

Get Real

(e s t a t e)

Get Real Podcast Episode: 025

How To Buy Apartments- Corey Peterson

Hosts: Ron Phillips & Angela Thomas

Welcome to The Get Real Podcast, your high-octane boost and in the trenches tell-it-like-it-is reality therapy for personal, business and real estate investing success with your hosts, power-preneurs Angela and Ron. It's time to *get real!*

Ron: Hey everybody, welcome to The Get Real Podcast. You're here with Ron Phillips, Angela Thomas as always.

Angela: Hey guys.

Ron: And we are here with a special guest today. Man I'm pumped to have my buddy Cory Peterson on the show. Let me tell you who he is and a little bit about him, but Corey man, welcome.

Corey: Thanks brother. I'm glad I'm here. Today's the first that we're recording this because rent is due today.

Ron: Rent is due today, absolutely. So Corey is the owner of Kahuna Investments. He is the big kahuna if you didn't know that. So if there's any other kahunas out there, this is the big kahuna. And man, he strives to provide as investors with cashflow returns, longterm capital appreciation all through multifamily apartments, which we're going to talk about today. Because he's acquired almost a hundred million dollars in multi-family properties all across the country. And he's the bestselling author and he spoke at a Nasdaq and Harvard and he's been on just about every news outlet you can be on. The dude is a rockstar. In addition to that, he's a great personal friend of mine and he's best known, I think, at least in my world, he's best known for sunshine and palm trees on your terms, isn't right Corey?

Corey: That's it. Sunsets and palm trees on your terms, baby.

Ron: Who doesn't want sunsets and palm trees on their terms, Cory tell me somebody,

Corey: I mean like, listen that was the dream that I had almost 18 years ago. Man, that's how I got in real estate. It was, I met this guy named Bruce and Bruce was, he

had a home in Hawaii. My mom was actually married to him and, you know, they invited me and my girlfriend now, my wife of 17 years, by the way. We went out to Hawaii for the first time and it was magical dude. Like Bruce had a house right on the beach. And you know, I remember walking the beach and we wanted to, you know, watch the sun come up. And then it was like a live, like show the spray from the waves.

Corey: You know, the sun coming up and just piercing through it. And I remember looking over at Bruce's house from across the way and I was like, what the hell is this guy do you had fine art, nice cars and his phone was not ringing like he didn't any cares. And when I finally got up enough courage to ask him and he said he was in real estate and then he owned apartments.

Angela: Nice.

Corey: There you go, I left the island thinking he was the big kahuna.

Angela: All right. Hey, so we're going to get back to that Cory. But since I don't know you quite as well as Ron, I've just seen you in professional settings. You got to take me back further than that. I heard you have a good story. Tell us how the big kahuna came to be. Like, where did you, where'd you grow up? What do your parents do for a living? Take us way back.

Ron: Corey is not, Corey was not raised with a silver spoon, so.

Angela: I want to hear the story, man.

Ron: Anybody out there thinking that you got to have a silver spoon upbringing to own 100 million apartments? Tell them how it is, Cory.

Corey: It's just not the case. So I grew up in West plains, Missouri. That's in the Ozarks. Like if you watched Ozarks on Netflix, that's what we're talking about. [Inaudible] and so I grew up on a hundred acre farm and let's just say that I was voted, you know, not most likely to succeed, you know, I mean, I was an average student. I barely made it out of high school. But I was raised by a great family and you know, on the farm they're like, if you can understand farm life, you have a lot of space and a lot of time.

Corey: And so you go out there and you have to start dreaming, right? You dream and I never dreamed myself then I dream. I truly believe that I could do anything cool. But that wasn't until like seventh grade. Like that was great until seventh grade came because in seventh grade, like someone threw me a curve ball and I just

like, because like my grade school teacher, seventh grade this guy, I'm not going to say his name but he was my teacher and he was also my coach right. Back then, I'm not, you know, I was a pretty good athlete back then back then, okay. But I'm really respected this guy. And so he asked this question, what do you want to be when you grow up? It was to the class and you know, this is something I kind of hid, you know, like my dream, like my dream.

Corey: And so I was hesitant at first, but finally I was like, you know what, screw it. Today's the day, right? I'm like, pick me, right. And so he does, and I go into the front of the room, face the class, and I go, I want to be, or I didn't say I want you. I said, I'm going to be like as I am, a professional baseball player. And I'm telling you as not, as soon as those words left my mouth, right, the teacher squared being the eyes and he's like based upon the odds that will never happen. As cold as steel. And I start looking around and I'm like, what's going on. And I'm looking at all my friends and they believe him, they don't believe me they believe him. And I remember like my head dropped and my shoulder shrunk and it was like the first time that I started like, am I good enough can I do it?

