

DNRE14 Rod Khleif

Casanova Brooks: [00:00:32] What's up DreamNation. We are back again. And today's episode, I feel like I have one of my mentors on and I can't wait to share him with you all. Without further ado, please help me in welcoming my friend, Mr. Rod Khleif to the show. Rod, do you want to go ahead and say what's up to DreamNation?

Rod Khleif: [00:00:49] Hey guys, this will be a lot of fun, Casanova, thanks for having me on the show brother. And, really looking forward to hopefully adding some value to your listeners and having some fun with you today, my friend.

Casanova Brooks: [00:01:00] Absolutely. You've added so much value to me over the years. Just like I told you on my journey in real estate. And so that's our goal right now is to add that same value back to other people.

And the way that I like to do this for anyone coming on is for anyone who doesn't know who you are most likely, they're really not true in the real estate first off. But two, I want to make sure that we give you the proper introduction. And so the way that I do that is I like to compare us as entrepreneurs, just like superheroes. And the reason being is because we're constantly putting on the cape, we're flying around the world and we're trying to solve the biggest problems in the world. And so behind every Superman, we know that there's a Clark Kent. And so I want to ask you behind Rod Khleif, who is that Clark Kent?

Rod Khleif: [00:01:44] I'm going to tell you, it's not Clark Kent, it's Lois Lane. It's my amazing, beautiful wife. And she's the reason I do everything that I do. And not only is she spectacularly beautiful on the outside, she's even more beautiful on the inside. So I'm going to tell you that's where my power comes from.

That's the one that I had sit on my lap and hug me this morning and put positive love and energy. And to me, cause I was feeling a little tired in and out of it. And, that is absolutely my superhero. So that's my answer.

Casanova Brooks: [00:02:15] I love it. I have a wife that does the same, especially anybody who's listening to this. They know my story and there were so many times where for me, I wanted to give up. But it's always the having that cheerleader, that champion in our corner that keeps us going. And sometimes it's our wives, sometimes it's our kids. So hopefully somebody can resonate with that. So you have been one of the biggest leaders in inspiration when it comes to real estate specifically, of course, multifamily as well.

Talk to me about when you were younger, did you always have this love for real estate? Did you know that you would be doing what you're doing now? If you can look back to when you were just a young kid.

Rod Khleif: [00:02:50] I think, if you'll humor me for a minute, let me take a minute and tell a little bit of my story because it answers your question a lot more.

So I immigrated this country when I was six years old with my mother's, Vania my brother's, Albert. I was born in the Netherlands in Holland and, we ended up in Denver, Colorado where I lived for 30 years and we didn't have much. I grew up pretty poor. I wore clothes from the Goodwill and the salvation army all the way through junior high school where I could get a job and actually buy my own clothes.

And, we ate expired food and drank powdered milk. And, we really struggled. Now, I'm sure that you've got listeners that have it harder than we did, and maybe even have it harder now or had it harder with all the COVID nonsense going on but. I knew at that time that I wanted more.

And my mom was a bit of an entrepreneur. She babysat kids, so we'd have enough money to eat. And she invested in the stock market with their money, but she also bought the house across the street from us when I was about 14 for about \$30,000. And then she told me about two and a half years later, that she'd made \$20,000 in her sleep that the value had gone up that much.

I'm like what? Screw college. I'm getting into real estate. And so I went and actually got my real estate broker's license, which I wasn't an agent. I was actually a broker, which you could do with education back then. They've gotten smart now and you have to actually have some experience, but I was a broker right when I turned 18.

My first year in real estate, I may be made about eight to 10 grand. My second year, maybe 10 to 12 grand. But my third year I made over a hundred thousand dollars, which back in 1981 was pretty decent money. So one of the things I like to talk about Casanova is how I was able to 10 X my income from year two to year three. If you'll humor me, I can chat about that for a minute.

Casanova Brooks: [00:04:34] Yeah, absolutely.

Rod Khleif: [00:04:36] All right. So what happened was I just, I went and worked for a guy that taught me this basic principle, which is that 80 to 90% of our success in anything is our mindset. It's our psychology. Yes. We need a vehicle. Be it real estate.

Be it entrepreneurship, stock market investing, whatever it is for you. Yes, you need the vehicle. But it's really the mindset and the psychology to get you to take action. If it was just knowledge, there'd be a bunch of wealthy libraries, librarians, and college professors out there.

It's the do. You got to do and keep doing. And I met this guy and he taught me that and fast forward to today, I've owned over 2000 houses. I've rented longterm, I've owned multiple apartment complexes in three States and in 2006, my net worth went up \$17 million while I slept a little more than my mom's 20,000.

And I thought I was a freaking real estate god. Okay. I thought I could do no wrong. My head got so big. I could barely fit it through a door. And you want to do the math on that by the way. It's about \$8,173 an hour in a 40 hour week for the year. And again, I was in sufferable well, when that happens, God, or the universe or whatever you believe will give you a nice

little smack down. That was 2008 for me. I lost that 17 million a whole lot more. I lost \$50 million in 2008. Like I said, one of the things that I teach at my live events. Now they're live stream events, but I teach at my events and I teach to my students is the mindset it took first of all, to have \$50 million to lose in the first place.

And then the mindset it took to get back to the success that I enjoy today. And we can drill down on that a little bit if you'd like as well. It's a kind of a process that I teach at my events and I could probably overview it in about five or 10 minutes if you'd like.

