MIKE KOENIGS

CAPABILITYAMPLIFIER

Jim Sheils

Interviewed by Mike Koenigs

10 PROVEN STRATEGIES

For Generating Passive Income with Build-to-Rent Properties

Jim Sheils:

The real estate is a vehicle. I wanted to have a legendary family life, since I was a kid. And all a legendary family life for me means I wanted to be able to do the things I dreamed of as a kid, and the things my father was never able to do with his life, and he passed away last year.

Mike Koenigs:

One of my roles is learn from people who are doing it right now, who are actively having wins, and they're the ones to trust because it means their strategies and systems are consistently working as well.

Jim Sheils:

And that's what the blueprint's about. How do we enjoy our family? How do we get them on board so we're building the wealth together, that we're all supportive of each other, we understand it, and then get to enjoy it? Rhythmically, meaningfully, with the best purpose in mind.

Mike Koenigs:

Everyone, this is Mike Koenigs. I'm here today with my good friend Jim Sheils. Say hi, Jim Sheils.

Jim Sheils:

Good to see you, Mike. Good to see everyone.

Mike Koenigs:

All right, good to see you too, my friend. So I'll get the show rolling today and just say, welcome to Capability Amplifier. I'm here with my good friend Jim Sheils, and our most popular interviews on the show involve family topics, family values, family stories. It's where I get the most comments.

I originally met Jim through Genius Network and Strategic Coach, and one of the things that I was most impressed with is how committed he is to family and how he and I never talked about business, but eventually he invited me to something called 18 Summers. Now, Jim will tell you more about that in a moment, but I took my son, Zach, who was 14 at the time, on a trip to Utah with some other families. And not only did we create great connections, I was able to deepen my relationship with my son. Now, through this experience, I was profoundly affected as a parent, and I know Zach was as well. I honestly thought Jim was a trust fund kid. And part of that is just because he's so articulate, he's so comfortable. But boy was I wrong.

So, when Jim and I started talking about business, I asked him what he did, and he explained to me that he doesn't have to work because he has passive income coming in from real estate investments and is a partner in a development company that focuses on the build to rent niche. Now this summer, Jim and I were talking, and he said, "It's finally time for me to build my platform, because I have 5,000 lots to sell. My goal is to help other families achieve what I have with passive income coming in, so they never have to work again, and they can spend more time with their families and the things that matter most." And I thought, now this is something I can really get behind because the more I dug in, the more I saw a really smart system that everyone wants. Lifestyle, passive income, and legacy.

So today, Jim will share his mindsets, principle systems, and how you can achieve passive income like he has. And full disclosure, I'm going to tell you something that I'm really embarrassed to admit. I'm a great earner, but I've invested poorly. I've invested in lots of startups, because that's what I knew. And very few of those have ever produced passive income, and very few have produced cash flow. And I was always afraid to do what Jim is sharing with you today, which is real estate. So, the majority of my investments are high risk, zero interest, angel investor loans for indefinite periods of time. And one of them, for example, finally paid off this past summer after 15 years. And I will have seven more that are getting close, but most are at the 10-year mark. So, if I had one regret, it's not meeting Jim sooner and learning from him. So, Jim, it's great to be here with you today, as usual.

Jim Sheils:

Good to see you, Mike. I appreciate you having me here.

Mike Koenigs:

Yeah, this is good. So I think the best place to begin is just to continue the initial frame. Why don't you tell us a little bit about 18 Summers and why that's so important for families?

Jim Sheils:

Yeah. 18 Summers for me was a continuation, an ability to do after my real estate. When I started real estate 25 years ago, I said a simple plan. If I could get my real estate in order, in place, then I could get to the good stuff, the important stuff, quicker and better. And that's what ended up happening. I've actually, out of my real estate investments, built a family education company. Because I saw a lot of entrepreneurs wanted that time at home, weren't sure how to exactly accelerate and make the most, and that's how you and I became friends, with that program. And none of it would've been possible without my real estate investments. That's what funded the deeper things that I really wanted to do.

Mike Koenigs:

And one thing I know about just being around you and seeing the way other people interact with you, is because you're not talking about business, you're not talking about money, what that does is it gives people a deeper chance to just bond with you and trust you faster. Because they're not worried about, there's a pitch coming around the corner. You start with service first, but also with family first. And it almost throws... I knew it threw me off. I was like, "I'm just waiting for it here, what's the pitch?" There's no pitch. There's no sell.

Jim Sheils:

I know. I don't think you and I even spoke about my real estate investments for five years. I mean, it was years.

Mike Koenigs:

Yeah.

Jim Sheils:

It's just not what I lead with. The real estate is a vehicle. I wanted to have a legendary family life, since I was a kid. And all a legendary family life for me means, I wanted to be able to do the things I dreamed of as a kid, and the things my father was never able to do with his life, and he passed away last year. So that's what a legendary family life is for me.

Mike Koenigs:

Yeah. Well, it makes sense. And it's also great because getting to know Jamie, you guys are so much on the same page, and finding someone who's completely aligned like that. And it's clear that you live your value system, and you're congruent with it. So that leads me then to the next question. So, let's get a little bit about your how, and how you got involved in passive income earning in the first place. Why you chose real estate, why you chose to specialize in that, because I think that will help us make sense of the system you've developed and been able to just refine over the years as well.

Jim Sheils:

Yeah. Real estate, when I started Mike, I grew up just outside of New York, so Wall Street is a place where everyone ran. Didn't like it, didn't make sense to me. I'm more of a tangibility guy, and real estate right away made sense. I could feel it, I could touch it. The simple numbers just aligned. It was almost like there was a Tetris for me right there. And I also read a simple quote, and that was seven out of 10 millionaires, at that time in the US, made their money in real estate.

Mike Koenigs:

All right.

Jim Sheils:

I liked those odds. So, I wanted to have something that was income producing, whether I was working or not. And that's where I started out on the path of saying, "How can I own real estate that will pay me to own it every month so that I can get to the more important things? The good stuff." And I tried different strategies, went through ups and downs, and definitely through the last 10 to 12 years is when I really hit my stride, and we're talking 24 years in. So my goal is always to shortcut people to stand on our shoulders for what we made mistakes on that they can avoid, and we'll talk about those principles today. But how can what we're doing be replicated and done for others?

Mike Koenigs:

Okay, that's great. And the proof is where, what do they say? The proof in the pudding. The bottom line is, you're really transparent with your earnings. And I saw recently your CPA, who's actually in the studio with us right now, you actually published your passive income, your monthly passive income. So let's just start there with the proof, and then let's dig into some of the stats about your firm, and what you guys have under management. Because again, I think it's really important. One of my roles is learn from people who are doing it right now who are actively having wins, and they're the ones to trust, because it means their strategies and systems are consistently working as well. So, let's just go over some of the numbers and also your stats, the organizational stats, your personal stats.