Corey: And I mean it really scarred me. Words are powerful. But now as I've gotten older I've realized though is because they like before you go hating on, because he was a good guy. But the problem was is that my dream was a lot bigger than his.

Angela: Yup. Amen.

Corey: And I look back at that moment and say, all he saw was this kid running as fast as he could off a huge cliff, right? And he saw the pain and agony of the fall. And the truth is that's where all the growing happens, man. And you know, I had to be willing to do that run and that dive, not just once, but a thousand times over. And really, so I always say I was really good at copying, right? And my teachers never liked it, but in my adult life and my business life, it's the actual greatest asset that I own. I've never said that I was that smart. I've always said I'm just a student, right? And I've learned from very smart people. I picked very good mentors in my life and I did what they did and I didn't do what they didn't do. And so and lo and behold, I'm successful.

Angela: Heck yeah. So how did you get there? Like, you know, this teacher kind of stomped on your dream a little bit and a great guy and everything, but sure. How did you, you know, pick yourself up and find those mentors and get started, you know?

Corey: Well I went and I sold cars.

Ron: Corey that's where all failed major league players go, they sell cars.

Corey: You know, like when you don't have a degree, you got to manage some crap or sell some crap, I sold cards. And I tell my wife or my girlfriend said, hey, I can't marry a car salesman. She wasn't kidding.

Ron: Shelly doesn't play.

Corey: And so I'm like will a restaurant manager work. And she's like, yeah, you'll be a restaurant manager that's fine. She's like, you ever waited a restaurant before management? I was like, no. She goes, well how are you going to get the job? It doesn't matter, I'm a car salesman.

Corey: So what happened was I actually, Shelley and I went to Hawaii, I saw Bruce Wayne, right? Because Brish showed me the two things that most people covet, which is time and money. And you know, when I looked out into the world, most of us have one and very few of us have both, right? People have money, they don't have a lot of time. People have a lot of time can it be broke, right. And so I remember he said real estate was the vehicle. So I was like, cool. I started reading books. I read Rich Dad Poor Dad in 2004 and that book automatically, I'm reading it, I'm like, that's Bruce. That's Bruce. Bruce owns apartments. And I was hooked.

Corey: And from that point, in 2005 I started my company. I started with the end in mind. I called it Kahuna Investments because I truly wanted to be the big kahuna like Bruce and I'm now, I actually doing to have to do some reflection because I said, gosh, I really want to do this business but what do I have right now? And I had a little bit of money. And I say a little bit like a little little bit, right.

Corey: I had, I didn't have any credit. I already knew that was in the crapper because I had to file bankruptcy in 2003 from my trial marriage came. But I had a lot of what I had a lot of was ambition and drive. And so I started...

Ron: Corey hang on buddy. You had something else that I think is super, super important, ambition and drive, very important. But you had one more thing that I think a lot of people, you tell me if you agree with this, but I think a lot of people are lacking this when they start out into this arena and that is you knew how to sell. You'd been a car salesman, man, you knew how to sell and you knew how to negotiate. And that is a massive skill set that I think a lot of people fail to realize is really, really critical in any business. But in this one specifically, you had that one going for you too? Sorry to interrupt you, man.

Corey: No, no, no. So that's the truth. Yeah, I did have, I knew I had charisma. I know how to talk to people. I wasn't afraid to talk to people and I wasn't afraid to take action. So I remember reading books and like when I first started like going, I read it. I mean, I book read in it first, right? So when you first started, a lot of us start book read, like you go to Barnes and Nobles, now we go to our iPhones, right? But I read every book I could and then I read one that said, Take a Second On Your Home, this was like, in 2005, I'm like, ok great. I'll take a second on my home. I'm like, oh, I got \$25,000 bucks, now I can go buy some real estate. So I went and bought, I opened up a Yellow Pages, right?

Corey: That's ancient, right? I opened up the yellow pages. And I was looking, I went to credit unions because I was like, man, they're, a book I read said, call the banks, ask for the REO department. Well, bank's scared me, but I was like, what about credit unions? They seem like a little nicer, a little friendlier. So I started off in the credit unions and American Airlines Federal Credit Union. I met a girl named Holly Lane, right. But it was the REO department director. An, she sold me my first two homes. I bought, sold, flip, make some money, and then I bought three more other homes and I kept him. I was like, I'm going to have some rental property. And that's when I made my first mistake because I ran out of money.