Casanova Brooks: [00:06:18] Yeah, absolutely. The first thing I want to know is as you start in your second year, what was that mindset to not give up? In the second year and then third year, what did you do differently that really got you that success of the 10x?

Rod Khleif: [00:06:33] It's knowing exactly what you want. And then even more importantly, knowing why you want it. And I knew I wanted more back then. And the reason I knew is actually the girl I was dating her dad was the one that taught me about psychology.

But, I went to their house and they had a three-car garage. I'd never seen a three-car garage before. They had snowmobiles and jet-skis and motorcycles, and he had two Corvettes and I knew I wanted that. But it was really knowing what you want with clarity. So those of you don't know exactly what you want, how the heck are you going to get it? So you have to have clarity around your goals.

And like I was telling one of the things I teach is this process. And let me give you the high level overview of this process to get that clarity. So what you want to do is you pick an hour when you have a lot of energy, number one, and you're not going to be distracted and just sit down and write down everything you could ever possibly want in life.

All the stuff, the houses, the cars, the boats, the jet skis, the planes, all the stuff, and take the lid off your brain. Imagine that if you write it down, you're going to get it because that's not outside the realm of reality, just the simple act of writing it down, trigger something in your brain called your reticular activating system and set a filter that subconsciously filters out, what it thinks is important to you. It doesn't happen consciously. And I think the greatest example of this is when you first buy a car, you never really noticed them. And then after you buy the car, you see them everywhere. Were they there before? Of course they were.

And that's your reticular activating system. So again, take the lid off your brain. Imagine that if you write it down, you're going to get it because that's not outside the realm of reality. And because of that, that reticular activating system it'll point you to those things, then also, don't just write down the stuff, write down how much money you want in the bank.

Say in three years, and in 10 years. Write down how much cashflow you want from your real estate investments in three years, and in 10 years. Write down how many doors you're going to have in three years or 10 years, if you're going to do multifamily, which is what I teach. Also, write down what you're going to learn this lifetime.

Okay. It's not just the stuff. Write down everything you want to learn. Maybe you want to learn how a foreign language or learn a skill set. Be if it's multifamily, I hope you come see me, but whatever it is, write it down. Also write down. the things you want to do in your lifetime, for example, maybe you want to climb all the mountains over 14,000 feet or, bucket list items.

Maybe there's places you want to visit. I've got a travel vision board behind my desk here. Write down all the things you want to do as well. I jumped out of a perfectly good airplane about eight months ago, it was on my bucket list. I'll never freaking do it again, but it's done.

I got it done. So write down all that stuff. do more for others than we'll ever do for ourselves. So write that down. I bought my parents a house on a canal here in Florida. Bought them car, took them on cruises. Who do you want to do something for? Write that down. And so it's everything you want to do, be, or have, it's not just the stuff, little things, big things, everything.

And again, imagine if you write it down, you're going to get it. Don't limit yourself. You're only limited by the box you create for yourself. Pretend there is no box. If you want a jet, a yacht, a private Island, write it down because there's truly nothing you can't do be or have. All right. Then once you're done with that, there's a couple more quick steps.

Number one is, it's not real until it's measurable. Put a number by each goal for how many it's going to take you to achieve it. Put a one, a three, a five, even a 10 or a 20. Recognizing that as human beings, we will overestimate what we can do in a year and massively underestimate what we can do in say 10 or 20 years.

I'll give you an example of this. When I was 18, I knew I wanted to live on the beach. There's no beach in Denver. But I would visualize it. It's the Palm trees, the surf, the sand, of course the bikinis, I'm a guy but what's crazy, 20 years later, I built this \$8 million, three storey mansion on the beach here, which was unthinkable when I was 18.

But I knew I wanted it. I visualized it. I made it happen. So don't limit yourself. Once you got a number by each goal. Pick your number one goal. That goal when you're getting like, Oh my God, this is amazing. That goal, put it on another piece of paper, then pick your top three one-year goals.

Put them on another piece of paper. It's just one more step. The goals are important. The goals will drive you, they'll pull you but knowing why they're a must is the most important piece of this. So you need to write a paragraph under each goal, why you absolutely must achieve it and use emotionally charged words.

Like amazing, incredible, beautiful words are very powerful. You want to use them. So you might say so we can have, so I can show my wife or husband, what success looks like. So I can show my kids what it means to be successful. So that we can have freedom to do whatever we want wherever we want.

Whenever we want, know whatever it is for you write that down. And then, once you've got a positive reason why it has to happen, the goal must happen. Then I want you to use some

pain. And this is going to sound harsh, but trust me on this because as human beings we'll do more to avoid pain and gain pleasure, and you want to use this?

This is the fuel. This is the fuel to get you up early in the morning, or to get you stay up late at night to build this side hustle, to build this dream of yours. Because if you're willing to do what other people won't for a few years, you're going to live the rest of your life like other people can't.

And so put some pain in there and you might put, so I don't feel like a failure. So I don't live a life of rejection or so I don't fail in life, so I don't fail my children. So I don't fail my spouse. Make it painful cause we don't want any regrets guys. If you fear failure, I'm going to tell you what you should fear is regret.