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Jim Sheils:

Yeah. So, we're going to go through, this is 20 years of passive income. We've done over 750 million in deals, but we've simplified it down to a system for better lifestyle, better family time. So, there was Eric Thomas, really dynamic speaker. I've shared the stage with him before and he had this saying, "I don't take constructive criticism from someone who's never constructed anything," and I thought that was fair. So, we were doing some project around passive income, and someone asked for proof of my funds. This was just the other month. So, my CPA, who you know well, was here and had to write the letter. And in December, which is normally the worst collection for the year, my exact passive income, this is again income I don't work directly for. This has nothing to do with the houses I build or consulting I do, this is just my passive real estate portfolio, $42,692.

Mike Koenigs:

Yep, I'm looking at it right now.

Jim Sheils:

That's exactly what it was. Which is great. And that number is for me and Jamie, and for our family to do the things that we want to do, to give to the causes that we care about. But one thing that dwarfs this number, as proud as I am of that number, is what our company's built. With me and my building partner, we've been able to create a much bigger system to replicate what we did through our build to rent, for others. So let me just give you some of the stats for our company right now.

Right now, we have over 637 million under asset management in real estate. There's 44 million in annual recurring revenue coming in from those properties. 158 million in equity that we've created for investors through our properties. 100, I'm sorry, we have over 1,033 investors. That's probably grown since the last time that I checked this last week. We've already built over 7,500 units; we're housing over 8,200 people. We have 170 plus employees. And in 2021, we did 182 million in sales. So the way we figured that with my family programs that you've been through and the real estate we've done, we know we've impacted over 375,000 families. The goal is always let's get that to a million families.

Mike Koenigs:

Yeah. That's super impressive. And then you also have some really exciting news since the last time we sat down, a big breakthrough, which is the acquisition. So, talk about that and why that's so important.

Jim Sheils:

Yeah. That was a big move. Sometimes you got to prune the hedges to have them grow back better. And a lot of the big companies out there had been looking to get into the build to rent niche. It's very hot out there, a lot of the hedge funds are chasing it. We had some different companies looking at us, but you want to partner with someone that you really like. So we actually finalize a deal with Guillen Homes. Now, Guillen Homes is the 29th largest builder in the United States, and their parent company is Sumitomo Forestry. Now, this is pretty fascinating. They are a 330-year-old company.

Mike Koenigs:

Unbelievable.

Jim Sheils:

I'm going to say that again. 330 years. They started as a forestry company, and worldwide they build 17,000 homes, which is pretty exciting. And what excited us the most about this is they believed in build to rent, and they have number systems that you wouldn't even believe what we had to go through. The analyzing that a methodical, this old of the company will go through is fascinating, and they wanted to be into our niche. And one thing that was important for us is other builders that they had acquired, and we still own a piece of ownership, but they were still at the company 10, 14 years later. They had three-year buyouts, but they were still there long term. And both me and my building partner are young, and we want to see this thing grow. And this now gives us the resources, the capital, the reach to really take this to a much bigger level. And I believe build to rent, of all the niches that I've done, Mike, in real estate, this is the most sustainable, predictable, best longevity. It's the easiest to replicate for our investors and get the best results.

Mike Koenigs:

Yeah. Well, it makes sense. People are always renting, and rents are always increasing. If you're looking at inflation, you're always ahead of inflation. That what's impressive. So, before we get into some of the rules, so you've basically broken your system down into some really easy to understand and follow, and then also your passive income indicators, which are really smart. That's how you can predict what's going to be going on in specific areas. Let's talk a little bit about who your ideal clients are. Who are buying build to rent right now? Who's the client, the customer? And I always like asking a question like this because I want our listener or viewer to go, "Okay, that's me, or it isn't me."

Jim Sheils:

Sure.

Mike Koenigs:

But it's a little bit surprising because that's what we've been spending a ton of our time talking about from a marketing perspective. So why don't you just dig into your typical ideal client, and why?

Jim Sheils:

Our typical ideal client is a successful professional or business owner. They're interested in real estate, they know they should have it as part of their wealth strategy, but they don't want to create a second or third job. They don't have the system set up. They might be living in an area like California, where you are here, where maybe the landlord laws aren't in their favor. It just doesn't make sense. The numbers don't pan out. So they're looking for something that they can plug into, where they can grab onto coattails. If they're looking to flip a property in six months, that's not what this is for. If they're looking to get into a no money down deal, this isn't what it's for. We build a side residual income for people that are already doing pretty well, but they want to make sure that part of their wealth strategy is a strong real estate portfolio, and that's what we build. Small real estate build to rent portfolios for our investors.

Mike Koenigs:

Yeah. And I think it's worth saying that the kinds of properties you're typically building are single family, duplexes, quadplexes.

Jim Sheils:

All residential real estate. So, all residential, we don't go into commercial. This is easier to get it financed, it's usually in better areas, higher demand, they're easier to resell. They have great appreciation, especially in the markets we focus on in Florida. But we stick to that little niche. And now with the track record of doing this for so long, we've been able to do thousands of these and see great results for our individual investors.

Mike Koenigs:

Okay. So I think the next place to go is let's just get into some of the strategies. You've got your build to rent passive income principles, and that's really how to think, and very consistent with the Dan Sullivan mythology. He always begins everything with what are the mindsets that are important.

Jim Sheils:

Yeah, I love Dan.

Mike Koenigs:

I think driving this through the mindset, because thinking right is the first step to being successful. And then there's the strategic side, which is what to buy, where to buy, and how to know where to get in, where the good deals are. So, let's get into the mindsets first, and what again you call your build to rent passive income principles.

Jim Sheils:

Yeah, these are absolutely key, and you can take these anywhere you go. If you're going to get into real estate and you're just not sure on this, like we were talking about, for things that you're doing, these are our principles that can be picked up and carried wherever you go. And we've really embedded on our mistakes over the last 24 years to keep us on a straight path. So, the first thing we want to talk about is investing for the long term. Real estate, if you're trying to day trade real estate or wholesale or flip, that's great. We see it on the TV. That's not what we're about.

We look long term. And the long-term players in real estate have done the best. I told you about a big part for me is researching family history. So, I went back and saw my family history in Ireland, remaining relatives. Well, my great-grandfather's house is still owned by my second cousin. It's been a rental now in the family for 142 years. That's called the long term. So, for real estate, and that's exaggerated, but that's a real number, but you want to look long term. And if you're willing to look long term with real estate, that is absolutely the first thing that you want to do.