Corey: I had a little bit of my profit in each of those rental properties, yet I was only making maybe \$600 a month. And so that wasn't enough to live on and we still needed Cory's income. And so I actually put my dream on hold. Because I didn't know how to get past, it was a robot that I didn't know how to get past. And so I came a financial advisor with Edward Jones and one of my friends, I go, don't you have to have a degree to do that? He goes, no. I'm like, what, tell me more. Like, how do I do that? Like my eyes got big dude.

Angela: Wow hat's interesting. Yeah.

Corey: I got a series 7 and 66 license and I mean it not going in a wonderful time, 2006, okay. Two years and then the market crashed. And so I put my dream on hold in real estate getting, I'm going to get to the point here, I'm going to tell you how I got real successful, right? But you've got to build this back story is kind of funny and neat. Because what Edward Jones did for me was teach me everything about money, stocks, bonds, mutual funds, how to go find money, where money hangs out, how to get them to take, you know, like my goal was to take and say I got this stock bond or mutual fund, here's the story I was selling mutual fund stories, you know, and if you've got \$100,000 I think you should invest it today. And but it taught me how to be a master networker. Now when the market crashed, my

heart left the business, right? Because every investment that I made for anybody who went to half, right.

Corey: And when they're crying and feeling bad, once your heart leaves your business, right, so does your sales.

Ron: You're done.

Corey: So does your sales. And so I walk into my office one morning and I got a meeting at 10:00 o'clock and I walk in at 8:00 and my secretary can't look at me and I know the call has been made, I'm toast, right? I'm getting canned. And so as I'm two hours, I'm sitting there, I'm like, dude, you know, first thing I did was print a client list and put it in my truck, okay. Step number one. So I was thinking to myself, I was like, dude, what am I going to do? Like I've got to have a plan B. Like I have to come home to my wife and say, honey, here's what we're going to do. Here's what I'm going to do.

Corey: And man, I already knew what I wanted you to do. See that little kid, that kid had never stopped dreaming, right? That little farm boy, he still really wanting to be somebody. And I'll try not to get emotional because this is how impactful that one little moment of my life is. Because truly it's the time of my life where everything changed. And I'll tell you, the universe will give you what you, right. And so in the four walls of that office, all by myself, I made the deepest, most gut wrenching. I mean, I'm telling you everything that I absolutely am commitment. I made it to myself and I made the commitment that I'd be willing to do whatever it took, I might get emotional on this, but to be a successful real estate investor, right?

Corey: I mean I sold out to the idea. I mean, as long as it was legal and ethical, there's nothing that I was not willing to do. You say you got to do it and stay up to 4:00 o'clock in the morning every day, done checkmark, I'll do it, right. And it was that level of commitment. And I'm telling you from that point on in my life, the universe opened up to me.

Ron: Isn't it amazing Corey, about how luck happens, you know? I find that when you're actually looking for opportunities they're all over the place. They're all over the place and when you're not looking for them, you could, one couldn't slap you in the face and you'd know that it was an opportunity. And I think it's so cool that you get emotional about that because I mean, there are certain points in my life too that are exactly like that moment where something changed dramatically and it's always around a huge commitment like that, right?

Corey: Oh yeah.

Ron: You were fully, you burnt the boats. I mean, it was...

Angela: No going back yep.

Ron: I love that.

Corey: It really was, I can say it right here, right here was the time now? Funny how things work. But then I started to change, you know, I say copy your way to success because, you know, I just keep learning from other things I learned from Edward Jones I learned from the car business, how to sell. I learned from the manager at a restaurant business, how to manage, how to manage people, right? How to look at P and L's, right? Everything I was doing was kind of set me up for what I was just about ready to do. And so I got into, so I, you know, in 2009 I'm canned or 2008, right? Something like that. I'm canned, I'm now full time on my own Kahuna Investments is going into business.

Corey: And again, I just took stock and said, where am I at? And I said, well, I still don't have any money. I got a limited amount of money, but I have a whole lot of want to do it. And so I took that momentum and, but now I knew how to network, how to meet people, I do all kinds of things. So I go to my local REIA and I found all the guys who had lots of money and I was like, and I smart, so you know, I'm a good copy, right? Like when I copy, I copy well. And so now Tony Robins says this modeling success. So let's just, I like the word copy better, but we can call it modeling success to keep you going.

Angela: If you want to be all fancy you can call it modeling whatever.