Fear is much more dangerous. A fear of regret is much more painful than fear of failure and in fact there was a nurse in Australia. A hospice nurse. She used to counsel patients at the end of their lives. Her name was Bronnie Ware. She wrote a book about this even, but she asked every person that was at the end of their life.

Do you have any regrets? And the book is called the five regrets of dying. You want to know what the number one regret was, Casanova? It was not living the life I could have lived. Living someone else's life and guys, we don't want that. So use this goal setting exercise and this fuel so that you don't have any regrets.

And then the last thing I'll tell you is get pictures of your goals, because the pictures will move you and, get them around you, put them near you and give you a couple of examples. Let me give you a couple of examples for manifesting this stuff. A couple of public ones, Jim Carey, when he was flat broke, wrote himself a check for \$10 million, and he used to look at it.

You go up by the Hollywood sign, he'd look at it and visualize cashing it. That's so much money he made for Dumb and Dumber. Another recent example, Demi Lovato, when she was a nobody, put on social media that I'm going to sing in the super bowl someday. She sang in the last super bowl. And I'll give you some personal examples for me.

Back when I was 18, I was going to get rich selling people houses. I thought that's how I was going to do it. So I got a four door car and it was a four-door Granada, ugliest piece of you know what you've ever seen, bench seat in the front, just bone ugly, but that's what I figured I had to have, but I told you, the guy I worked with had Corvettes and he let me drive one and I'm like, Oh my God, this is amazing.

So I got a picture out of a magazine. This was before you could spell internet. And I put it on the visor, a picture of a Corvette. I put it on the visor of my phone and bone ugly Granada. So every time I sat in the car, it was right there in front of me. Within a year or two, I had a beautiful Corvette, a couple more examples, but let me pre-frame this.

This is not me bragging the house or any of this stuff. This stuff really doesn't interest me anymore, but I'm hoping to inspire you guys. So this is back when the TV show Magnum PI

was out. This was before you were born, Casanova. Tom Selleck was the actor and he drove this awesome Ferrari 308 and I'm like, Oh my God, that's amazing.

So I've got a picture of that actual car and I put it on the visor of that corvette and within a year or two at a Maserati, it looked just like it. Last example, I'm the guy that always wanted a Lamborghini. I thought it was important. I had the posters in my bedroom growing up with the Lamborghinis and the bikini girls, washing them and all that.

All that nonsense. What's interesting is my son collected models of exotic cars and he had a model of the exact same color and style Lamborghini that I ended up getting, which I wrecked. But that's another story. But anyway, get pictures of your goals because they freaking work.

Casanova Brooks: [00:14:52] For a lot of people right now, I think that they have the same type of goals, especially if they're young and thinking about getting into real estate. They want the cars, they want the girls, they want to live on the beach. But for so many of those things, it's especially in the world of social media now. You feel like that you're being inauthentic and artificial.

And so what would you say to that person that says, yeah, I do want the car, but it's tough for me to put all those things out there because then I feel like I'm going into a world of artificial.

Rod Khleif: [00:15:21] Sure. Don't put them out there. I've got cars that blow people's mind that nobody even knows about. And so just don't put it out there. Be who you are. And I used to live that life. I used to feel like I needed to impress and all of that. And I don't want anymore. I've got the most beautiful woman on the planet. I've got the incredible, compound on the water .

And so you don't need to show this stuff off. I'm only using it to hopefully inspire those of you listening as to the power of this. Let me show you. Some of you can't see this because I assume you put these on YouTube. So here's my vision board.

This is my gratitude vision board and got my kids when they were very young. And there's my travel vision board right there behind it. Places I want to go or places I've been, I want to go again This is not a do, as I say, not as I do thing. I use these, because I know they freaking work.

Again, this is how I had 50 million to lose in the first place and how I got back to the success that I enjoy today. And it's knowing what I want, visualizing it, focusing on it. And that's how I got it. and again, not trying to brag, that's just how I did. In fact, I'm show you something else.

This is my planner. It's on today. In the back of this thing, I've got pictures that have been in here for 20 years. I'm not exaggerating 20 years. They're in plastic. And the first pictures of my gratitude, pictures of my kids, like I had a vision board for gratitude because my kids, when they were very young and then after that, I've got the houses that I wanted.

What's crazy is this top house, this 10 foot high glass with travertine floors looks exactly like the house I built on the beach before I built it. Now you want to see something really cool. Now you guys can't see this. Casanova can see it, but see this bottom picture. See those white walls and these two pictures here.

You see those white walls. Behind me on this green screen, that white wall is the compound I have now. So that house on the beach, it, I lost it. I, went all the craziness in '08 and the divorce and stuff like that, but I live in a compound now I've got six buildings.

I've got a giant, main house. And a guest house on the water and exercise room, a media building, a theater, I could go on and on. It's just spectacular. And cause God's got a sense of humor. I can see my old house across the Bay. It's literally right across the Bay, but then I've got, other stuff, stupid stuff.

Like I thought watches were important. I've got a few hundred thousand dollars worth of watches. There's a Lamborghini before I ever got it. Rolls, Royce, Bentley, all this stuff that I got because I have pictures. So even if you're not into the material, things, like I was at that time, then get pictures of your family, your children, figure out what your, why is and use that to drive and, you don't have to put it out there to the world. If they we're not interested in that stuff, it's cool. What are you interested in? Do you want to travel? Again, we'll do more for others we'll ever do for ourselves. Maybe you want to pay off your siblings houses.