Mike Koenigs:

Okay, so what's number two?

Jim Sheils:

Number two is real estate makes money in five different ways. So of course, we know about cash flow. Cash flow is an important thing, Mike. You want to have cash flow. However, most of the time when you're planting seeds, cash flow is low, especially if it's a better property, and it will grow in time. But cash flow is only one of the five major factors of making money in real estate. And you have to look at all five of those factors, because I can tell you right now, my investment career would've looked very different if where I was, what I invested, and if I only concentrated on that one thing cash flow, and I wouldn't be anywhere near to the level I'm at now by combining all five. And that's what you want to do. And I know people will be able to get access to that, but there's actually five ways, not just cash flow.

Mike Koenigs:

Okay, so let's dig into all five, and then I got a couple questions already.

Jim Sheils:

Sure. Okay, well we got cash flow, we got rental increase, we got value increase, we got tax benefits, and we have principal reduction. Your tenant's paying down your mortgage every month. So those are the five different ways. And if you don't look at studying the areas that should have growth, where rents should grow, values should grow. You have a good accountant with your tax benefits, you're not going to take full advantage, and different properties will have better benefits than others. So, you want to always put that into your overall equation, your overall mindset. Okay, I'm going at this in five directions to make money. I want to make sure they all align.

Mike Koenigs:

Okay. And then one of the things that you do is focus on, you buy, and then the value of the property increases. You can refinance, you pull out cash, and you can do that in tax-free fashion, so you can basically take that money and buy more properties.

Jim Sheils:

It's a great way.

Mike Koenigs:

Yeah, talk a little bit about-

Jim Sheils:

When you talk about our system, most of our successful clients will start by buying three to five properties, so they have a solid portfolio, and within three to five years as properties have gone up and they've paid them down, they'll refinance out tax-free. The tenant will pay for that. And then you take that money, and you dump it into the next part of your growth of your portfolio, of more rental properties. That's how I grew substantially by using this simple system. And it does snowball. And again, refinancing is a wonderful way to leverage tax-free, and having someone else pay that debt.

Mike Koenigs:

I love it. Okay, so let's get into number three.

Jim Sheils:

Yeah. Number three is good areas and good neighborhoods. This sounds really simplistic, but so many people overlooked it. A lot of the stuff out there, you're going to see, "Hey, get into this real cheap property in a not so great area in a not so great neighborhood." Look, this has got to be a very unemotional thing, where I've seen the most money made for people with the most amount of ease is solid areas and in good neighborhoods. Areas where there's a percentage of home ownership, that you and I would go in Saturday night at 10 o'clock and collect the rent and have no problem. Now we don't have to do that, but we would be willing to do that.

Mike Koenigs:

That makes sense. So, number four is actually pretty closely tied.

Jim Sheils:

Avoid the fixer uppers. The shows are great, and we've actually supported some of those shows out there, but it's a show. Surprises are not fun. Fixer uppers are not fun when you're looking long term with your real estate. And a lot of the times, if you start with deferred maintenance on a property and you buy, you're going to end up even worse. And those bills seem to get higher and higher with old fixer uppers, where with the new construction we've avoided that. So that's why I hung up my rehab shoes almost 10 years ago. I had done it for 15 years; I was so proud of myself. No more. What I've found is avoiding the fixer uppers and going with newer conditions, new construction properties, has totally changed the ease of what I'm doing.

Mike Koenigs:

And the same would be with the... I know when you guys are building, you include appliances, and I imagine the technology, construction materials, et cetera. Just everything just keeps on getting better and better and lasting longer and longer as well.

Jim Sheils:

Well yeah, and we don't want to veer too much off, but we're in Florida. You want to avoid hurricanes. As you know, some of our stats, we had hundreds of projects in southwest Florida, and we fared fine compared to the older properties. It was a pretty major hurricane. And that's the difference of new construction.

Mike Koenigs:

Wow.

Jim Sheils:

They're built to higher standards, there's different requirements now of how high you build. So it is a hedge against bigger things as well. Not just the longevity, but also natural catastrophe, that you can actually see yourself through even better with new construction.

Mike Koenigs:

Okay. All right. What next?

Jim Sheils:

You got to let the experts manage your property, Mike. You're busy. You have a successful career, you're a successful professional, you're running a business. You wanted real estate to be a part of your overall wealth strategy, you don't want it to become your second or third job. So, if you'll let experts manage the property for you, they're probably going to do a better job than you, and it's a very small cost to get a lot more freedom. And that's what I'm all about, buying back my time for good cost.

Mike Koenigs:

Right. Yeah, that makes a lot of sense. And the last thing I know I'd ever want is, I don't want to have anyone ever calling me up and talk to me about a toilet. So, I'm with you on that. All right, next one.

Jim Sheils:

Well again, with having the experts manage, this should be avoided, but your properties are not for charity. You give a lot to charity. I love supporting charities. I learned this a long time ago, that if I give charity in my rentals, I'll never be able to give charity anywhere else. Because I took a lot of excuses, Mike, when I first started 24 years ago with my rentals of things that was happening with tenants. And you hear these stories, and I bought into them. And sometimes they were true, but most of the time they were not. And what I learned is no matter what at the end of the month, my mortgage is always due. I can't call Bank of Americans say, "Hey, my tenant's having problems." My money's still due. So, I don't like to deal with tenants on that. It's not comfortable for me. I don't want to be miserly by any means. I let the experts manage it. But I'm very clear on that. I am always going to give to charity, but I'm not going to give charity to my rentals.

Mike Koenigs:

Yep. Makes total sense. Next, number seven.

Jim Sheils:

Landlord friendly states. This has been a pretty big thing, especially through the last few years. In state to state, there's different laws. And there's different laws that either protect the landlord or protect the tenant. Now I'm not getting into politics here at all, but I'm just saying if I'm going to invest in real estate, me as a landlord want to go where it's landlord friendly laws. So, I highly encourage, before you invest in any state, we're in Florida, it's known to have pretty fair landlord laws. That's where I like to invest. That's where I put my money. You want to do the same thing. I highly recommend if you want to avoid potential issue, or not being able to collect those rents which produce the passive income, make sure you're in a landlord friendly state.

Mike Koenigs:

Yeah. And that would be another way of saying not California.

Jim Sheils:

I used to be here. I was here for years in Bakersfield, California. And yeah, it was not the friendliest. Florida was a fresh of breath air actually.

Mike Koenigs:

Yeah, for sure.

Jim Sheils:

Breath of fresh air. I said that wrong.