Corey: Tone it down, right. You know, because people might be offensive to the word copy, but some modeling we're modeling success here but I would go to the REIA's I would go to the guy who was running the REIA and say, hey listen, I'm new, can you help me out and point me out some of the guys who actually, you know, there's some of the bigger players here. And like, yeah, they're happy that you're coming to the REIA, they're like, well that guy that way John, you know Ron and than this. And so guess who's sitting right next to them? Me and I'd be like, oh, so, you know, what do you do? Act like I don't even know. Like I'm not going to point out that I was, I know he's successful. I'm just going to start the conversation and I just start asking them what does he do? He starts telling me I'm, you know, I'm rehabbing this, oh really, what areas do you like to do in? What's your average rehab? How much, you know, and I'm like taking the order

of what his deal looks like. What does perfect deal looks like, right. And then I'm like, guess what? It's just like coincidence, but I find deals just like that.

Angela: That's great.

Ron: It's amazing. Like the...

Angela: That's so cool.

Ron: That networking skill that's so prominent in all of the people that I see that are successful. Angela and I talk about this all the time. Like our business is amazing how fast the business grew once we got out of our stupid little, our own corner. Started sharing with other people like you're doing today and you know, you're sharing with all of the people and man it's just...

Corey: Just sharing that story, it's powerful, right?

Ron: It is. It is. It tells, it does a couple of things, man. It tells other people that they can do it too. But in the same breath, it tells everybody else that that is doing it, okay this guy's for real he knows what he's talking about, right. And he knows a whole bunch of people like we need to get back...

Corey: Yes. Yes. It's really about your scars. It's always being willing to run off that cliff and fail. I've always been willing to do it and sometimes you crashed, right. But what I always had was a really good support system too. I want to make sure I bring up my wife here just for a quick little moment because honestly she is the reason I'm successful. Not because of anything else that I've told you so far. It is because when I came home and told her my dreams and goals when I got fired from, because I made the commitment from myself, but I still had to go sell it to my wife and I spilled my guts out and said, you know, honey, cause we still needed my income. And she was like, because what was at stake was my marriage, my kids, my family, everything.

Corey: And, you know, cause I wasn't going to I didn't want to go to the secure route. I wanted to go the route, right. And so, but man, Shelley, I remember her looking at me and say, honey, I support you, right? But she also said you better not do not fail, right. Do not fail us? But man, I will say Shelley has been my coat of armor. Whenever I would make mistakes or money mistakes or have bruises or just, you know, she was always there to meet me with their words of passion and her songs of praise and build me up again and, and make me feel invincible. And you know, once she got me up, she kicked me out the door and said, go get them tiger. You know, your my man.

Corey: That gave me the confidence to keep going out and failing, right? Because really it's about failing and not giving up, right. And so, I kind of, my transition, so what happens, I started wholesaling, doing pretty good job. And then but the thing was I was making like a \$3,000 wholesaling fee and now I'm managing now out of state people and I'm managing the Rehab for them and they're making like \$25,000 or \$30,000 rips and I'm making like a \$3,000 wholesaling.

Corey: And so we're going to enter Carl into my life. So Carl was one of my clients at Edward Jones, but Carl had no extra money. It was all tied up in like his retirement stuff, but me and Carl played racquetball, we still play racquetball. So I was telling Carl what I was doing and he had watched me kind of get, he didn't know I had got fired now, but of course I told him I quit Edward Jones back in the day.

Angela: But this is Get Real so you can tell us it's okay.

Corey: Yeah. So he's watching me become successful at wholesaling and I say Carl, here's my problem. I'm like, they're make \$25,000 I'm making \$3,000. I want to flip the script, right. And Carl lived in a retirement community. I was like, man, Carl's got to know somebody. So I was asking Carl not for money but for his help.

Corey: And I said, Carl, listen, you're seeing me do this. If you could give me like introduced me somebody I can pay like 12% give him a note and deed of trust. And he said like, great, no problem I'll see what I can do. Well the next day guess you called, it's Carl and Carl was like, hey man, Corey, do you used to want to do that 12% and I was like, well yeah. And in the back of my mind, I was like, man, Carl found somebody and he goes, Corey you don't know this, but my home is totally paid for. I can borrow money at 3% if you give me 12% and make the spread. How much money do you need? Now that's a loaded question, right? So I gather everything that I have. I'm like, Carl, I need \$85,000 and Carl was like, yeah, yeah, okay. Yeah, no problem. Where do you want me to send it?

Corey: And just like that, I'm telling you, man my jaw hit the ground and I was like, because I didn't know where to put it. But that was my first piece of private money. And you want to talk about some limiting beliefs that Corey used to have, right? And I'm sure some of your listeners probably have, there's like, I'm not good enough for people to give me money, right? Or I'll never be like, I just I had a lot of that baggage because of how I grew up poor. And the way I thought about money was very poor in thinking. Even though I've been trained as a financial advisor, I just didn't think I was good enough.