That's one of my bucket list items. So I'd love to pay my brother's houses off, whatever it is, get pictures, go on Google and find pictures that resonate with you. They don't have to be exactly what your goals are, but when you see them, you're like, that feels good. Take those, download them, have them blown up.

If you could see around behind the monitor. So you'd see pictures of the things that matter to me now that I've had blown up, you can go to CVS or Walgreens for a couple of bucks. You can have them made into bigger pictures, put them around you because they work.

Casanova Brooks: [00:18:40] I love that. And visualize, and I have two vision boards that are sitting over here. And that was something that I think, especially when you're younger, you don't feel like you have the confidence because that stuff can feel fluffy. In the millennial culture, the gen Z culture, it's like, Oh, is that fluffy? But as you get older, you do start to understand that what you manifest in your mind and what you tell yourself and you work towards every single day is the only way that these things will come possible.

Rod Khleif: [00:19:07] That's exactly right. If you can't see it in your mind, you're never going to see it in reality, period. That's why I got the vision boards. Cause every morning for a few minutes, I'll sit in this chair behind me. You can see it back there behind my green screen here.

It's a recliner and I'll sit in there and I'll just do gratitude for a few minutes, just for two minutes. I'll close my eyes. I'll think about my beautiful bride, my kids, my coaching students, my foundation. I'll just do gratitude, but then I'll grab a vision board and I'll look at it and I'll do gratitude for the things that I want as if I already have them.

And I will tell you, this is going to say, you want to talk fluffy. This is no sound fluffy. Sometimes I'll get emotional being grateful for things I don't even have yet. And why? Because it freaking works. So trust me on this, please, because if you want something, and you try it and you do this and you believe that you can have it.

It's inevitable that you'll get it, period. Whatever it is, I don't care how big it is either. You've got to believe you can have it though. That's the key. and then you use gratitude. There's no greater power in the human evolvment than gratitude. You need to use gratitude. It's the most powerful, important emotion in our lives.

Casanova Brooks: [00:20:15] So let's say for a lot of people that are listening to this and they want to learn from you about real estate and you've owned several different types of real estate empires, I'm sure. Over your years, why multifamily? And did you ever envision that you would be in multi-family in the end anyway, or did it happen by accident?

Rod Khleif: [00:20:36] Great question. In fact, the reason I started my podcast, three years ago was two reasons. One, I knew I was getting back into real estate and I hate asking for money. So I thought, Hey, I'll do a podcast. I'll add value. And if I've got a deal, I just throw it out there and get money for it.

And of course, the minute I talk about a deal, my, it's done that a whole lot more, but the other reason was to share my story because when everything was crashing in '08 and '09, when you know the blood was running in the streets, by the way, it's coming again, just FYI. We'll talk about that in a second.

It's coming again. Trust me. Trust me when I say it's coming again soon, but what was fascinating back then was my multifamily did just fine. It was my single family. Let me explain, because people are like, you had 800 houses and you still crashed and burned. Yes. Here's why. And by the way, I was only at a 30% loan to value.

I only owe 30 cents on the dollar and I still crashed and burned. Here's why, so my houses were two hours North and two hours South and everywhere in between. So I had this gigantic area of these 800 houses. Now I had multiple apartment complexes at that time as well. But here's some of the things that impacted what happened.

Number one is Florida has no state income tax. And property taxes are higher, impacts cash flow. I had properties in wind and flood zones. Insurances higher, impacts cash flow, but here was the here's the big one. If I had a maintenance issue at one of my apartment complexes, everything's the same.

So you can stockpile parts, all the plumbing parts, electrical parts, HPAC parts, appliance parts, they're all the same. So I could send the maintenance guy in there in and out in an hour, boom, he's done. If I had to send someone to one of my 800 houses, say it's an hour away. Two hour round trip just to get there, then they'd have to go see what's wrong.

Go find a home Depot or Lowe's where we have an account, pick up the stuff, come back, get into it. And I don't know if you've ever fixed anything, but I know damn pretty much

every time am I do. I've got to go back to home Depot again. Maintenance guys are no different. You open a wall up and you realize you need more stuff.

So what takes an hour at one of my apartment complex just took all day at one of my 800 houses. And you multiply that times 800 and I had C class assets, so a lot more maintenance and upkeep than A and B assets. And it just didn't cashflow, but the raw, the hair that broke the back was most of my residents were contractors. They were plumbers, electricians, drywallers, roofers, painters, you name it, which fell off a cliff in '08 and nine. And so they didn't have work. And if I hadn't, cross-collateralized my apartment complexes with my houses.

I still have the apartment complex is because they pulled back a little bit but they would have survived. And I wanted to give that message if you're going to buy and hold for God's sakes, do multifamily and if you are all interested in this business, I'll give you a listener as a gift.

I've got this tool book that I give away for free. It's 70 pages, not fluffy. There's no sales in here at all. It's everything you should think about before you buy an apartment building or even a duplex. And it's free. Just text my name rod to 41411 and it's a free download is 70 pages.

It is every possible question you'd ever want to ask. It's like a due diligence checklist on steroids as well. Happy to

Casanova Brooks: [00:23:46] give that.

We'll put that link in the show notes so people can text that. I'll actually be texting that as well. That'd be good.