Mike Koenigs:

Yep. A fresh of breath air. Yes. Okay, good. All right. And during the lockdown, for example, the laws... And I understand the reason behind it, you want to be fair, but at the end of the day if you're in a place and you understand and believe in private property, you don't want the government breathing down your back and creating arbitrary rules that are way, way, way stacked not in your favor, and where you have no control over private property. That definitely is a political conversation, I understand. But all right, next up. Number eight.

Jim Sheils:

Yeah, number eight is plug into a support team. Again, I'm only thinking about our avatar, most successful clients. They have successful careers or businesses; they don't want to recreate the wheel here. So, make sure you're plugging into a support system. There's an old saying for contractors, $20 an hour, 50 if you help. And keep that mindset because if you're plugging into a system, lean into it. Lean on it. Don't try to recreate the wheel. Make sure wherever you're going, if you can get a full-service system like ours, lean on it. Use it so that you're buying back your time. You want to be with your family. Plug into that system.

Mike Koenigs:

Right. Yep. That's great. Number nine.

Jim Sheils:

Number nine. Build to rent is a hot term now. You knew it. Before you talked and said, "Oh, you do build to rent," but there's a lot of questionable build to rent companies out there, and what creates credibility is referrals, references, and track record. So, I tell you to only buy from someone, especially if you're doing build to rent, that has a reputation, that has a track record. And I believe if you've built less than 500 properties, you're still in startup phase. You're still figuring out the systems. Now we're crossing the 2000 mark, and I feel like we're just starting to understand what we're doing. So you just want to make sure. It's not that you can't go sit with someone with a lower track record, but just know that increases risk. So you want to go with someone with a reputation and a track record.

Mike Koenigs:

Okay. And I think when I think about that, you want someone who's been through a couple economic cycles as well.

Jim Sheils:

Sure.

Mike Koenigs:

Who's been able to adapt, negotiate, deal with banks, deal with lenders, deal with, again, up cycle, down cycle, and a variety of different buyers as well, and being able to help them navigate.

Jim Sheils:

Yep. Absolutely.

Mike Koenigs:

It's not in anyone's best interest. You already said it, your best clients start out with multiple investments, and then they continue to invest over and over again over the years. That happens for a reason. So, I think you'd also want to find someone who not only has a track record, you'd want to have someone who's had multiple buyers who buy in at different times during different cycles. And what you find too is in up cycles and down cycles, even when interest rates can be high, they're still back to it because they're playing the long game. They're adhering to lesson number one.

Jim Sheils:

Yeah. You don't try to time the market. Everyone talks about it. When you go long term with real estate, any way you look at it, you are a winner as long as you're not forced to exit. And the way that you're not forced to exit, Mike, this was a big lesson for 2008, because a lot of people went under, we survived, we licked some wounds, but our biggest lesson was own less of better quality, with less leverage. That's why I'm saying, if you're trying to force yourself into a house, zero down and it needs fix up and it's not in a great area, I think you're putting yourself out there in the wind, and you might get blown away. But if you're able to get into something of better quality with money into it, you can go through any short-term blips down in the market. Even in '08, you would've been fine. So that's something that you really want to look for.

Mike Koenigs:

Okay, great. And by the way, for anyone watching, listening right now, I have lots of notes. I'm taking notes right now that are going to be in the show notes, and we also have a place where you can go and download and gain access to some additional tools that Jim and his team have put together for you. So just know that your education's going to continue beyond this interview, and we'll send you a link in a little bit. So, let's get into number 10.

Jim Sheils:

The last, number 10, is the bow on everything. Never stop learning. I mean, since we've known each other 13 years, I still go to masterminds on real estate. I'm still taking courses on it; I'm still listening to podcasts. It's a forever growth. And when you first start learning real estate, yeah, you're going to feel like you're drinking out of that open fire hydrant. But it does start to slow down, but you're never going to stop learning. I mean, I don't ever want to stop learning in the things I really care about, and since real estate's such an important factor in my life, I want to keep learning about it.

Mike Koenigs:

That's good. And I know there's a bonus number as well that's super important to you.

Jim Sheils:

Yeah, the unofficial number 11, I guess it would be. The cherry on top is make sure you get your kids in the money game. Talk about money with your kids, get them involved, let them sit in an accounting meeting. I don't hide finances from my children. I've let them know, "Hey, I'm going to support you. You're not guaranteed anything, but I want you to understand how money works." And if you're not getting your kids involved in the money game now, then they're going to be in their mid-20s completely clueless, and I don't want to do that. So the earlier, the better, and it's definitely not too late. Talk to your children, to your spouse about money. It should be an open conversation with everyone. It shouldn't be one person holds the gold and doesn't talk about how we're making it, or how it's occurring. Share those lessons together.

Mike Koenigs:

Yeah. And I've met your kids and they're definitely not only interested in this, they're getting in the game. A couple weeks ago we were doing a mastermind, and Christina Wise, a mutual friend of ours,her daughter Macy is 26, not only involved in her business, she's got a net worth that exceeds $600,000 already.

Jim Sheils:

Good for her.

Mike Koenigs:

And she just bought her second property.

Jim Sheils:

Love it.

Mike Koenigs:

Which is amazing. And she's generating enough passive income, cash flow to pay for her lifestyle. And of course, that also means that the properties are paying for themselves. If there ever was an American dream, that is it. Well, let's dig into the next segment, which are the passive income success indicators. And we've already talked a little bit about Florida, but I know that's a key element for you because that's where you focus. So, let's talk about what the top five are, why and where you see them right now, with specifically where you guys focus on.

Jim Sheils:

So, the success indicators of what initially took me 24 years ago to Bakersfield, California, we went there in the late '90s, and if you know the pricing of what happened from the late '90s-

Mike Koenigs:

Insane.

Jim Sheils:

To the mid-2000s, we did really well. But there were some fundamentals we were looking at, and then Florida brought us these fundamentals as well in 14 different markets in Florida. But these are the indicators we look for, for the best outcomes. Now I want to be clear on something. I do not depend on appreciation, but damn do I do my best to get in its way. And there are some predictable factors you can look at that have been proven that you can follow, and that's what I want to talk about today of these five things.

Mike Koenigs:

All right let's hit them.

Jim Sheils:

First one is economic growth. Are there jobs going there? Are there businesses moving there? If people have good job source, they can pay better rent. So, you want to go where the economic growth is strong, and it's also varied. I never, Mike, like to invest into small Midwest towns that were based around one factory, or one army base. You could do really well there, but if the one horse dies or goes away, man, that gets really, really ugly fast. So, I want to go someplace where there's an economy of different types, and also people are able to get jobs. That's a very straightforward thing you want to look for.

