and it links off to a lot of articles, a lot of Wall Street Journal stuff which is typically a little bit more in the middle. And but just seeing what they're seeing on those sites that I'll link off to some of those articles, which links to a lot of Forbes, Wall Street Journal, or some other stuff, CNBC. I definitely like CNBC, because I'm guessing it's the most trafficked, you know, financial website in the US. I haven't researched that point, but it's most likely. And so that is probably influencing a lot of psychology as well and seeing how they interpret some of the data. And then also, I also end up linked off to, like, I get a Google feed of news. And that will link me off to Yahoo, and to a whole bunch of other sites. So, I end up across a lot of things but in a more aggregated way. So it's just easier for me to review a lot of different headlines quickly.

JR: As far as the data goes, though. One site that I really like that publishes a lot of charts, track stuff and I think it's a little optimistic but still decently balanced is something called a CalculatedRiskBlog.com and why I like them in particular is because the major data coming out whether it's employment data, wage growth, all this stuff, GDP, they tend to publish it all in one place, only a little bit of commentary. And they tend to track a lot of it in their own charts. And so you can look at very long term charts and make your own reading of it which is really handy, you know, in one place.

JR: I like another website called Zero Hedge. I think that 75% of it is a little conspiracy theorist and very extreme. But these are former Wall Street guards that actually started this website in 2008, or 2009 after the last downturn to help people interpret data. And I think they do a tremendous job of like, you know, this is where I learned, for example, that whole military thing that I mentioned, they parse the data and give you the exact of what's really going on, right? Again, I would warn people to potentially ignore some of the articles on there and read some of them. But I think they do a really good job, both parsing the data, but also even helping to project what may come of the data. So, that's been extremely helpful for me. And I'm trying to think just to keep this more simple, those are some of the top ones that I look out for sure.

JR: One more, one more I saw and recommend people watch. There's a website called ShadowStats.com, which what they do is they will look at different, they track different things. Inflation is probably the most well-known one there for. And what they do is they also different adjusted readouts of let's say, inflation, or whatever they're tracking. So, the way they calculate inflation, I think has changed 20 times in the last 20 years, roughly. One of the adjustments was actually made in the beginning of this year, that kind of went under the radar, right. And if you take a look at the way it was calculated pre-1982 to today, literally, the inflation has doubled roughly what they're saying it is. And I know a lot of you out there are looking at food inflation and other inflation saying their inflation numbers look understated, but that's the reason why they change the basket, they change how they measured it. Even rent, they use owner equivalents rent, which is a survey of what people think they would rent their houses for that they're not even renting right now, if they were to rent them, which is insane. And I think the reason why they're doing that is to avoid using the real data, because it's gonna make it look worse, right, and they just want to keep the inflation numbers low. And we're not even talking about this year I'm talking about across all the years, they use this. So, if you look at Shadow Stats, you can see how what real inflation looks like, and what other numbers look like that are adjusted to show how they used to be calculated, or how they would be calculated, probably more realistically, you know.

JR: Another good example, which is highly unfortunate is for decades, and this isn't going to come to no surprise, the government's using CPI-W to use make inflation adjustments for social security workers and retirees. And they're finally now admitting that they've literally shortchanged people for decades, because they typically make maybe a one to one and a half percent increase. And they're considering changing the law to measure a different way. And if you could believe it, they measure CPI for retired people, but they don't use that number. And I think they do that, again, to keep it artificially low so they don't have to have the budget increases and support. And so people have been falling behind on their purchasing power for decades with social security, because the government has chosen the more convenient method. And you can see this on that website. So there's a lot you can see on that site and it's really great,

TC: Jeremy, it's pretty remarkable the lengths that you have to take to really get to the truth in the heart of really what's going on. And I think that's what you're describing to me. And the other thing, too, that is really apparent is that no one is going to save you. At the end of the day, you've got to take control of your future. And really it comes down to being willing to consider alternate viewpoints like you know, sifting through this data and reading through Zero Hedge, you're probably going to run into something that's like, oh, I don't I don't agree with that. It's like well, okay, well, let's, let's read this. And let's consider the alternative opinion. Or let's sift through this and say, look, I don't have to accept everything as fact. But I can get close to the truth by really digging in and seeing patterns. Would you agree to that?

JR: I agree. And so why this is all important is because if you're making your investment decisions, so let's take the inflation numbers as example. Inflation is currently 7.7, I think, it was, if I have it right. But let's say it's really 14 or 15. When you make an investment decision, you're trying to keep ahead of inflation. Are you trying to keep ahead of seven or 14? Because if you're looking at the government numbers, you may be falling behind. I'm not saying 14 is a real number, that's something you have to decide for yourself, but you have to get educated enough to look at the real data and not necessarily what the media is telling you so that you're even making the right investment decisions to begin with. And that's really tricky and it just takes a lot of work.