Rod Khleif: [00:23:54] It's a real resource, and while I'm on that topic, I've done sold out live events for the last two years. My podcasts is going to hit 9 million downloads in the next week or two. And which was freaking unthinkable. It's funny, we want to make God laugh.

Tell him your plans. I never planned to teach or coach or do anything that I'm doing now. In fact, in my early episodes of my podcast, if you listen to, I'll say, I'll never sell you anything. I just want to add value, which was the truth at that time. And then I hit a million downloads my game.

Maybe I should do something with this. So I wrote a book I gave away 20,000 copies of my book. It's now on Amazon. My team is like, Hey knucklehead, we should actually maybe make some money with this at some point. So we put it on Amazon, but anyway, I did started doing sold out live events.

Every one of them sold out. And then of course, you know what happened in April of this year, I had 800 people scheduled to go to Orlando. And so I switched it to live stream and I had 900 people watch my first live stream event. I had just under 700, the last one we just did a few weeks ago, but I do these live stream events, they're really reasonable. I believe that tickets online are \$97. And I'll tell you what if your listeners want to go, I'll give them

you use the code Rodfriend, like one word Rodfriend, and it's another 50 bucks off for \$47. It's me for two full days training. I'm not selling anything. It's just training.

I don't sell anything at my two day boot camps. So it's just training and it's drinking through a fire hose. I will tell you if you have any interest in this multifamily business, and the website is multifamilyvirtualbootcamp.com. multi-familyvirtualbootcamp.com and that's and I have one coming up in October. I don't know the dates off the top of my head

We'll make

Casanova Brooks: [00:25:30] sure we put those links out.

Rod Khleif: [00:25:32] Thank you, buddy.

Casanova Brooks: [00:25:33] For sure. Now a lot of people don't get into multifamily because they feel like it's too much of a down payment, if you're trying to buy something, that's 800,000, that's in the Midwest here.

Obviously, if you're buying something that's on the East coast or in a highly, I guess desirable area, you could definitely be million, \$2 million.

Rod Khleif: [00:25:50] So it depends on the size. I'm sorry to interrupt you, my friend, what I wanted to say before we went too far down that path is you don't have to start with a 10 unit or a five unit even. Do a duplex or triplex or fourplex.

Why? Because those are residential multifamily and you can get into them for low down, as long as you move in. And so if you're young and you're going to buy your first property and you can convert, convinced the spouse to avoid the white picket fence and let's buy an asset, we can actually maybe live for free in at some point, which is very likely, go for a duplex or triplex or fourplex. To start fixed interest rate for 30 years, you can even use the rent from the other units to help you qualify.

It's a no brainer. Don't buy a house if it's your first property. And again, if you can convince the Ars, or if you're a woman listening, convince the husband to buy a -plex, you'll be very glad you did. I can't tell you how many people I've interviewed Med students, that started that way. And, and we all have a courage muscle.

So you don't have to start with a 16 unit or a 20 unit or whatever, start with that. and that'll build that muscle. And then, and it's inevitable. I've seen it time and time. Again, people will start with a small one like that. Then next thing they got a 20 unit after that there were a hundred.

And that first one, even the Plex is the hardest. It's like the law of the first deal. It's takes the longest. It's the most stressful. And then when you're done, is that all there is, and I've seen this to my students and next thing I know they've got 600 units that, right after their first one, it's because they realized that the only thing holding them back was between their ears.

And and now back to the conversation I was talking about what's coming guys, and I don't know when this episode is going to air, but as it stands right now, where there they're

fighting over the next stimulus, and there certainly will be another one. Trump did his executive order. Try to push them a little bit to get to one, but I'm going to tell you that after the election, I don't think we're going to see many more if at all.

And the stuff is going to hit the fan and it's going to be scary and they're going to be a lot of people that get evicted foreclosures, and people lose their jobs and it's going to be ugly. And you can think about that and dwell on that because whatever you focus on gets bigger, or I'm going to suggest you don't, I'm going to suggest you focus on the opportunity that's coming.

Because whatever you focus on gets larger, both positive and negative. So I'm, but I'm going to tell you, there's going to be incredible opportunity. There are going to be distressed assets that you'll be able to get it cents on the dollar, but again, you choose right now. Casanova, we need leaders, the world needs leaders and as a leader, you need to focus on what you want, not what you don't want. So for example, stand guard at the door to your mind, don't get sucked into CNN and ABC and all the negative crap that's out there. Bring in the good stuff. Every week, I do an episode called own your power and it's motivational content.

But even forget me, just go to YouTube and take in the good, motivational stuff that's there. Search that out because people are watching you, even if you don't have employees or a team, your family's watching you and you have to be a leader. And again, what you focus on grows larger. I'll give you an example of this.

They asked mother Teresa when she was alive, if she was anti-war she said no, I'm pro-peace. See the difference. And so it's very important you pay attention to where your focus goes and, because that's where your energy is going to go.

Casanova Brooks: [00:29:09] I definitely agree to that. I think anybody who is listening to this, they know that's what it's about. That's the whole purpose of a dream, right? Focusing on your dream, not worrying about the comparison game, not worrying about somebody else's 17th step when you're just on your fifth step and I think that just like you said, that there will be, a change, there'll be a correction.

There'll be a lot of distress properties that are coming and so you're waiting, but for someone right now that says, okay, if I want to try to get my feet wet right now, what's like that first step. Do I just gotta go find a broker?