Mike Koenigs:

Yep. And I know for example, it wasn't long ago that Austin was the bomb, and already prices are insane there, and the locals can't buy any longer. Just like in Tahoe is another good example of where things went crazy.

Jim Sheils:

Sure.

Mike Koenigs:

And of course, here in San Diego where I live, this is a very, very difficult market unless you really, really understand a niche, and you've got what I would consider some pretty detailed insider information, for example.

Jim Sheils:

Exactly.

Mike Koenigs:

I know a few people who do okay, but not on a predictable level.

Jim Sheils:

No. And you got to hit all five. That's what I'm going to talk about. If you hit four of them, you're doing pretty well, but you really should hit all five. And there's one that's key that we'll go through here and we'll use San Diego as an example.

Mike Koenigs:

All right? Yeah.

Jim Sheils:

Yep. Second one's population growth. This is a really easy one. If some places, in their census showing lower numbers in population than they were 40 years ago, and there's areas in the US like that right now, I don't want to invest there.

Mike Koenigs:

Sure.

Jim Sheils:

That's a simple number. You're going, well, if there's less people going, the population's shrinking, why would I want to invest? You want to go where the population's growing. Again, Florida, for example, through the lockdown, we couldn't keep up with the amount of people moving there.

Mike Koenigs:

Yeah.


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Jim Sheils:

Definitely couldn't build for it. So you want to go where the population is increasing. That's a very easy thing to look for so the winds at your back for your investment.

Mike Koenigs:

So, lots of jobs, lot of perceived freedoms, benefits, and they want to feel like they're getting good deals, which I think is number three.

Jim Sheils:

Number three, affordability. Now, this is the one that blows a lot of areas out of the water because when it's affordable, you can usually get cash flow. That means the average median income for a family in that area could usually afford to buy the average median home in that area. Now you look at a beautiful market like we are here in San Diego, beautiful, but the average salary's not going to pay for the average median home, not even close. And when the prices are that high on the median cash flow is really, really, really tough to get.

Mike Koenigs:

For sure, that makes a ton of sense.

Jim Sheils:

So, you got to look for the affordable markets.

Mike Koenigs:

Number four.

Jim Sheils:

Desirability. What's drawing them there? Florida's warm and by the water, and people like that. They like the lifestyle there. It's drawing them there. So, it sounds simplistic, but what's drawing people there? Do they want to be there? Is it desirable? And desirability goes a long way.

Mike Koenigs:

Yeah, I know for me here in San Diego, after 22 years, what still keeps me here is I know I can get outside. I can work out every single day. It's easy to live well. And the quality of, I know I can get fresh fruits and vegetables year-round. It's the quality of the food, the lifestyle, and the people. But in Florida, it's so much less. I could get a home twice as good as ours for half the price for sure.

Jim Sheils:

Oh, easily.

Mike Koenigs:

Unquestionably.

Jim Sheils:

Easily. And even my friends from California that were saying, "Look, I can't invest in California and I'm looking for something with better landlord laws. Let me go to Utah," like Salt Lake is a popular market now. Well, Salt Lake, this is an interesting number I'll tell you. So Salt Lake, the average price of a home is about 580,000 now.

Mike Koenigs:

Wow.

Jim Sheils:

580,000. And the median income for a family is about 60,000. You go to Jacksonville, Florida, our first market, our hub market, the average price of home is about 310. So, you're $270,000 below. And guess what our medium family income is? 60,000.

Mike Koenigs:

Right.

Jim Sheils:

The same amount. So, these are the numbers you want to look for. The desirability for a family, and the affordability is there, compared to Salt Lake is a pretty spot, or a good spot for landlord laws, but the numbers aren't really making sense anymore. So that kills the desirability, at least from the landlord stance.

Mike Koenigs:

All right, number five.

Jim Sheils:

Supply and demand. We all know this one. We all hear about it in all of our entrepreneur classes, but you want to go where there's more people than houses. So again, we want to go to these markets in Florida where we're in, where we haven't been able to keep up with building demand. Before the lockdown even happened, southwest Florida where we have a lot of presence, for example, they were showing from a report from the municipality, that's the building group there for the government, that they were three years behind on needed rental inventory. So, they don't have enough houses. And for smaller units, for our duplexes, houses, or units 1400 square feet or lower, for these starter families, it's been less than 10% of the focus for the overall building industry. So, these starter homes are not available, or they're old and dilapidated. That's where we come in for this supply and demand. I want to build in markets that are behind on housing and have more people coming. So, you want to look at the supply and demand ratio.

Mike Koenigs:

Right. And in your case too, the fact that you have brand new construction. And we'll show plenty of pictures in the video as well if you're watching the video version of this podcast. And then of course, the additional content that we're going to share with you has lots of slides. You can see examples of the development, really good-looking homes, top of the line appliances, I mean you guys are really supplying a high quality product.

Jim Sheils:

We do upgrades-

Mike Koenigs:

So, it means they're going to get filled up faster.

Jim Sheils:

We do upgrades that most people would get if they were buying the home. And we do sell our homes retail to buyers sometimes, but we like focusing with investors, that's our niche. But we build our home so that a person will walk in and want to buy it or rent it first. And so, they're called upgrades. So, we give automatic upgrades when most builders would not, because we want to get the best rents and have the best resale ability down the road for values. So that's a really important part of what we do.

Mike Koenigs:

I love it. I love it. Okay, so that's number... So, the five, again, economic growth, population growth, affordability, desirability, and I added lifestyle into that in the notes, and then supply and demand. So, address the weather, the hurricane issue.

Jim Sheils:

Yeah, we breached that a little bit.

Mike Koenigs:

We've been talking about Florida, Florida, Florida, but... Yeah.

Jim Sheils:

So let me tell you a little story. So, in 2004, Hurricane Charlie went through southwest Florida, decimating a cute little town called Punta Gorda that we were building in. Now my dad had a cousin there. I mean they just got wrecked. It was a terrible situation. And when you see the devastation, it's like, wow. And we saw the same thing with Fort Myers just this last year with the downtown area and the older homes. But there's an interesting thing, and I'm sure you'll show the video, when you start to look at this video of Punta Gorda, which after 2004 they changed the building laws. They said, "Look, we need to build things higher and stronger." So that's why construction became more expensive. We're the guys being builders, like remember when your parents used to say, "Wear a seatbelt. Wear a seatbelt?" "Yeah, yeah, yeah." And then you get in that first car accident?

Mike Koenigs:

Yep.