TC: So what we're talking about to a large degree is knowledge and data and getting clear on what is real, what is not. But the underlying factor of all this is mindset and psychology. You're on your own psychology as well. And in my opinion, I mean this is a huge driver to to success or failure as an investor. So I'd love to know from you I mean, what role has mindset played for you and what role is it playing now? I mean, obviously, as we go through your second but well yeah, I guess your second...

JR: There's really a third you know, you included dotcom.

TC: I was trying to calculate in my mind now think it 'cause you were kind of you started in the first transition, then it was a second, '08-'09. Now you've, okay, so now we're in our third market cycle in your sort of passive real estate investing, I guess, overall investing sort of career. So what role does mindset play for you?

JR: Yeah, so it's interesting because in the past few years, you know, for those of you out there who looked at any five-year bridge loan type of multifamily deals, a lot of people made a lot of money on it and did extremely well. And then there's a challenge for some people who invested in '21 and '22 though and that they may not come out the other side very well, it's hard to say right now. And so, you know, the one thing why mindset is so important, because I tend to look at stuff really high level. I tend to just look really long term, I'm looking for more predictable, longer-term cash flow. And then if you don't do that, you're gonna get caught up in Bitcoin, and all this other stuff that happens every cycle. You're gonna get caught up and trying to do a quick flip before the party ends. But it's musical chairs, it stops at some point. And one of the things that that mindset allows me to do is to stay away from the shiny object and remember that there's a cycle. And frankly, if you can keep yourself really objective, you can make much better investment decisions.

JR: Okay, I have some startup shares that I have, it's 1% of what I do. I sold some shares off last year and the year before. And that was to de-risk in anticipation because cycles are like, you know, when Bitcoin was going on, and we were having a crazy wrap-up, I would delay taste savers on me. Do you believe cycles no longer exist? And because if they said yes, then yeah, this is going to be a party for another 100 years. But if you believe cycles, this, we're already in a protracted long cycle, you have to assume it's going to stop at some point, and you have to play it like that. And that's the mindset, you got to keep as objective as possible. look at the data and try to let the data make a decision for you and stay away from emotional decisions. And actually, when it's really hard, like between '05-'08, I was much younger. I would go to dinner parties with friends. And as of '05, I tell people there's going to be housing markets going to crash for like three years, and people thought I was nuts. They thought I was crazy. And if you get caught up saying, oh, the data is wrong, I gotta follow everybody else, then you're gonna end up losing your money. And so, sometimes it could be years of difficulty waiting for the timing to be in your favor. But you also have to remember that when you're a longer-term investor, and I typically invest in a 10-year fixed rate loan, I have to think years ahead to avoid the landmines not months, or one or two years ahead, right? So, I've been waiting for this downtrend to come for a long time. And now it'll be much more clear sailing for me to participate again. But it takes a lot of discipline to know that the cycle is going to come, to avoid getting caught up on the rest of it. And that's where the mindset is really important.

TC: And how do you remain disciplined because I know that, I'm sure, I know it does with most human beings, you know, at the end of the day, we're all human beings, we're investors, but we're also human beings. How do you stay disciplined in those circumstances when you feel like you're the boy who cried wolf? And it's like, you know, I mean, now you've been vindicated in various different circumstances. But how do you do that?

JR: Well, first of all, understand this, we're talking in a transitionary time in the economy right now. And I'm not going to use the word vindicated only because all I'm doing is taking the past data, and it's cyclical. So, this goes back to the question - are cycles gone? Because if they're gone, then I shouldn't be investing the way that I am. But we know they're here at some point, it's going to be a much more safe time to. So, it's not even a question of vindication, it's almost like there's a certainty of cycles, and therefore, it's eventually going to happen. It wasn't like an opinion and now I'm vindicated, right. And that's important to understand. Because if you keep that in your mind, you know that you're doing the right thing. And I think that's just so important. The other thing too, is that I tend to stay away from trying to do a quick flip or make a quick buck. And look, when I was younger, I was doing that, and I lost some money, and you learn from that, right? But when you also have the longer-term investor mindset like me, it's a little easier to be able to stay away from that, because you're not getting caught up in all these other things because your goal is not to make a quick flip, your goal is to get that longer-term cash flow. And so because of my focus, you know, I do have an advantage that it is easier, because if I stay focused on the long-term cash flow, it'll keep me out of trouble. As long as I'm doing all the reading, formulating the opinion, looking at the cycle.