Rod Khleif: [00:29:48] Education. Come see me, listen to my podcast, keep listening to Casanova's here, the real estate pieces because you've got to educate yourself, dabblers get crushed.

That's it, and it's going to seem intimidating at first, but how do you eat a whale, one little bite at a time. That's what we do. And so just realize that, and anybody that's in this business, myself included started from nothing. We started with no knowledge and we just went out there and did it, but educate, but do not get caught in analysis paralysis.

You actually have to take action. So keep that in mind. You have to get uncomfortable. A little bit uncomfortable, and I'm going to tell you the quality of your life hinges on your ability to get a little uncomfortable and magnificent life of your dreams is right on the other side of comfort.

So you'll push yourself, educate yourself, stamp late and learn this business, whatever it is, the vehicle you're going to use. If it's multifamily for God's sakes, come spend three, two days with me for under 50 bucks. That's a no brainer. I'm not selling anything. here's that, or, find other content on this business and learn it and don't dabble. feel free to send me a Facebook message I respond to everyone, but the point is you've got to educate yourself.

Now, if you follow my Rod Khleif official page, I go live all the time. And I talk about different aspects of this business. I was just in Louisiana yesterday, I went live and I talked about doing a big make-ready project. There's 403 unit complex that we have. And I know that seems overwhelming for many of you, but that's okay.

I didn't start there. I started with a house, but I talk, but I do Facebook lives there all the time. So if you follow me, you'll get a lot of free content. My website also has tons free, content videos, books, they're all free, articles that I've written or curated, that's rodkhleif.com.

You'll get a ton of value, but just get out there and learn this. That's the first step and then start evaluating deals. Start looking at market, start talking this up, go to real estate investor club meetings. My Facebook group, it's the largest multifamily Facebook group in the world.

It's my name, multifamily real estate investing with my name. We're going to hit 35,000 people, I think today or tomorrow. And this is August 13th. So today or tomorrow, we're going at 35,000 people. It's unbelievable. And that's the other thing. if you're going to do multifamily, you're going to want to create reach, and you guys have so many incredible resources with social media right now.

Casanova, I know you're killing it with your podcast. To me, it's mind blowing my podcast at 9 million downloads. YouTube, my YouTube videos got watched for 30,000 hours last year. I couldn't believe it. All we did was post my podcast interviews 30,000 hours.

So there's so many ways for you to build, reach and find money and make connections with Facebook, Instagram, Twitter, YouTube, Tik Tok, whatever the hell that is. I don't even know what that is, but, whatever it says. but you want to use these things. LinkedIn is fantastic resource as well.

So anyway, I'll stop rambling, And by the way, sorry, one last thing. Yes, it's going to be ugly and yes, a lot of people are going to suffer. And so a couple of catchphrases that I'm not going to say there were minus, I read them. One of them is compassionate capitalism as we move into this crisis.

And another one is ethical opportunism. We maintain our integrity, but we look for deals. very important that we operate from the right place as we're doing this.

Casanova Brooks: [00:33:10] For you, as you've grown your multifamily portfolio, what has been the biggest contributor to you finding deals?

Is it your podcasts? Is that you building your own platform? Is it the brokers that you've built relationships with in years?

Rod Khleif: [00:33:26] Relationships. It's relationships for sure. Now some people do it direct to seller marketing. I teach this at my events, where you mail, you make outbound calls, you talk to probate attorneys, you go look at evictions.

You go look at code violations, things like that. Yes, you can find deals that way, smaller deals, but if you, once you get into larger ones, you're going to want broker relationships for sure. And it's just friendships, it's like anything else, you start a relationship, you get to know someone, you treat them with respect.

And this relay, this business is truly a team sport. And one of the, some of the people you need on your team are brokers for sure. Real estate brokers, especially in the commercial multi-family space. And this business is super exciting, Casanova. Let me tell you why, because I talked about residential multifamily, anything over five units is commercial multifamily.

And the exciting thing about residential is the low down payment, 30 year fixed financing. And it's fantastic loans, but the negative is the value is based on comparable sales. So you can't really ramp it, but with commercial real estate it's based on the net income, the net operating income.

And so any increase to that net income is an exponential increase to value. I'll give you a couple of extreme examples. Now these are extreme, but they're mine and they're real. I've got 101 unit complex in Beaver Creek, Ohio, and that's unique story because it got destroyed by a tornado and we're just bringing it back online.

It's all been redone and it's, about 60% occupied and we should hit 80 in the next 30 to 60 days, but we're going to be able to increase the rents there to \$650 a unit. 101 unit complex. And I want to give you an idea of what that means. Let's just use \$500. If you can increase the rent \$500 on a hundred unit complex, you've just instantly increased the value \$10 million. That's why we like this business, guys. I'll give you another example. This Louisiana asset that I was just at 403 units. When we bought it was 70% occupied, but we knew the market was good because the market was at 90, 95%. All we have to do is increase the occupancy to 90% without even raising the rents and we made \$9 million in an instant increase in value.

That's why we like this business, my friends and that works on smaller multiples with 20, 30, 40 units. And that's why, and we call it value add, okay, we look for properties that we can buy, that we can add value to increase the rent. And then we decrease the expenses because again, any increase to that net income is an exponential increase to the value.

And so if you want to learn more about this, come join me or, start, go to my website, you get tons of information to help you start the journey.