Jim Sheils:

Well, that's what just happened with this hurricane. We were like, "Whew. Yeah, glad we wore our seatbelt. Glad we built that 14 extra feet and used the extra fasteners." And it's really cool, Mike, because you can watch this video. The day after, that hurricane, hurricane Ian went over two parts, Fort Myers and Punta Gorda, that's the eye of the hurricane. I mean the powerhouse of the hurricane. And when you look at downtown Punta Gorda, you're going, gosh, it looks like there was maybe some wind in rain, but it doesn't look like a hurricane. And the reason why is because the standard was different. Everything that was rebuilt was newer into the new standard. So we have to follow those standards for new construction. Plus, a lot of our homes, even though we're in coastal areas, are still built five miles inland. And when insurance companies look at that, they analyze it for a lower insurance cost to you, because they know their risk factors.

So we're always trying to build in that. In fact, with about 278 projects going on in southwest Florida, during Hurricane Ian, we had four, four, that needed insurance claims. Only four. And this is because they weren't finished, they were just freestanding walls, and the strength comes from tying down the roof onto it, and these walls just fell down. It was just over the 5,000, with no flooding though. And another, that's a great thing for the insurance company to say, "Well, we'll keep insuring these guys." And for our investors, they said, "We made it through a big one." So, hurricanes are something that you want to look for. Just like in California when I was in Bakersfield, I had to understand earthquakes, which I got really used to, and now I'm used to hurricanes. And there's ways to minimize your risk towards those.

Mike Koenigs:

That makes, which again goes back to working with someone experienced, who's been through, hopefully, some big weather cycles, not just economic cycles as well.

Jim Sheils:

Yeah.

Mike Koenigs:
So the next thing that I asked you to do today is come prepared with some case studies.

Jim Sheils:
Sure.

Mike Koenigs:
Some real-life case studies, because again, all these are great, all these concepts are great in theory, but in practice you want to look at people who've gotten in, made money, and have something to show for it. So why don't we go through a couple case studies, some real-life real people, and these are ones that I've been able to look at with you, verify them, see the numbers. So, these are things that I've looked at personally, and you came, and I've even watched you interact with some of these clients during preparing for this interview. So why don't you cover a few of them right now? And again, this will give us some examples of what to expect. And I know you can't make promises, you can't show anything more than, these are just examples. You're not making any financial promises whatsoever.

Jim Sheils:
No, no, definitely not. But I'm just showing people that we still currently work with and are very happy. So first one, Tom Tusnut, former Air Force, ran a mortgage company. I remember the first conversation our company had with Tom, he wanted to get out of his company a little bit more, have some more space for his wife. She was going into a kidney donation situation, which as you know, I donated a kidney to my dad. So I know very few things about few things, but I knew about a kidney donation since I went through it. I was able to help them. We bonded. He said, "I'm going to really start off right," he went into five different properties, did very well for himself. Now these five properties have created over a million dollars in equity. He went on to build a few more. He's up to $11,400 estimated every month for cash flow.

And what was really cool, the day that the adoption of my youngest daughter went through, he was watching the story. We've stayed in good touch. He Facebooked me, he said, "How was it? What's going on?" I said, "It was great, thanks for reaching out." And he said, "By the way," and you've seen the actual, I showed you the screenshot. He said, "I retired from Fairway Mortgage yesterday. You were a huge part of that. Thank you." And he's living his hobbies, which I love. This is about living your hobbies. He was an Air Force guy. He loves flying. I've been up in the airplane with him before and he said, "My last two rental properties I bought pay the payment on this plane."

Mike Koenigs:
Love that.

Jim Sheils:
So, he's one of my most memorable stories, because he really got out of his job position, was able to be there for his wife, which is a huge thing. And he's living his hobbies, which I love that.

Mike Koenigs:
Yeah. Well, again, that's having a great why for this is really important, and your big why is family freedom, legacy and being able to do something you were never able to do, and fulfill a promise that your dad was never able to exactly provide. We're all going to have different whys. I think mine is, I want every day I ever wake up to be a want to, not a have to.

Jim Sheils:
I love that.

Mike Koenigs:

And then I want to spend and invest all my time in the family I choose, not necessarily the one I was born to. I get along with my siblings, but I think it's really important that you get to create with the people you love.

Jim Sheils:

Absolutely.

Mike Koenigs:

And that's my big driver is I just want to make sure I'm able to make every day a let's create together day.

Jim Sheils:

Love it.

Mike Koenigs:

Right?

Jim Sheils:

Love it. Yeah. That why is huge. And the next person we'll talk about, she has a huge why. I love Dr. Goodwin, Amina Goodwin. She immigrated from the Caribbean. She's now a doctor of infectious medicine in Manhattan. Met her whole family, she loves what she does, but she wanted some space. She wanted to have a residual coming in for them to enjoy if she ever needed to step back. And she's done really well for herself. She went into three properties with us right away, a quad, I believe a single family, and a duplex, and then has gone on to buy two more. Right now, she's sitting at about 738,000 in equity, and she's bringing in 5,575 estimated monthly cash flow every month. Again, that is a nice little side business that's not creating a second or third job for. She's just leaned into our system. She's able to do what she wants, travel with her family, and we've been a big part of that, which I really am happy for.

Mike Koenigs:

And when you start getting into that kind of passive income, there's so many things that you can do with it, because obviously you can reinvest it. Because it's real estate, you've got ways to lower your tax liabilities considerably. So, the impact is more than the cash flow. Plus, you can start taking advantage of some really interesting financial strategies like a bank on yourself strategy, for example.

Jim Sheils:

Oh yeah, we have people do that.

Mike Koenigs:

Ways to protect-

Jim Sheils:

Yep. We've had people leverage their properties that way for sure.

Mike Koenigs:

Right.

Jim Sheils:

And the best thing, too, is you remember the old wealth principle, I don't know if it was richest man in Babylon or that, don't eat your seed corn. You're spending the interest, not the principle.

Mike Koenigs:

That's right.

Jim Sheils:

And that's what I love about real estate. Sometimes when I've had other investments or something in stock, you get that chunk, but then you're eating your seed corn. What I like about real estate is the seed corn stays untouched or actually continues to grow, and you're just living off residual, the interest, which is very nice.

Mike Koenigs:

Yep. And again, some other strategies of course is I call it rich man's counting, or rich women's accounting, but the notion of being able to borrow against and live on, and continue to increase your equity, your values, so there's just so much that you have available to you when you're not living on your paycheck.

Jim Sheils:

Yeah, absolutely.

Mike Koenigs:

That's great. All right.

Jim Sheils:

Absolutely.

Mike Koenigs:

What's another one?