TC: Jeremy, this is a great conversation, honestly, extremely insightful. I would love to know, aside from sort of reading the data, and really digging into the economics and making assumptions from that perspective, how else are you expanding your mind to formulate sort of a sort of mental dexterity you're required to make sort of very complex decisions? What else are you doing?

JR: Yeah, look, to be honest with you, here's what happens. When I read as much as I do. You don't even realize, but you're formulating a subconscious opinion about all these things, right? And then when you have a conversation like this, it all comes out. But you don't necessarily realize it's there until you have to think about it or discuss it. And so, to me, one of the odd things is that just as a personal trade, I suppose. I feel very guilty if I'm not doing work, and I think it'd be the same thing with keeping on top of all this. I'm going to feel guilt. Like when I go on vacation, I don't put my phone down for a week and not read the news because I may have missed something very important that's going to affect me when I come back to make a decision on. But it's that guilt that is causing me to continue to stay on top of things. Otherwise, I feel like if I do nothing, I'm gonna fall behind. It's not like you're standing still and you're not falling behind or going forward. In my opinion, if you're standing still, you're falling behind, on being able to make the right decisions.

JR: So, that helps me to kind of keep moving forward and making sure that I'm reading things. It's almost like a self-guilt because all the pressure is on me. Actually, my wife's a stay-at-home mom so I have all the pressure on me for the income side. And so it's even more on me. But that's very helpful. What I have to do is stay on top of things.

JR: The other thing too, is that, to be fair, I always had a very quantitative mind, right. So it just happens to be lucky. And I also had enormous ability with persistence, for whatever reason. And so that persistence is also really key to both keeping kind of tunnel vision as far as like the long-term goal and not getting, you know, derailed when you're at the end of a cycle. And you try and invest in the shiny thing. So there's some personality traits in me that make this easier, because it's almost like perpetuating within me just automatically to be fair. And frankly, if you're the wrong personality for it, it may not be the right fit for you honestly. And that's just a fair thing to say. I mean, the other thing, too, is that there's thousands of ways to invest and none of them are wrong, I happen to focus on long-term cash flow. So it may do development deals, and may do better than me even long term. And that's just the right fit for them. So we're talking about one way to invest today, and it may not be the right fit for whoever's listening to this, you know.

TC: Absolutely. And I think it's always important to just open your mind to learn and like you. I mean, I learned so much in these type of conversations, whether it's realizing the subconscious connection of all the things that I've learned through reading or having these types of discussions, you know, I learned when I'm speaking to other people like yourself, and I'm sure that you do as well. And I think that that is a function of this is giving it away, because you know, you're sort of making those mental connections between complex ideas. But I totally agree with you. And I've really enjoyed this conversation.

TC: Jeremy, I want to be respectful of your time. I want to transition into the rapid-fire section of the podcast, it's called the rare air questionnaire. What you've talked about, and over the 20 years that your commitment as an investor is rare. It's uncommon, and you've obviously created uncommon results. So I'd love to dig into a few other things. Before I let you go. If you had a point to two or three of the most impactful books that you've actually read over the past few years, what would those be and why?

JR: Yeah, absolutely. So I'm not a huge book reader to be totally honest. I read a lot of articles, and I also watch some YouTube videos on the topic. But I would say that the two books I always recommend if someone's starting down this path is Rich Dad, Poor Dad, and then Cashflow Quadrant. So you hear about the first one a lot necessarily the second one a lot. Cashflow Quadrant is almost an extension of some of the concepts that are discussed in Rich Dad, Poor Dad. And I think it's very important to read those two books in that order. There's a little bit of repetitive nature of how it's the whole story is told in both. But if you can get past that it's just amazing information and those books.

TC: Yeah, I agree. My guess, Jeremy, is that those were pretty integral for you as you made the transition from corpate to investor.

JR: Yeah, well, it's funny, by the way, those are both by Robert Kiyosaki in case you're not, you know, if whoever's listening doesn't know that, But ironically, I had not read those books in advance. I read them after the fact. But then when I read them after the fact, I realized, wow, this is like I could see why this had been so impactful on people, and this is what people should read. But I ended up going down the path that they discussed in those books, but I just think those books have changed a lot of lives.

TC: Jeremy, what's the biggest way that you elevate your life on a daily basis?