Casanova Brooks: [00:36:08] Yeah. Besides multifamily and real estate, is there anything else that you have your eyes on as far as what you look to invest in? Or are you purely, I only invest in what I know, which is multifamily real estate?

Rod Khleif: [00:36:22] Fantastic question, Casanova, because I liked the way you ended it. I only invest in what I know. I will tell you, Rod has shiny penny syndrome. I don't call my \$50 million loss in '08 a failure.

I call it a seminar because it's a learning experience. Only a failure if you don't get back up, you don't learn the lesson. So I have built 24 businesses in my lifetime. Three have been worth tens of millions of dollars, three, maybe four, actually. The rest had been spectacular flaming seminars because I didn't stick with what I know. All right. And so I'm really glad you asked that question that way, right? Operate in your strengths. Okay. This business is a team sport and some of the best partnerships I've seen are an outgoing person connected with an analytical person.

Cause in the multifamily space, you have to be able to look at the numbers and analyze the deal. And that's something you can learn. I don't love it. So my partner's Robert, he's a CPA. He was my CFO and he's done a billion and a half in commercial real estate. And we're a fantastic partnership. But you want to play to your strengths. Don't worry about building your weaknesses. You align partner or hire for your weaknesses and you focus on your strengths. You're going to get much further faster if you operate that way.

Casanova Brooks: [00:37:40] I love that. and that's a perfect segment. And so how does one really find a good partnership?

Rod Khleif: [00:37:50] I have a resource for this. Okay. I hate to dump all these resources on your list. I got one more. I've got a mastermind. I've got the largest multifamily mastermind, I think, in the country.

And as if I get the guy I'm thinking I'm getting, we'll have over 10 billion in assets represented by the members. And two of the members, big ones with thousands of units, just dissolved partnerships that didn't work out. Partnerships are easy to get into, but like a marriage they're hard to get out of.

Now, because people don't ask the hard questions up front. I'm just looking through my books here, by the way at my live events, these are the books you get. I don't know if you can see all these. I dump value, There's the manual right there. It's, I don't know, 150 pages, but anyway, I've got one of the resources that you get but I'll give it to you guys for free right now. Hang on one second. I just gotta find it. here it is. Nope. That's not it. Here we go. It's a book that I put together called questions to ask before when you're forming a partnership. So you ask all the right questions. Now let me tell your listeners how they can get it because it's not on my website.

One second. Partnership. Okay. All you do is text partnership to four 41411 and we'll send you that book questions. Cause you got to ask the hard questions upfront. You get all excited, you meet somebody and you need to know what's their work ethic. What happens if one of your works harder than the others?

What happens if you want to dissolve the thing and even non-traditional things like trusting your intuition. If it doesn't feel right in your stomach, trust it because your brain is so powerful, it will pick up nuances that you don't consciously perceive. And even food, you call that foofy. But I'm going to tell you every time I've ignored my intuition, I've regretted it.

Every single time now, of course, women are better at this than men, but even men, cause the brain can see all these little micro things that in process it subconsciously. And if, again, if you get that feeling in your gut, something's not right, trust it. I just had it happen yesterday where I get this guy, call me wanting to work for me and sell stuff for me.

I just got this feeling in my gut. No, I don't like the way how pushy is and everything I said. Yeah. I don't think it's a fit because I've learned to trust it.

Casanova Brooks: [00:39:58] Do you think that just comes over time and experience?

Rod Khleif: [00:40:02] No, absolutely not. Absolutely not. You can feel it, if something's off, you can feel it, but a lot of people ignore it. They get caught up in the excitement, the greed, the emotion, but when you ignore it is when you regret it, but you've got to ask those questions up front. So again, just text partnership to 41411, I'll give you that list of questions to ask before you get into a partnership.

Got it. **Casanova Brooks:** [00:40:22] What are your thoughts on big funds? Like Cardone capital, things like that, where a lot of people say, you know what? I do want to invest in a real estate, but I necessarily don't know that I could be that guy.

Grant Cardone got his own **Rod Khleif:** [00:40:36] jet, so he's smarter than I am, but I will say this that with Grant, it's my understanding that he buys what's called yield place, meaning they're banking on rent appreciation.

What do you think is going to happen over the next two or three years? The rents are flat lined at best. So none of those investors are going to see the returns that I'm guessing were projected. Now I'm guessing on all this and I don't want to get in trouble with Grant cause I like my peace of mind.

Casanova Brooks: [00:41:03] I'm just asking about that model.

Rod Khleif: [00:41:06] There are funds, but again, why would you invest in something if you don't know, at least have a basic understanding of it. So even if you're going to invest your money in something like that. For God's sake, spend a couple of days with me for what is it? \$47. And you have an understanding of what you're investing in.

Don't give your hard earned money to someone, the stock market or or anything, unless you have an understanding of it because that's how you know money gets lost and squandered. And I'm going to tell you there's going to be crash in the stock market coming too.

And you heard it here. I'm just telling you it's coming. a hundred percent. I had an economist Harry dent speak to my mastermind a few days ago and he said the same thing, it's coming. just wait for it.

Casanova Brooks: [00:41:45] I think that's very good insight. Why invest in anything that you don't understand at least enough to be dangerous?

If you don't want to do the work, that's fine. But at least have a strong foundation when you're putting your most valuable assets into cause a lot of the times we leverage to be able to invest into something else. And if you don't have an understanding of it, you're putting your family in jeopardy by doing that.

