

EPISODE 1615**[INTRODUCTION]**

Dani Beit-Or (DB): Wow, that's crazy unpleasant, my suggestion to you is suck it up and wait, just be patient, right? It's not pleasant. I've been there I've seen how, you know, one of my houses goes from 190, 284, 500 in 2008, more of them but one that I clearly remember. It's not pleasant but it stays rented. It stays occupied. You kind of weather the storm. Why, you know, if you don't panic and sell, you're not executing a loss, right? So just weather the storm. Be patient, and it's easier to weather the storm when it's quality.

[INTERVIEW]

Whitney Sewell (WS): This is your Daily Real Estate Syndication Show. I'm your host, Whitney Sewell. Our guest today is returning after four years. It's incredible to think back about the shadows that long ago, and he was guests number 187. And that was in April of 2019. While a lot has changed since then, for him and real estate for us also, no doubt by the end but our guest today, Dani Beit-Or, 18 years of experience and investing in real estate. He uses knowledge and experience to secure financial growth for beginners to experienced investors.

And since 2004, Dani has worked with many hundreds of investors to close to 5000 transactions while helping them to build strong real estate property portfolios by investing in various US metros. He helps both beginners and experienced investors by customizing each strategy based on experience age goals, knowledge and financial abilities. And we're gonna hear Dani's thoughts on the current market. While you know he talked about getting back to normal times as are, what is that?

What are normal times, you know, he just elaborates on that and talks about the patterns of behaviors of people, right are things that you know, patterns that are happening during uncertain times and are times of uncertainty right and so we can help recognize them, as many veteran and are more experienced investors can, if they've been through many cycles, you know what they see things right?

They see it from times before, and Dani is talking about that even talking about, you know, the assets that you need to be looking at. So you can weather that storm, right, which we all need to be thinking about for sure. Because we are also buyers right now, if we find something that works, it's not been easy, but we are still looking and we are buyers, if we find something that makes sense, right now, and even some of the things he mentioned apply to us, as well, for sure. So I know you're gonna learn a lot from Dani today. Dani, welcome back to the show. It's been a while; it's incredible. We were laughing a little bit about how long ago that's been that you were a guest before, but grateful to have you back.

I'm looking forward to the listeners and myself hearing what's happened, you know, in the last few years in your business and simply do it right.com. And, and you know, what's the latest? So why don't you update us on what's happening. And I want to dive in and get your opinion to on, hey, you know what's happening during these uncertain times, and some strategies and things you found most effective to be successful in the current market. So give us an update what's happening with you.

DB: So first of all, thanks for having me. Again, it's always a pleasure speaking to you always a pleasure, and share some experience. You know, it has been the wild about I don't know maybe almost four years, I think something like that crazy four years, at least for me crazy. We are in March of 2023, interesting times financially.

What I'm seeing mainly the first of all this part of me saying thing, God, we are maybe in a correction, maybe going to some little bit more relaxed, more normal times of real estate. Hopefully, maybe we still have to do some adjustment. Before we go to the boring period of real estate, it's been really hectic because everybody knows, before COVID During COVID, after COVID, even for a bit. So now maybe we're going back to some sort of a little bit more normal times what I've seen what I like about these times where you know, what we're going through right now is I find it very exciting to be a buyer. A lot of people are sitting on the sideline, hesitating, not sure about what doing. And you know what? It is excellent.

When there's a lot of hesitation in the marketplace, this is a very good time to be somewhat bullish about buying and when I'm saying buying I'm not saying just buy anything, you know, obviously just be more cautious more, maybe lower offers more smarter, invest or exploit or use the time in order to feel that it's out there in the public atmosphere. Let's call it what people are expecting in your favor.

So that means I am you know, I've been doing it for just about 20 years actually, 21 years as an investor and that gave me privilege. 20 years gives you a privilege to see patterns of behavior during certain times. But sometimes you need to see that pattern of waiver more than once to really see that something is going on. So I've seen people in times of uncertainty, and I've noticed people are naturally they're resulting to hurtling down, waiting on the sidelines.

For me, perfect step aside, average person, Let the pros come in and use that opportunity. I'm seeing that as I definitely see it from the people that my clients. A lot of the beginners are also taking the same approach and kind of sitting down on the sidelines and watching. And the veterans they experience want to say, hey, obviously, I'm sensing there's an opportunity here. Let's dive in. With that said, it's kind of interesting to see that there's still multiple offers.