Ron: I mean that \$85,000 grand like to you in that moment, that was a lot of money, right? I mean that was a big ask.

Corey: It was everything, man. I'm telling you.

Ron: People, I think anybody who's out there doing real estate right now, they're thinking \$85,000 grand that's not that big of a deal. People who haven't done...

Angela: Yeah but if you haven't started that's huge.

Ron: Any real estate needs thoughts that you do. But for you, in that moment asking that dude for \$85,000 grand, that was a big deal, right?

Corey: It was a big deal man. And man, once I got it man it was, I'll tell you, I always say, it was like going into the telephone booth as Clark Kent. And I spun around that sucker dude and I'm like Superman. But what I did was for me, it made me open my eyes again. I'm like, wow, I can do this. And I looked out again, I said, well, who else was raising money? I'm like, oh my God, there's lots of people raising money. I'm like, what do they have? What are they using to do it all? They have to have a credibility kit. You have a private money program.

Corey: And so I started putting all these tools together and soon, you know, like within like three or four months, I'm raising millions of dollars, right? I've probably about 2009, 10, couple mill, maybe \$3 million working in fix and flips. Now I'm hustling.

Ron: Hang on just a second. Dude. You went from, you know, joke spun in that, in that phone booth, because you went from literally from \$85,000 ask, which was a big deal to like what in a year you had raised...

Corey: Probably a year and a half.

Ron: In a year and a half you have raised \$3 million dollars.

Angela: So you got over your fear instantaneous.

Corey: You know, because I looked out and I said, I go, well, what do I need to do to raise more money? I need to be a leader, right? So I was like, okay. So I started my own REIA, you know, my little group, a little meet up group, right. And I taught what I knew and money and I always said money shows up in the room all the time. And they all want to do real estate. And eventually they just give me their money because they like, they can never pull the trigger.

Ron: Because it's a lot of work.

Angela: Oh we know.

Corey: And so that's what happened. I pull money in that room all the time. And then referrals, oh my God referrals. I mean, once you do good by somebody, they become a walking billboard for you.

Ron: Tell me like, so now you've raised millions of dollars, okay. We've gone from farm boy getting his feelings hurt, crushed. Now we've gone all this path. Now you've learned how to raise money. You can raise millions of dollars. How do you get from wholesaling rehabbing, doing the normal real estate business to very large, Because I know, I know a little bit about your portfolios to very large multifamily properties, you know? Because people listening to this or there's probably some people out there going, yeah, I got a wholesale business, I can relate to part of this story. But how do you go from Clark Kent to Superman and then from Superman to, I don't know what the, I don't know what the next...

Angela: Yeah what is the next, Thor. Thor is better.

Ron: How do you get there and then, and tell us why...

Corey: I'm going to tell you another pain story. Because man, like the world would look at me and said, Corey, you have it all. I started, I got like we all understand that real estate like can give you, it's intoxicating and you can get lost in it. And especially in single family, like when you're doing all the work. And I was mad I mean here I am a single, I'm like doing it by myself this whole time. Like I don't have any staff.

Corey: I mean I'm a workaholic obviously, right? But here's what happened. So I'm successful doing probably six to seven flips a month. We'll and you got to keep that machine going, driving properties. So my son says, hey, dad are going to be on my game tomorrow, no problem so, I'll be there. But I had three properties I had to look at that week. And so I was like, I'll devise a plan. Like Saturday morning I'm going to wake up early, I'm go look at this property, I'll do all these things and I'll be back in time for the game, okay. That's what I said in my, in my mind. And then things get distracted, right? I get to the first job site and like, why the hell you guys got this? You don't need this. Like, gosh, dang it, I go to Lowe's, I dropped some stuff up, pick some stuff up.

Corey: I'm like, oh gosh, I'm running behind. And long story short, man, I get at the very end of the game and dude my son comes off the field and said. Here's another

one, you guys got me tearing up. This one was tough, man, this one hurt me really bad because my son was crying. Dude, just, I mean, I remember grabbing his head and putting it in my chest and he's like, you promised dad you promised. And I mean, that's a tough one. That's a tough feeling and I'm a full time dad. I mean I want to be the coach, right? And being there for my kids and to hear I'm failing as a father, not just a little bit, but in a bad way, I just, I mean, and now kids are resilient.

Corey: Kids are resilient. They love you no matter what. And so he still want to jump in my truck and me to take him home, right. But the whole time on the truck it was like agonizing pain for me because he's just try, you know, and I'm just, you know, I drop him off and I get in my truck and my wife's looking at me, he's like, you better fix this, right? You've, you better fix it. And I'm driving down and I'm asking God I'm like, forgive me, right. You know, why am I failing? And it's just and everything. And I finally drive long enough that enough time that I asked God to reveal more and I finally forgive myself. I come to a place of calmness and man, I'm telling you no longer than I got in that spot that I drive by this stupid apartment that I've driven by so many times.