JR: Well, one thing I do very consistently seven days a week is workout. I actually do it, you know, fairly early in the morning, typically either before calls or during my first calls. I hate to say it, but I have a lot of calls during my workout. I'm on the Stairmaster I do 50 minutes a day. I've been doing it since I was like 15. And it really is huge for energy and I hate missing a day. The only time I take off typically is when I'm on vacation. I try not to do it. And frankly, I'm not fitness pro like I'm not an instructor. It's I know I'm probably not supposed to do seven days, of course to give your body a break. But I love getting the energy from it. So that's something I do very consistently.

TC: Did you say five zero, 50 minutes a day?

JR: I do 50 just because I'm trying to lose some weight right now. If it wasn't for that I typically would do 35.

TC: Awesome, man. Well, sounds like we need to summon a mountain together or something because that's a heck of a workout.

JR: Yeah, unfortunately, I have asthma. So that's the counter at mountain summit climbing, but I'm in pretty good shape overall.

TC: That's awesome. Well, that's a good tip, though. I mean, you know, a lot of people say, well, oh, I don't have time to work out. You know, I gotta read two to three hours a day to make sense of everything that's going on. But to your point, you can mix some of these things right?

JR: I do it on the Stairmaster. I have like a boulder, magazine holder, put my phone on it, I watch videos and or read articles, or I'm on the phone. But either way, I'm doing that, is 100% don't waste the time on the Stairmaster. If you're gonna do it, do that at the same time. Whether it's a podcast or whatever you want to listen to or read. Don't waste that time,

TC: Man, if you're able to have a conversation while you're doing that, too. That's pretty impressive.

JR: Yeah, but that's because I've been doing it for so long. But I do I am on the phone a lot during that time, for sure.

TC: I love that. Good stuff. You know, and by the way, just a real quick comment on that. I think it is important for us as investors to look at ourselves as athletes as well because, you know, this can be very demanding on sort of our, you know, our heart and all of these things. I mean, you know, the volatility can be very intense and you have to prepare your body to withstand that type of stuff. And you've got to you know, you've really got to train yourself. So I think that's very powerful and also that there's a lot of benefits for your brain, of course. Talk to me about what's the biggest way you elevate others around you.

JR: That's a great question. So, what I tend to do is I've been very fortunate to be in this position got out of the corporate world, you know, 15 years ago, and I can dictate my schedule as a result of it. And so one of the things I do is I have calls with people all the time here, the new or even experienced networking, but especially new people who are trying to understand this whole passive cash flow, or just syndication world better. I don't charge for those calls. And it just one of the ways I try to help, and I do it, I have many calls each week. And so that's definitely one of the ways I feel like I can give back and just the only advantage I have is time, and therefore it's some knowledge built up from the time and I try to help people with that knowledge, you know, to try to give back.

TC: Yeah, I know that I know, a handful of people that you've mentored over the years, and everybody's always had great comments about you, and you've been a confidant for so many people. So I just want to acknowledge you, I want to, you know, show my appreciation to you for spending time with us here on elevate. I think that there's so much value in what we've discussed today. And obviously, a lot of stuff is very applicable to today's market cycle, but very applicable, as investors move forward and in playing the long game here. So Jeremy, thank you so much for being on the podcast, do you have any parting thoughts or words of wisdom that you'd like to share with Elevate nation today,

JR: I would say, you know, especially if you're new to this type of investing, just be very careful right now, we all know that we're most likely probability was going to head into recession, if not already in one that has a lot of domino effects on income rents, on businesses, on real estate, be very careful. And if you're going to invest in something today, make sure you've looked at every angle of it from a recessionary angle, and that you end up 100% comfortable. Also make sure you formulate your own opinion about stuff. I listen to a lot of different opinions, on one person's opinion. A lot of what I, you know, predicted today that Tyler asked me to predict could be completely wrong, that makes you formulate your own opinions. That's really important as well.

TC: Well, I joked with a couple of people that I was having calls with earlier that their call was on a recorded line because they were making big statements. And they really weren't not on a recorded line. But actually you are. So we've got your predictions here that we'll be able to revisit here in the coming years. What do you think about that?

JR: It's funny because I spoke to somebody recently reached out to me after listening to a podcasts, I was on it. It was from earlier this year, or maybe at the end of last year. And they said, hey, just watch this podcast. By the way, everything you said is, is coming true. And I'm like, I don't even remember what they're talking about to be honest with you. So there you go.

It's like you can't get away from the fact that this is recorded. And everything I'm saying today couldn't have been wrong too in the future. But it is interesting. It's all being recorded. And you know, can't change that.