So we're seeing we there's not a week that goes by that we lose, you know, an offer, or two or three for multiple bids. And and when I say multiple bids today, it's no longer you know,

10, it's, you know, it's three or four, but still multiple bids on good properties, if they're priced. Well look, well, inventory also went down. So that makes it a little bit more competitive. So buyers were numbers, like there's demand supply and demand of both reduced. So that means if you're a buyer, right now, you still may find yourself in a competitive marketplace. So maybe less crazy, but still.

WS: Awesome. Wow. So many things I want to talk about or ask you about, you know, you mentioned right away, you know, maybe going back to some normal times, maybe you can elaborate, like what is normal? Maybe there's a new normal, but what would you say normal is and when you know, when is that normal?

DB: Yeah, so first of all, normal for me, means a little bit, you know, we were even before COVID, we got the marketplace, for the most part wars, here's a property, you know, a seller will put a bar put in a market, and within a day, or two or three, there were multiple offers, right? It was just crazy.

That's crazy. So it's very hard to operate. In that situation, as a buyer, obviously very good for the seller, very strong, extremely strong for seller's market, you have multiple offers mine a bidding war, you know, increasing, you know, your people, you know, offer higher than asking is significantly higher. Now, things are coming down. And you know, between crazy times, you know, let's say, valleys and peaks, that's the normal period, what happens in no normal period, you don't necessarily see so many bidding wars, like I mentioned a minute ago, but a person puts their house to the market, and it takes 30, 45 days, you know, maybe 60 days to sell it.

That's normal, you know, to a certain extent, again, if it's the if the condition of the property of the house is okay, if the pricing is right, right, if there are always gonna be extreme, right extreme situations, you're in there. But just the majority of those properties that for me, is what I call normal, right? The problem is, I think that we have trained our sellers agent in the past 10 years or less, or close to 10 years. We spoil them, because what did you need to? It's almost like what did you need as a sales agent in the past eight years or so or seven, eight years, a license, you put it on the MLS and it sells. I'm so good. I'm amazing. I sold 50 houses last year, because I put them on the market on the MLS and got sold. That's no longer the place.

Sellers agents are now are now learning to work a little bit harder for the Commission as they should, sellers are starting to get to the point that they're you don't put the house in on Friday, and get multiple offers by the end of the weekend. And that's good, that's healthy. That means as much in my opinion as it should be, and gives people opportunity to really operate in this. You know, this is obviously real estate is not a deal. You know, I'm talking about homeowners now, this is probably the biggest transaction of their lives. Maybe

they've done two of those throughout their lifetime is like calm water and not crazy what we will do probably.

WS: Yeah, that's some good. I don't know, just things to notice or recognize as are you talking about normal, right, what is normal, but you you also mentioned, you know, like using this market in your favor, especially as a veteran just as a real estate investor? What does that look like? I actually also mentioned, you know, patterns of behavior, right? You've seen these by being through a couple of cycles, I guess, help, you know, those of us that have maybe less experience, right to be able to see some of those patterns that you're seeing, and then what you're doing, you know, as a veteran investor, when you're seeing these things, right?

DB: So first of all, it really depends where you're positioning your buyer or seller, investor or homeowner flipper, but let's just touch on all not all of them, but few of them. So first of all, I used to do a lot of flips, residential flips in my career. I don't do that anymore since 2018 or so, for a variety of reasons. But around that time when I also stopped flipping houses, I told the community when I had an opportunity to Talk about it, I would say to people listen, you've been doing very well in the past few years, because you are you enjoy the back wheel.

So if you've done a flip, and you're you made a mistake, or you are, you know, it cost you not \$30,000, but \$50,000. So you're 20 or 10, or whatever, extra didn't plan, the back strong back when of appreciation is the pain, right? So you didn't earn \$20,000, you early earn on the flip \$10,000. Nobody's mad, right? I think throughout the COVID, I started telling people listen to back when will end, it will end eventually.

So that means when there's no back when of appreciation, the mistake of 10 or \$20,000, or whatever percentage higher than your plan, you're going to face it, you're gonna get to a break even and loss, right. So first of all, if you're a flipper, a lot of flippers are intimidated. Because of that, I would say rightfully so. So we're seeing a lot of people scaling down from flips, you know what that actually means that opportunity for people who know what they're doing to step in and find that flipping opportunity for [inaudible] investors that we are mainly focused on long-term rentals, you know, we're looking at a property we're trying to target very, very low, and we're trying to target houses that are sitting a little bit longer.