Corey: And you know, I used to say, I wish I could own an apartment. And that was all it was, was a wish. But on that particular day, my mind was free. I was in a nice state and I just said, well, how can I own an apartment? And I thought about Bruce for a minute.

Ron: Like just hang tight, hang tight. I got to unpack a few things here because I hope, a, I hope the business owners out there heard the inflection and the pain still, right? That's still chokes you up. I hope the business owners out there are hearing this because this is The Get Real Podcast, right? So we've had a couple of get real moments with Corey. This is one of them. So when you out there convince yourself that you're doing this for your kids and then you miss your kid's games?

Ron: I hope you just heard that and you don't have to experience what Corey did. So take his pain and take his, get real moment and make a change now in your life so that that doesn't have to happen to you. Second and this is really important, that question Corey just asked. Can you say that again man?

Corey: How can I?

Ron: How can I? I think everybody, everybody out there is so limited by, you know, their questions and the way they speak to themselves. That question is

empowering. Other questions you could've asked yourself could have been self limiting. That one changed the game.

Corey: Changed everything man. I'm telling you, I mean I immediately, once I said the question, right, my mind, right. I got a flash back to Bruce time and money living the lifestyle. I'm like that is what I need to be doing apartments. I've seen it, he gave me the perfect vision. If I would do it correctly, I would have all the time and the money and not be running my butt off. I mean I knew it was the VA. I was certain and I remember I flipped a u-turn, I go to Barnes and Nobles because I was like my brain started working. Corey, What do you know about apartments? I don't know who a lot, where would you get some information? Go to Barnes and Nobles, right?

Corey: Going to the multifamily section, right. I bought four books and the last book Murphy's Law. The last book I read that was called Multifamily Millions by David Lindahl who became my mentor, right? And he taught me the business. I learned everything from him. I got to a point where you felt confident. And in 2011 I bought my first apartment deal. I bought it for \$3.2 million bucks and I raised \$1.4 million of private equity. And that was my first deal. And by the way, I sold it two years ago for \$8.89 million bucks.

Ron: Man, you've got to love that.

Corey: And get a 1031 exchange, and bought a \$12.7 million deal, that will pay me about a half million dollars in income whether or not I do any work at all.

Ron: So man, yeah. Can you just walk us through why a person, so you just gave us a really big reason why, right? It's the passive income, but...

Corey: Sunsets and palm trees on your terms brother.

Ron: There's a lot, Corey, there's a lot of other reasons and on we both know these, right? We both own multifamily. It's a fantastic thing. But for people out there who are like, well, what's the difference? Like why would I want to own an apartment building and the quarter all of the benefits to this, right? Because you've talked about raising money, where's all the, where's all the money points? Let's, let's kind of, let's do it and I know this is, you teach a class called the Kahuna Boardroom, which I have attended and it's fantastic by the way. The team, not Corey, but the team of Corey and Shelley plus the rest of his staff.

Ron: I have never been to an event where I was treated more like royalty then at your events sir. Hands down, as far as experiential, there is nothing that I've been to

better. You literally are treated like Hawaiian royalty when you go to this deal and it is really, really well done. So sorry, that's an aside, but you teach a class and it's, what is it, three days, two days? I can't remember how long.

Corey: You were there for three Ron.

Ron: Yeah. So three days. Yeah, I was there for three. I couldn't remember after hula dancers and all the really good food and everything else. I couldn't remember how long. You've got to have a luau if you come to the Boardroom right?

Ron: That's right. So there's three days worth of content. Obviously we can't do that on this show, but can you just like, let's just like rapid fire. Angela, can we just rapid fire like some what are the reasons like list all the reasons you can think of, Corey, why someone want to buy a multifamily property?

Corey: Scale of economy, right? My first one is cashflow, right? So I'm a cash flow investor. I like rent checks coming in to my pocket every month. So cashflow is number one. But believe it or not, it makes money just like you can get, like that big chunk of money that we used to get fix and flip, we call it an acquisition fee here, right? I typically get a 4% acquisition fee when I buy a property. So if I bought a \$10 million deal, right? The math is \$400,000 bucks, right. Do two of those a year and make \$800k, right. Just an upfront money, okay. Then you have cashflow, scales of economy, right. It's a lot easier to buy a hundred doors than it is to buy 22 doors or even a fourplex or fiveplex because when you buy a multifamily part, they rate it on the property more than they do on you personally, okay.