TC: I know. Yeah, at the end of the day, we can just say look, I am Jeremy Roll, I approve this message. But we'll just we'll just leave it at that. And Jeremy, until next time, my friend, thanks so much for being on the show. How can the listeners find you and continue to follow along?

JR: Absolutely. So unfortunately, I don't have any social media. I don't have a website. I'm just very under the radar. But if anybody wants to reach out for any reason, I'm happy to help if you want to network. If you're new and just have some questions, you want to network with your fellow investor, any reason, my email is the best way to reach me which is JRoll, J-R-O-L-L at Roll Investments, investments with an "s" dot com. So, JRoll@RollInvestments.com

TC: Beautiful, my friend. We'll put that detail in the show notes so the listeners can find that. But looking forward to part two, my friend. Thanks again for being on the show. And we'll talk to you soon.

JR: Yeah, thanks for having me on. I just hope this is helpful for everybody who listened. Thank you for listening today.

[END OF INTERVIEW]

TC: Elevate nation, Jeremy Roll, absolutely dropping knowledge bombs today on Elevate. And I'm telling you that there is a tremendous amount of takeaways from this conversation for me, one of which I'll take, I'll share with you and I want you to distill your takeaways, because I think it's critically important for us to all have our own perspective and read into this a very complex and sophisticated conversation. And one of the things that was a big takeaway for me was that real estate moves slowly, that is a benefit. And sometimes you can actually see things before they happen. Or you can actually react after shifts have already occurred if you pay attention. We talked about 18 to 24 months, really is what it takes to adjust based on all of the different dynamics in the market. As an investor. I think that is such a powerful takeaway in distinction, you know, because sometimes we feel like, you know, everything's instantaneous. And of course, if you look at the stock market, if you look at all of these other financial assets, you know, they're not nearly as slow moving as real estate, they're much more hyper-efficient. There's tremendous inefficiencies in the real estate market. So you can actually get in after that adjustment happens, and you can still buy the right type of assets. So, I think it was a great takeaway to be cautious but also to say, well wait a minute, before thinking it's going to take about 18 to 24 months for this big adjustment to occur, well, then we've got really 24 to 36 months to get in and to make the right decisions.

But until then, I mean, obviously, if you are invested, which many and most of you probably are invested to a certain degree, you know, understanding sort of risk nuances for your portfolio. I mean, those are things that we did not necessarily talk about today, but I think it is important for us to understand, well, you know what, at the end of the day, it comes back to fundamentals and weathering that storm and incentivizing and leasing and managing expenses, and managing income and driving income and driving revenue, managing debt, understanding what all those things are. And of course, you know, you can anticipate and avoid landmines as you make your next acquisitions and continue to grow as an investor. But there's so much takeaways I want to, I want to encourage you to identify your top one, two or three takeaways that you are committed to taking action on. Is it hey, what resources did Jeremy share today that you want to start to read on a daily basis or on a regular basis so that you can form your own opinions? By the way, that's another takeaway is form your own opinion. Just because Jeremy shared something today, just because I shared something today doesn't mean that that's exactly what you should believe. But go form your own opinion. And I just, I hope that you enjoyed that. I hope that you've enjoyed this conversation. I want to encourage you to have a discussion with someone else about this conversation about today's episode, because that's how we learn is we dissect ideas and opinions and we, you know, slice and dice them. And we say, well, what if the opposite were true? What do you think about that? What do you think about cap rates? What do you think about interest rates? What do you think about what what should the spread actually be, and it's a very dynamic environment. But the more conversations and discussions we have about these things, the more clear our opinions can be. And we can be objective and make long term decisions based on the lifestyle that we want to design based on the goals that we have as an investor.

And so I hope that you enjoy this conversation half as much as I did, because I have a ton of takeaways. And I really, really enjoyed diving into that beautiful mind of Jeremy Roll. And I just want to thank you so much for being a part of this community, a part of Elevate nation, I want to encourage you to re listen to the show, because repetition is the mother of all skill. And of course, we talked about so many different moving parts of today's economy and how that impacts assets and investments and your portfolio. And we also really dove into the beautiful mind of this individual who has been committed to continuing to expand that mind as a result of his goals. So what I encourage you to read listen to the show, and I encourage you to share this with a friend and I also want to most importantly encourage you to take massive action on what you learned today. We will get through this together, Elevate nation. Thank you so much for listening, and we will see you next time.

[OUTRO]

Announcer: Thank you for listening to Elevate. If you enjoyed this episode, be sure to rate, review, subscribe, and pay it forward by sharing with a friend. Most importantly, take this opportunity to elevate your results by taking immediate action on what you learned. For more, visit elevatepod.com.

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