Jim Sheils:

Adam Hamilton; he's a real success story. I remember when he first came in, we became friends. He actually came and stayed, he wanted to see our market, stayed in one of our short-term rentals. Our wives became good friends. I mean, I love his wife, but she asked a ton of questions that she should. They had always owned... They'd owned a few properties in Utah, but they weren't sure they wanted to come to Florida. Well, once they came and looked at it, he went into five properties, and some of them being the quads and the duplexes, because he really believed in what he saw, and he wanted to get in and has done really well. And he has been into some of our family programs. I've reviewed deals for him that I'm not even involved with, but I wanted to see him continue to grow. Today he's looking at 2.6 million in equity, and his cash flow is over $21,000 a month.

Mike Koenigs:

That's sweet. Yeah.

Jim Sheils:

I mean, he's got a young family. He's living a great lifestyle between St. Augustine, Florida, and Utah. He's in the mountains and at the beach, and he used to be a mortgage corporate guy. He was so close to the deals doing all these mortgages, that's how he learned about them. But now he's in the deals and he says it's completely revolutionized what he does. He's come to some of our family masterminds and it's just great to see this happen. I mean, someone who's actually had a strong why and now they're doing the important things, the fun things, the meaningful things, with what they've created.

Mike Koenigs:

I love that. Now, one of the other things that you do is you get called in to speak to groups. You do a lot of group related things. People bring you into their masterminds, sometimes they have you talk about 18 Summers. Oftentimes that leads then to the, "So how do you do it?" Because people, when they're inspired by your lifestyle, they want to know, just like I did. I'm like, "How in the hell is this guy doing what he's doing?"

Jim Sheils:

I still crack up you thought I was a trust fund kid. Not that there's anything wrong with that. I was-

Mike Koenigs:

No, no, it's a compliment.

Jim Sheils:

I was about on the far side of that.

Mike Koenigs:

Totally. We're both two poor kids from Nowheresville. But I've watched this, you work with a lot of groups, you get pulled into syndicated deals, you get pulled into, again, people who have an audience of potential investors because there's advantages to doing that as well.

Jim Sheils:

Yeah, yeah.

Mike Koenigs:

You make it worth the group owners' while to support this in a variety of ways. So you've got a lot of long-term relationships. So I'd like you to just share maybe an example of someone who not only got involved personally, but also brought in a bunch of other investors alongside.

Jim Sheils:

Yeah. So David Phelps. David Phelps has been in some masterminds with us.

Mike Koenigs:

Yeah, he's a great guy.

Jim Sheils:

He was introduced by Daniel Marcos, who you know, very big in the Verne Harness world. Great guy. He's been to our retreats. That's who introduced us actually. And I didn't realize David runs a private group for high-net-worth dentists and doctors who invest in real estate. But they said, "Hey, we heard about your family talk, so you come in and do a family talk." I said, "Sure." Seemed like a good guy, Daniel's friend, go in, do that. And then all of a sudden, they said, "Wait, what is this build to rent company you're a partner in?" Well, long story short, all of a sudden going from family values to real estate, they became a real solid client of ours.

And now as a group of their investors, they've invested in several of our properties. They're bringing in $12,000 about a month now, and their cash flow from the properties have over two and a half million dollars in equity, which is great. And they even syndicated some property, special projects with us as well. That ended up, I think it was returning about 11.2%. So they were real happy with us, but it's always been good for me. I think you and I talked about this. I really like to work with people in real estate that I'd like to have dinner with Jamie and I, right? Like you and Viv, any day of the week, we have so much fun together. Other people, it's like, if I don't want to introduce them to my wife and the kids-

Mike Koenigs:

Right. So, the same.

Jim Sheils:

I don't want to do it anymore, Mike. Yeah, I just don't.

Mike Koenigs:

Yep. Yep.

Jim Sheils:

And it's nice that with how we're standing on our family values, we're attracting the people we want to work with in real estate.

Mike Koenigs:

Yeah. I couldn't agree with you more. That's my rule now is, if I don't think my wife's going to like you, I don't want to work with you. And it makes life... like tonight after we're done doing our content here, we're going to go out to a great restaurant, great restaurant, we're going to head out to Javier's, and yeah, Vivian's coming along. But I feel exactly the same way. You just got to want to play with the people you're working with. And again, back to lifestyle, this is all about lifestyle. So, any other syndications or partnerships?

Jim Sheils:

We've done a number with a group called DLP. Now, Don Warner, under 40, Don's pretty much a dynamo. Part of Tiger 21. They're worth several hundred million now. They brought me in again for the family talk. I crushed it. I mean, that's something that I can talk on with real passion and authenticity. Now I've been invited back four different times. I'm an advisor for family life for him and their entire leadership council, and they've invested in over $40 million into our deals and projects. A lot of our build to rent, we built an RV resort together.

But was interesting was that they said that our values spoke to them and then their wallet opened, which felt great for me. Again, this craziness, as you were the one, I'm going to give you credit right here. You said, "Why are you separating these worlds of your family values, and never talking about your real estate?" I mean, how long did you know that I clammed up? And this is an example where someone of this caliber, they have 4 billion in assets under management. So you're talking a big group, but that's what opened the door, and that's what built the trust. And we've been able to make them great returns on our investments together.

Mike Koenigs:

Yeah, yeah. And I think this is a great place to talk a little bit about your playbook and your tools. So I'm going to shamelessly plug you first, and then I want you to do it, because my goal is to have you think about this for a moment, which is just to summarize how our listeners or viewers can get to where you are. Reaching that, I don't care if it's 5K a month, 10, 25, 50 grand a month in passive income. That's one of the goals. But also, the fact that you can come and speak to groups, either on the family values, and talk about 18 Summers in board meetings.

You can talk about making money, doing passive income, investing in this build to rent model. And the place to get more is to go to jjplaybook.com and we've got your blueprint, some current deals, a video webinar. It's basically a toolkit to get immersed in this, and get all your questions answered, but also cover some of the biggest objections that people might have. If this doesn't answer all your questions, you can go more in, and again, that's to go to jjplaybook.com. But I want you to just summarize this, and if you had to start back all over again, knowing what you know now, what would your... If you gave me five or 10 steps, what would they be?

Jim Sheils:

Yeah, and that's what we're going to go over right here. This is literally 24 years that Jamie and I sat down and said, where have we gone that we're glad we did? Where do we wish we avoided? How can we get the straighter line, or I even call it the brother-in-law advice. If my brother-in-law was going, and again, I like my brother-in-law, some of you're going, "I don't like my brother-in-law."

Mike Koenigs:

Yeah.