Corey: Now the other big one is taxes.

Ron: Yeah. Baby.

Corey: Corey Peterson does not pay taxes like the, I just don't.

Ron: So you're not like the, who is the movie started the, decided he wasn't going to pay taxes because it wasn't legal?

Corey: Oh yeah. Not that guy.

Ron: Not that kind. Not that kind, right?

Corey: Yeah. So properties when you're a true investor, so Robert talked about this in his book. Rich Dad, Poor Dad of being an investor. See anybody that's

wholesaling or fix and flip, but I'm not here to poo poo on them, but I'm just going to tell you like your trader with a deed. But if you do it long enough, you feel it with, you know, an AI trader, right to the business, right. Because we all wanted sunsets of palm trees. We want residual money. And we've kind of thought that that was fixed and flipped.

Angela: It's a great way to get there, to get the money to get started, but yeah.

Corey: Yeah. Or you just learned how to raise other people's money. Like that was my biggest aha moment is I can raise other people's money and do this thing called real estate. And the great thing about the multifamily space is it's a lot of it's done for me. So I own over almost a hundred million dollars worth of real estate. I have an admin, Susie, and I have two of the people that work for my info business. That's about it. Now, I have lots of other people that work with Corey, like my management company, my lawyers, my, you know, everybody that my loan officer, right? But like Corey's day to day is not in, I don't have to like I truly have freedom, right?

Corey: So the taxes, taxes, like we do a thing called cost segregation studies. And so right now like we just did, we bought a \$10 million property and um, normally you can take the property minus the land and you can take that value and divide it by 27.5. Now that's your, and then you'd get your average depreciation or you can do a cost segregation study. Well, what's that? Well, it's just where a bunch of engineers get together and say, well, you don't have a property. You have a bunch of drywall and a bunch of electrical and a bunch of appliances and they all have different lifetime values. And so short hand is, we got a \$3 million depreciation that we can use in year one. So I bought a \$10 million property, I get \$3 million of depreciation. And because I get to say that I'm a real estate professional, I can offset any of my other earned income. So that's huge.

Angela: Yeah that is huge, wow.

Ron: It is such a massive thing. I don't think people really fully comprehend. And maybe man, if you'll let me just state like everybody's heard the, penny a day. Like if I gave you \$1 million today or a penny a day compounded daily for 30 days, which would you take? And everybody now knows that it's like over \$5 million the penny a day compounded, right? But a penny a day compounded that's taxed is worth like \$46,000 on day 30. So if you don't think this is a big deal, it is a big freaking deal all right? As Joe Biden would say, it's a big freaking deal.

Corey: It's a big freaking deal, brother.

Ron: It's a big freaking deal. So those are such great. I mean the cashflow, the tax savings, the economies of scale is a big one, right. Because if you have, you know, three, four, five vacancies, it's not that big of a deal.

Corey: We don't even care. I'm not doing anything right.

Ron: Right. And the other thing is the freedom you were talking about, I mean, Angela, I talk about this all the time on the podcast. What the hell did we all go into business for to begin with, right Angela?

Angela: I mean more time. I mean I don't want to like, you know, this question might may sound dumb, but I'm sure other people are wondering it. Like in our company, you know, selling real estate, Corey, we kind of, we teach people to start out buying single family homes for cashflow and then multifamily and then eventually we get into apartments. So somebody who's starting out like with us, like how do they know? I mean if they're not doing the fix and flip route or I guess even if they are like, how do you know if you're ready to get started in this? Like, are you saying people should just go out and start raising money and then they can invest in apartments or is there other criteria to be like ready to invest?

Corey: That's a great question, Angela. So I'll tell you this. It is a completely different business in my opinion, right? The nomenclatures different, how we look at it, how it's viewed, how you underwrite it. It's 1,000% different than residential real estate. So the truth is you can be a doctor, dentist, lawyer, and I mean, or you start from nothing like Corey Peterson did. It's just more work, right? Just starting from nothing, right. But I was like, I mean I got to where I got because I followed some steps. I wasn't ready for the meat. I went to the milk, which is wholesaling right? And wholesaling to is easier.

Angela: Farm boy there, okay sorry, go ahead.

Corey: You can go get some milk and really that's been a great business. I only stopped wholesaling a year and a half ago. Two years ago, right. Because my wife's like, you don't need any more businesses. Get rid of some.

Ron: And he did. He did it. He did not need any more business.

Angela: So Corey, so how does somebody, I mean if they're not just going to buy it straight out because they've gotten to that point in their life, like how do they get started in the apartment business?