I'm always telling my clients Listen, Lobos are still not working, they're just not working. Because if it's a good piece of property and a good sight, you know, it's community. And its price, well, we may have a competition. So let's just trace, right, run the numbers, and see how they work for you. And then what I'm teaching my clients, I say, Listen, run the numbers through we have an Excel that we analyze, we rent on random numbers, or as if we're buying it. And then when you're done and about to make a decision, do one more step, go

to the Excel and change the interest rate from 6.5. You know, whatever day you're in, with five, but just for what five, or five and a half percent.

And now that you've completely analyzed it, just just one, you know, one parameter, just one thing is there interest rate, then look at the properties, see what you're seeing, because we are seeing very tight cash flow, it's 6.5-ish, depending on the day, depending on the program. And we may not be intrigued by that house with a low cash flow, very low cash flow. But when we go and put 5.5%, all of a sudden, the house looks attractive. And the reason I tell it to my clients, I say, I know you're gonna have this, I don't know when the interest rates will go down. And if historically speaking, again, going back to the experience, we've seen that interested do not tend to stay at 7% or 6%. Over a long period of time, it's not do not expect the 4%. But that's also extreme to the other end, right? I'm talking about the investor investor interest rate.

But if you're assuming five, five and a half, I think that's reasonable to assume and reasonable to assume that's the, you know, the MO we are using that in the next one to three years, we will get there. So we may have few years of tight cash flow, but maybe three years, probably in three years, we'll go down to five and a half and five. And we only need that 1% In less one one and a half percent less in interest rate to see how the properties are cash flowing quite nicely by it.

So if you do that kind of trick, it's kind of mind trick, but it's analysis. And you don't focus on oh 7% or 6.5%, I can't do anything I'm like, I'm only I'm paralyzed, no, chill, relax, you know, accept the problem, integrate it into your your plan, it just No, no guarantee that most likely you will be able to refinance and then improve your cash flow position. I'm talking about equities and other coins, like another aspect of it, but at least cash flow wise, which we're all very, as investors are very focused on.

WS: Any other way they need to just see to recommend just to mitigate risk, right, you know, in today's environment?

DB: You're asking how to mitigate the risk?

WS: Yeah, just any suggestions on mitigating the risk, you know, when people are fearful, you know, right now.

DB: So for me, it's always been very simple. You know, if you have to follow two simple guidelines, that's just the way I look at it, by quality and hold it hold it long quality and long term, right? If you buy quality property, you know, in a good neighborhood. In a growing market, you will probably continue to enjoy a demand for that piece of property from future buyers or future renters. So that will benefit you. If you buy quality. Also quality property or

quality area tend to appreciate when I say appreciate it, I'm not talking about the inflation crazy of the past few years. That's crazy.

Three or 4% appreciation on average over time is very common to see in our country again overtime over 10 years, five years. So if you buy quality, hold it long-term, you will very likely increasing your chances for, you know, minimal appreciation, at least both rents and in value. And also by doing again, quality of overtime, you're hedging against the downturn, meaning you're already in a place that has chances to, to appreciate. And you know, historically speaking, we see probably every 10 years, on average, some sort of a downturn right down cycle, then maybe like now, we still don't even know if you were necessarily in a down cycle. And we're already seven or eight months in seven, we started slowing down in July of 2022. Right? No crash yet. Definitely correction. Right? No doubt about it. But we're not crashing just yet. And usually crashes last, you know, just about seven to eight months or nine months. And we're not even crashing.

So if you buy and you sue me, I'm assuming my assumption, again, someone who was a graduate or survivor of the 2008 crash, my assumption is in the next 10 years, there's going to be a down cycle. It's not if it's not when it will happen, there will be I'm embracing it. I'm saying I'm planning for it. I've been planning for downturn for the past since, you know, since 2009, basically. So I'm saying it's coming. How do I hedge I do multiple decisions. But the main if I really kind of refined quality long term, maybe I start buying here, my house goes up, then it goes down, up and down, up and down. And then there's a you know, there's like a forehead or the upward trajectory over time.

So I may end up buying now, a \$250,000 or \$300,000, and it drops from \$300 to \$250. Wow, that's crazy, unpleasant, my suggest to you suck it up and wait, just be patient. Right? It's not pleasant. I've been there. I've seen how, you know, one of my houses goes from 192, 84, 500 in 2008, but one that I clearly remember, it's not pleasant, but it stays rented. It stays occupied. You kind of weather the storm. Why not? If you don't panic and sell, you're not, you're not executing a loss, right?