So I'm a thousand percent in agreement with that. Besides your vision boards and everything else that you've been able to manifest, where do you turn for inspiration? Is there a book? Is there a person?

My love language is gifts.**Rod Khleif:** [00:42:24] And, I don't know if you haven't read the five languages of love and you love anybody in your life.

Go get it, read it. Okay. but so my students get lots of books for me. So let me read off some of the titles that they get in my program, turning pro is one. Stop being an amateur and just decide your professional and operate that way. The slight edge is another, those little decisions we make every day that trajectory our life up or down.

The miracle morning, Hal El Rod's book about getting up earlier, exercising, journaling, meditating, or praying, and just how incredibly powerful that is. The magic of thinking big, Jack Canfield's book. Another fantastic book. The one thing, Gary Keller, take me too long to explain that, but a fantastic book. That's enough, right?

Casanova Brooks: [00:43:09] Those are all good books.

Rod Khleif: [00:43:10] I have quotes on my wall that I look at. I can show them to you here. There you go. Focus. Grind now. Play later. Comfort kills. Grant Cardone, I am success genius. I'm the best in the world at what I do and that's not like braggadocious.

That is what I'm aspiring to be. So when I get a little beat up, I'll look at that. I am statements are very powerful because anything you put the words I am in front of us is an identity statement. There's no greater force in the human psyche than the need to remain consistent with how we identify ourselves.

So I use, I am statements. I am strength. I am courage. I am determination. I am health and energy, and I've screamed that stuff thousands of times. My kids helped me in my live events. People come up to them all the time. Does he really do that stuff? Yup. He sure does.

It's embarrassing because it when you do that and you do it with your total passion and energy, he gets into the fiber of your being and you embody it. Very powerful.

Casanova Brooks: [00:44:05] I would definitely agree. Just a couple questions that I have left. The first one that comes to my mind is, for anybody right now, who's listening at this and they say, you know what?

I love the inspiration that he has and I want to blaze my path just like him, but I got that little voice in my head that says that I'm not strong enough. I'm not smart enough. Or maybe I just

don't have enough resources. What's the one thing that you would say to that person to get them to just take action?

Rod Khleif: [00:44:33] I'm going to say more than one thing. And this is something I teach at my live events. I do not do it at my live stream because I like total immersion for this. But we talk about limiting beliefs. So many people have these limiting beliefs. I'm not old enough. I'm not young enough. I'm not smart enough. I'm not analytical enough. And these are things that come from our childhood.

We had an emotional event that our brain thinks is factual, but there's a reason that the acronym for belief systems is BS because 99.9% of them are BS. Mine was how can I show the world I'm good enough. And in fact, let me tell you, let me share one thing before we run out of time here, right? I built that house on the beach.

this house was magnificent. Okay. It was three stories, \$8 million, 10,000 square foot house, giant waterfall from the second floor balcony into the pool, a big spiral staircase up through the middle of wine cellar elevator around that spiral staircase on the second floor, I had aquariums that cost me almost 200 grand.

So it gives you an idea of the house. Okay. yeah. Tomorrow. I worked for this thing for 20 years, two months after I moved in, I'm floating in the pool. It's changing colors at night, waterfalled pools and magazines spectacular. And I'm looking up at this thing. My family's inside sleeping two months after I built it.

I'm looking up at this Testament to my ego, which is really what it was. It was to prove to the world. I was good enough. I'm 40 years old and I'm still trying to prove the world. I'm good enough, but that's why I built this. And it's embarrassing to admit that, but it's the truth. and two months after I built it, I got depressed and I'm like, what the hell?

And this ties into the goal setting. So I want to ma really glad you sparked that thought. it, because it's not about the goal. Okay. I'm just like, how could I be depressed? I've just achieved success like times, but I was really bummed. And so I went and bought some books and one of them was Tony robbins' book.

And I went and saw Tony at one of his live events this 20 years ago. And I found out that he fed families for the holidays and I had been totally focused on rod show the world. I matter, show the world. I'm good enough. Rod. And I'm like, who else? What a concept. It was 40. And I got that.

Finally got that memo. And so I went back and I decided to feed five families and change my life. And I'm blessed to say, no, we've now fed, I think pushing 80,000 children over the last 20 years when you're in my area with baskets of food for the holidays, we've done. Tens of thousands of backpacks filled with school supplies for local kids.

We've done tens of thousands of Teddy bears, local police departments for their officers to put in their cars when they encounter a child has been traumatized. And I'm going to tell you, I know if you're listening to Casanova, you're young, you're enthusiastic. You want this,

you got blood dripping from your teeth and I'm here to, and you might be thinking, yeah, I'll do that.

I'll get back when I have the money. I'm here to tell you big mistake, do it now, because not only will your success come faster, but you'll be happier. See, I was successful, but I was unfulfilled. You'll be fulfilled. Even if you just help one person or help a family or teach someone else what you're learning here.

We were put on this earth to give. Okay. And I'm going to tell you're successful book. so many people think that they have to achieve to be happy. I'm going to tell you're going to get much further, faster, happily achieving, and this is how you do it.

Casanova Brooks: [00:47:32] Love it. I love it. that right there is a whole word.

And hopefully somebody takes action on that statement because that's everything that I believe in.