Corey: Find a partner, find a mentor, right. Go to events. I've always been willing, like this is my style, but I need something. I want something. I will, I will search and destroy. Who is it that I need to be in front of and meet, right. And then I will make it my life's mission. Dude I flew all the way out to Boston to meet David Lindahl just have stupid lunch, right? So I could meet the guy and he tells the story. He's like, they're like, he's coming, no he's coming. And he still didn't believe it. Like I got there to his place.

Corey: So I flew in that morning and I showed up and they're like, oh the crap he's here, right. And like they didn't know that because they already booked his schedule. And we finally went to lunch and we talked and because I was getting my to invest in his training program. I want it to meet David, I wanted to really meet them, right. It's important for me and yeah. So I would say like the easiest way is to partner with somebody.

Angela: Okay. So I'd say like if that's the first action step, like find a mentor or partner with someone. Any other tips on how to get started?

Corey: Well I can teach you how to raise money, right.

Angela: Okay, that's good.

Ron: I think I mean. Corey didn't know I was going to say this, but his Boardroom, it is legit. It's three days of a boot camp where there's no up sale and you can learn and then if you go to it and you understand what you're doing, you can partner, he'll partner with you on deals. I know a ton of my business owner friends, Mike, I mean guys who are wholesaling rehabbing, who hadn't already gotten into this business, who are now in this business and they partnered with Corey after going to his Boardroom.

Ron: Like I was at the first one. I'm, OG, I'm at the Boardroom. But it's fantastic and it's, you know, it's, it's not, it's not the least expensive program in the world, but it is really well done. And for the opportunity afterwards to be able to do what Corey just said, which is to partner with somebody who knows what they're doing, who owns a \$100 million worth of property, not to mention the management company and the attorneys and everything else that comes with it that it's taken years for Corey.

Corey: Yeah, we'll give you our team, but you know what I've learned is this, right? So if I could start, if you said Corey, start again and where you start, right? I would learn how to raise private capital, okay. I know that sounds very weird, like you wouldn't like, but what about finding how to analyze the deals? Listen, screw all

that. Listen, learn how to raise a crap ton of private money. all right. Well you can command capital and when you say job, it says how hot, right. Because that's all about relationships, right? And it like even if you're not into real estate, you can find someone that's a fix and flipper and say, I'm going to raise capital for you , all right. And because the money is in the money, the money's not in real estate by the way.

Corey: I know we all think of it, but it's not, the money is in the been able to raise capital. What Corey is good at is raising money and I get to put it in this vehicle called the apartments, right? I liked the vehicle because it doesn't require a lot of my work. I understand I built a great team to support it and then it can do what it does. And my job is just to my capital, right. And you know, I didn't tell you the story, but how I got my first deal, is I went into a David Lindahl event, I sit up in the back of the room. It was like day one of a four day event and this never happens, but they're like does anyone want to make an announcement. Now we're talking about like the water parting for you at the right time.

Corey: I stood up in the back of the room. I go, listen, I go, I've got a crap ton of money and I'm looking for some deals. Is there any deals out there? Come see me. I call it the Corleone method, because it was like the godfather. Like hey Corey can I see a deal. Like, hey, I didn't buy lunch or dinner for the rest of the week.

Angela: Oh man, I bet.

Corey: And so that's how I found my first deal is that the one that I just told that I bought was through that event. And some guys needed my money really bad and I got 75% ownership of their deal.

Angela: No, that's freaking cool. That's great advice. Thanks so much, Corey. Yeah. So where can people go, you know, find out more about what you do and you know, watch your podcast. Like tell us where to go.

Corey: Yeah. So I'll give you two great places. So for free information on apartments and everything that you've ever, whatever. I mean, I teach this stuff on my podcast called Multifamily Legacy Podcast.

Ron: That's a fantastic one, I'm subscribed. You guys should all go subscribe to it. It's fantastic.

Corey: Yeah. And the other one is go to Kahuna Boardroom, KahunaBoardroom.com you can apply. We only allow 35 people into our boardroom event, but we do,

we can create community with 35 people. That's the number that I can physically teach and teach well.

Angela: Okay, cool. Well, thanks so much Corey. That was some great information. I really appreciate it. We loved having you on.

Ron: It really was, man. Thank you for getting so real to.

Corey: I mean, you guys got me emotional twice.

Angela: We loved it. It was awesome. Thanks so much for joining us and everyone listening, thanks for being here. You can go check out our podcast or leave us feedback well on GetRealEstateSuccess.com and thanks Corey.

Corey: Thanks.

Angela: See you on another one later.

This has been The Get Real Podcast. To subscribe and for more information, including a list of all episodes, go to GetRealEstateSuccess.com