So just weather the storm. Be patient. And it's easier to weather the storm, when it's quality. And from the get go, you're either going in or long-term in real estate, if it loves one thing, it's time especially leveraged real estate, give it time, it will probably do very well for you just be patient patient.

DB: Yeah, I love the patients. Right. That's hard for most of us. Always very hard. You mentioned, you know, ensure you know, we can weather the storm you're hedging against the downturn, right? Ask many guests, you know, the experience like yourself, like, you know, how do we do that?

How do we ensure we're prepared for a downturn? You know, you talked to and you mentioned a couple of things like buying something that's quality right and knowing you know and planning long term from the beginning, I love that anything else you would add there you know, as far as some of that happens and people can't survive because they don't have the cash right? Or they can't that's one thing but how do you anything else you would add to say you know what, I buy this property values go down drastically six months later, how do you know you can weather that storm any anything else you would add there to help the listener?

DB: So you know, it all comes down to your characteristics and comfort level as an investor I always love you know, I think there's maybe there's people who are see real estate like myself, that's my life, right? I'm in and out of real estate all the time owning investing, working with investors, I do it day in day out when I have to deal with the real estate related management issues that's just Monday afternoon for me it's not nothing special. So some people who are working at the real estate you know, even full time or part time and this is really their job. You know, do you do whatever works for you I don't need to tell you probably what you need to do your flipper your local investor, remote investor.

But when I'm talking about the people who are or investors or people who like to invest while they're keeping their job right while they have a full-time job they understand the value of turning on this slow engine right growth engine called real estate. It tried to do it in the background of your life right not being all over it. Some call it passive investing. I don't think there's such a thing as passive investing at all. It's maybe a little bit more passive or a little bit less passive right but it's not 100% passive or I don't want to say holder you know when you just syndication, it's maybe as close to passive as you can you can be I think so. So there is that almost 100% passive, but if you're owning directly, then you need to understand it's not going to be passive.

And then the question is, how involved or how intense you want it in your life, if you're looking to keep your lives with your job with your family and have the real estate be integrated to that lifestyle, they choose the real estate that fits to that right either to a syndication, which is obviously a passive, almost passive for you, or by the type of real estate that will require less of your involvement, or less I call it noise in the system, right?

Buy a rundown property or in a not so good part of town, you know, that will probably generate issues with tenants with evictions with in with things breaking by a nice piece of, of property in a better side of town with with the tenants that are, you know, both of them may be work and have good income you are in the property is not 100 years old, maybe just 30 or 40, or 20, whatever, you are positioning yourself to less issues to less problems to begin with.

So find that, you know, I think it's really finding that what fits into your lifestyle more than if this one is giving you \$100 more in cash flow \$200 more or less people are so valuing the cash flow and ROI, as if there's black and white, nobody's doing an EROI, an emotional return on investment. Right? When you have a property that you know that you keep having issues. And there's you know, you always blame the property manager or you never go back to yourself or say, did I make the wrong decisions about buying this property? The age, the location, you know, did I position it to full success? Or did I position it for a minimal success?

WS: That's such a good point. Like how do you measure the brain damage? That's gonna happen. Yes, the first project properties that we ever bought, alright, just a couple triplex This was actually in 2009. But it's like, man, it was such a mental capacity loss, because, you know, it was so consumed by these properties that we bought them wrong, or poorly, you know, paid to even hear them, you know, paid to manage just made a lot of mistakes, pay too much, you know, a lot of maintenance issues that weren't accounted for that we found later, and all this stuff, you know, but man, the mental capacity that it took from I got married, you know, orality just before this as well. And it took so much time, you know, out of even our marriage, right, you know, because I was having to run back and forth.

And I always, you know, worried about this property, and oh, my goodness, you know, so I can completely relate to who you say II ROI. Love that emotional ROI. Yeah, yeah. I can relate to that. For sure. Dani, even with everything going on, but what would you say is the best source for you right now meeting new investors and new partners?

DB: The best generating source is my clients. I mean, they are every you know, I make I tried to make sure that every client that I work with becomes, is not just a happy client, he's an ambassador, right? Do they all act as ambassadors? No, but that's the main main source classroom, when someone comes to you, with recommendations that you're already more of, the person who's approaching you is already feeling a little bit more comfortable because one or two be friends.