Jim Sheils:

I love my brother-in-law. So, if he was saying to me, "Hey, I'm going to finally get into real estate. What should I do?" What advice do I want to give him to protect him, and also hopefully give him the upside advantage? These are the five things. I tried to boil it down to as simple as possible so that there's that easier roadmap. You don't have to look at all these distractions. This is a direction you can head to get where you want to go, and that's what we'll go over.

Mike Koenigs:

All right, five gold stars. Five gold stars.

Jim Sheils:

Five gold stars. Number one, we just went through it. Just ensure that the deal that you're going into passes those passive income principles, those 10 that I went through, they're not just for fun and giggles. This will protect you. This will upside you. Make sure it goes through those 10 things. You follow that, you're going to have less headaches. You don't, you're taking some risks that I don't suggest. Also, the success indicators. If you know those principles and those success indicators, population growth, economic growth, affordability, desirability, healthy supply, and demand, and you check for those, you're putting yourself where the wind should be at your back, no matter what stage of the market we're in.

Mike Koenigs:

Great.

Jim Sheils:

Now, once you understand those, you've got to leverage in. You cannot make money from the sideline in real estate. Now you can leverage into a system, but you got to buy. Start with three to five properties. Focus into an area where you have systems or belief, or you've done your homework, that can get you started. Now again, the great thing is you're not having to pay cash. The beautiful thing is if you buy $500,000 worth of stock, you're normally paying $500,000, right?

Mike Koenigs:

Right, yeah.

Jim Sheils:

Unless you're... There's some things you can do, but most of the time you're coming up with the cash. A $500,000 piece of real estate, well, you're only coming up with 200,000, 250,000, even less. I mean, that's at half down. If you want to go 20% down, you're going at $100,000. So you can leverage into it. So you start with that small portfolio, get it going, make sure it's in good condition. All those principles, that's your starting seed corn that's going to start to sprout.

Mike Koenigs:

Great, what's next?

Jim Sheils:

Every few years you're going to roll your equity into new deals. Refinance out, don't buy a Rolex with it or anything like that. Be disciplined to pull equity out, tax free, and then dump it into your next portfolio purchase, into more properties. It's a very powerful technique to start to grow that. And again, it's that snowball effect. If you don't, this is the tortoise and the hare. The hare's going to sprint out and probably run into trouble. This is the tortoise approach. Every few years you're dumping it forward, but that snowball really starts to get bigger.

Mike Koenigs:

So it's really compounding as well. And you can also start getting creative with tax benefits, and start using some other financial instruments to protect your money and repurpose and reuse it. So I love that. Okay.

Jim Sheils:

And that's number four actually.

Mike Koenigs:

Okay.

Jim Sheils:

Again, the ability of refinancing, Mike. The ability to refinance allows your tenants to pay for that lifestyle, and you're doing it tax free. I mean, that's pretty powerful. Some of you're probably going, "Wait, my tax rate is... Wow, that's a lot of money that I'm saving, that I'm not paying back if it was earned income." You're just leveraging it off. Someone else is paying for it, especially as rents normally rise. It's really, really powerful once that starts going. So make sure you use the power of a refinance.

Mike Koenigs:

Love it. Okay, next one.

Jim Sheils:

Legendary family life blueprint. We are probably the only real estate people out there that include this, but it's just what we've weaved in. Why are people going into real estate? Again, they want to buy back their time. They want a legendary family life, which again, for me means doing the things I always dreamed of as a kid and I could never do. And now losing my father, the life he never got to live, and this is something I'm real proud of. Until I got my real estate in place, I was able to retire my parents 15 years ago. They could finally get to the good stuff, the important things. And that's what the blueprint's about. How do we enjoy our family? How do we get them on board, so we're building the wealth together that we're all supportive of each other, we understand it, and then get to enjoy it rhythmically, meaningfully, with the best purpose in mind. So that's a really powerful thing that we've put together over many years. You've already been practicing some of it, but it puts the bow on what really matters to us.

Mike Koenigs:

Yeah, for sure. For sure. Okay, so let's move on into the goodies. Why don't you talk a little bit about the passive income blueprint, some of the current deals, the fact that people can watch the video webinar that we also put together. And schedule a discovery call if they want to talk to someone and find out if this is a right fit for them. They can go to jjplaybook.com, but what can you tell us about some of the goodies and what's included?

Jim Sheils:

Yeah, you get a step-by-step passive income blueprint, list of our current deals, a video webinar that walks you through every one of our steps. How does this work? How can I actually get into real estate without all this confusion? You can be a part of the process, but never feel alone. That's the goal. And you'd be able to get a link, you can talk to one of our sales counselors today that have helped put together dozens and dozens and dozens of successful portfolios, so that we can get a feel, what are you wanting to do? What are you wanting to achieve? What kind of capital do you have to start to work with? And then we back into what's possible. And some people, we might not be a good fit for. For other people, it's been ham and eggs, and it's been exactly what they're wanting. Not a second or third job, a real estate position, but with some protection and track record behind it.

Mike Koenigs:

Okay. And I've taken the time as well to talk to your team. So, I've interviewed them and learned more about what kind of questions they ask. There's no pressure at all. They're not going to try to squeeze you into a deal that doesn't make sense. They really take the time to get to know you and understand your specific situation. And I think it's also fair to say that some of these folks have worked for euphoria a long, long time. They're really long-term team members. So, is there anything you can say about just your team?

Jim Sheils:

Yeah, I think that track record speaks very loudly. I know you and I have spoken to that. I know Dan Sullivan speaks about that as well. And when someone's there 12, 14 years working with you, that says something about the service. And so, we have some real long-term team members. They've invested in real estate; they see the power of it. It gives them a nice feeling to know, "Wow, when someone like Tom is up flying his plane, I had something to do with that. When other customers of ours are saying we were able to be at the family reunion, or host the family reunion, hey, something happened with my health. I was able to step back," they know they're a part of that. And there is some camaraderie and buy-in when they can see what they're able to do to help other people do that. And that's what the business has achieved.

Mike Koenigs:

Yeah. And I love the fact that not only are they participating in the business, they're involved in the business and investing too, which speaks loudly. Because if there was anything wrong with this, they wouldn't be involved. Well, thank you. I think this is a good place to wrap up. And I will tell you, our listener/watcher right now, first of all, thank you again for listening. If you learn something, you enjoy this, you can always go to capabilityamplifier.com. You can learn more, there's more links there. Inside the descriptive copy are show notes and links. Head over to jjplaybook.com, download the tools and resources that Jim, team, and we have put together for you, and thank you so much for listening and watching, and we'll see you in another show soon. So let's say goodbye to everyone.

Jim Sheils:

Good seeing you guys.

Mike Koenigs:

Thanks for watching. Bye-bye.

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