And funnily enough, there's so many social circles that are kind of closing on my clients. So I have clients, I have four or five, six friends that are working with you. So that's kind of the he's surrounded in a way and not even if planned for it. So that's just obviously that's obviously the best one still the strongest one, I like using meetup. I have multiple meetup groups that that helps, you know, kind of generate activity or information I spent last week speaking in the in Silicon Valley, the two lectures in Silicon Valley, California, and then meetings.

The one thing that I actually for me is not really strong generating is I post a lot of comments and I get a lot of baiting my comments on bigger pockets. I was just thinking the other day, I just I'm super active, but I'm not not active in bigger pockets, that a single one ever

translated into lead some meetings or conversation once or twice, so that for me didn't work well so far. Also Facebook groups unfortunately, so many of the Facebook groups are 60,000, 20,000, 36,000 members, and it's all junk. I look at those Facebook groups. I wish there was more content so few are always good Facebook group but they're so rare to find mutually conversation about community about real estate.

WS: You have to figure out what's the highest impact right and best use of your time and but on that thought though, what are some of the most important metrics that you track could be personally or professionally.

DB: For finding clients or...?

WS: Anything that's just the most important metrics to you? It could be how many times you get outta bed on time or your benchpress number or you know, the properties that you're looking at anything?

DB: I'm gonna deploy that to my metrics are... they're not measurable, they're what occupies me is how can I find better opportunities? How can I find better programs, improve the cash flow for my clients, improve the analysis, improve the investment? It's really hard for me to quantify them. It's a lot of you know, I'm working on a new program now. So there's a lot of thinking, and I'm my eyes always like, okay, he's really interesting concept. You know, there's a lot of people who were able to break down a certain investment concept, and I'm like, Okay, I like this one, how can I? Can I learn from it? What can I benefit? All? How can I bring it back to simply do it in our clients to benefit from it? So it's done? List API, my team KPI, I'm more strategic, I need the vision.

WS: And how do you like to give back?

DB: I give back to the community by telling people listen, if you're in trouble, if you're having a hard time with your real estate, you're stuck with stuff situation, call me up, I'll try to at least walk you through it understand what's going on. I've never had a situation with someone who said, listen, they only have a problem with a property manager with a house with a with an entity or so it's not legal consultation, or like, I remember a time when someone was always looking at if someone is on the floor, and they're in trouble, I reach out and I tried to help if they want.

And I remember a time someone called up and I was not able to try to connect them to someone try to overcome some challenges. Some problems, you know, sometimes just need someone to tell you, you're doing something right. Or you're, you're or talk to that person to start resolving things.

So that's my passion, because I bring my real estate and because when I was down, people were there to also without going through some business challenges. People were there, you know, to hand out, but I always, you know, reached out and helped other another person proactively, versus when I knew when I needed it, I was just realizing that, you know, people are now helping me. So that was also nice to see.

WS: That's awesome. We wouldn't be where we're at now, if it wasn't for guys like yourself who had been doing it longer, and we're willing to share and to help, you know, it's so important. And I'm grateful for that. Dani, just grateful for your time today and being willing to share I mean, just about the market right now your concerns or challenges and how you're looking at it, but how you're really you're looking at it as a veteran and not maybe like some that are Hey, you know, I'm not sure what to do right now. I'm gonna sit out whatever, but how and how you're preparing for that even talking to young quality assets and thinking long term for them beginning being patient. So important, to say the least Dani, how can listeners get in touch with you and learn more about you.

DB: So my alter ego aka or web identity is simply do is Simply Do It. So if you put simply do it or maybe Simply Do It with Real Estate or my name, you'll probably land on some sort of a social media page, website, anything of that sort. So the easiest way to remember my name on the web is simply do it. You know, my last name is a bit more of a challenge to most people, or at least at first so hard to remember. So, [Simply Do It](#). Because if you do it that net you'll find as you go Simply Do It on Facebook, you'll find that so all you need to remember is Simply Do It, like it is, makes it easy.

[END OF INTERVIEW]

[OUTRO]

Whitney Sewell: Thank you for being with us again today. I hope that you have learned a lot from the show. Don't forget to like and subscribe. I hope you're telling your friends about the Real Estate Syndication Show and how they can also build wealth in real estate. You can also go to [LifeBridgeCapital.com](#) and start investing today.

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