Ep #148: Part 2 - Dr. Peter Boulden & Dr. Craig Spodak Interview Dr. Phelps

Full Episode Transcript

With Your Hosts

Dr. David Phelps and Evan Harris

Dr. Phelps: Okay, welcome back. David Phelps here again. This is part 2, the second segment of the interview where doctors Craig Spodak and Peter Boulden of the Bulletproof Dental Practice interview me today specifically on aspects of real estate investing. We do a deep dive today. We talk about residential versus commercial, which is most beneficial to you; control without ownership, how I make investments today where I have no management, no tenants, no toilets, no contractors at all; why the opportunities exist in the marketplace; the void in the marketplace where the banks do not play; using joint ventures, using other people's time, skills, and other assets; leverage, tax benefits. Everything you need to know about investing in real estate. Listen in. I really think you'll enjoy this. Talk to you soon.

You are listening to the *Dentist Freedom Blueprint* podcast, with David Phelps and Evan Harris. Navigating you through the uncharted waters of a turbulent economy with straight-forward advice to, transform your practice into a self-sufficient cash machine, compound your net worth assets, and multiply, multiply, multiply your passive cash flow streams.

Dr. Boulden: David, a question. Residential or commercial?

Dr. Phelps: I'm a big fan of residential, outside of ... Commercial, I think, works well if you have your own business, a dental practice. I had that as well until I sold it off. I think for people outside of their own business or practice, single-family is really, really safe. Now, trust me, people can make money in commercial, just like stock market. I wouldn't say don't touch it, but let's think about it.

With commercial, who are you dealing with? You're dealing with people who are a lot more sophisticated than the average relatively new novice to real estate trying to figure it out. With single-family, you have two exit strategies. You can always sell to homeowners when it's time to exit, and then obviously to investors. With commercial, you're only going to sell to investors that are looking for internal rates of return, cash on cash cap rates. Yeah, single-family's going to be evaluated differently.

Also, I like single-family because I look at single-family as if it were horizontal apartments. Now, you take a multi-family, you tip it over, and all the units and all the doors spill out over a large geographic area. Well, those are my houses. Okay, the downside. People would say, "Well, yeah, but what about management? You can't have centralized management with single-family houses." Well, I don't need centralized management because I either work through joint venture partners or I use a concept called lease options, which is a management tool in single-family that works very effectively to reduce management. Most all of the objections that people can bring about single-family, I can overcome those. Not to say that I-

Dr. Boulden: It's always petrified me, honestly.

Dr. Phelps: Has it?

Dr. Boulden: I think the myth to me, and I'm not an advanced real estate investor by any means. I guess commercials based, but I did actually have a condo that I couldn't sell. I think my experience with that was, "Hey, doc. I got a light bulb out over here. Can you come over?" I'd get home from work and go put the light bulb in, and I was like, "This is terrible." I think that was the way I thought investing in residential real estate was going to be, just a complete pain in the ass. So I've always been averse to residential investment, but now I've been opening my eyes to it a little bit more that there's obviously some deals. But, that being said, the market, as we all know, is super hot. It's a seller's market. What would you say to that if I said, "Oh, it's too hot right now. Things are at an all-time high. It's not the right time to invest"? What would you, David Phelps, say to that?

Dr. Phelps: I would agree that one needs to be very careful. A lot of people, as we both know, whether it's Wall Street or real estate, the euphoria of a hot market, a bull market, the people get in a lot of times late. In real estate, I see this in every cycle. Same thing was happening back 13 years ago, 2005, '06, and '07. When your Uber driver or your taxi driver's talking about flipping houses on the side outside their job, that's when you got to be really, really careful.

Dr. Boulden: It's time to get out.

Dr. Phelps: Well, it's time to get out, or time not to be speculating. There's a difference between investing and speculating. A lot of people in a hot market, they're speculating. They don't know the fundamentals, they're buying to make quick flips and quick profits. That always runs out when the market tops out. I buy for long term. Long term for me is typically 10 years or more. I've got houses today that I bought back in the early '80s, that I've had over 30 years that have just been cash flow producers. I've gone through four downturns over that 37, 38 years. When the market turns down and real estate loses value ...

Remember, too, that real estate is not a national index. It's localized. Some markets are more volatile than others, so you've got to understand what market you're investing in. But the markets I invest in are the non-volatile. I'll call them the boring markets, because they just produce cashflow like crazy. When 2008, '09, '10 hit, I think my values probably went down no more than 20%, probably 15 to 20%.

Dr. Boulden: Really?

Dr. Phelps: But here's why I didn't care, Peter and Craig, because a house doesn't know when it loses value. People don't run for the hills. They don't not need shelter. Certainly, some people, they may need to ratchet down, but in the houses that I recommend investing in there's always people that will rent all those houses. I didn't have people leaving the houses. They weren't vacant. I had to stabilize my rents for about 18 months. I wasn't jacking rents up. Since that time, they've just gone up. Now, they're back up again.

For me, with single-family it doesn't matter if we have volatility as long as I'm buying or investing for long term. If I'm speculating, that's another ballgame and that's an arbitrage in markets where you do come in when the market's cratered and you can go to Las Vegas, you can go to parts of Florida when the market was down, and ride it back up. But that's more of a business.

Now, what I'll do is I'll joint venture with people that do that. The way we find good deals today is it's just like we talked about earlier. Craig was talking about marketing. It's all lead generation. The people that find the good deals are lead generating like crazy. They've got a network, they're doing direct mail, they're doing pay-perclick, Google AdWords, finding those needles in the haystack. They're tougher to find today, but they're still there.

People that don't know the difference between wholesale and retail, and they think, "Well, yeah. I need to go out and buy some real estate," they're going to call their local rotary club real estate broker agent, good person, right? Good person in their market, and say, "Hey, John or Judy. I'd like to get in this real estate thing. Sounds hot." John or Judy are going to do their best to help, but they don't lead generate like I'm talking about. They go to the MLS or to listing service. It's retail today, so you're going to buy retail. You don't have the bandwidth to scale up the contracting to do the rehabs efficiently, so you pay too much.

Then, as you said, Peter, now I've got to manage this house. I don't know how to manage property. I'm a good guy. I'm a dentist. I love for people to love me, so I'll run to their beck and call and change the light bulb. It's the wrong way to go about it. Your experience with that condo is true to form. It's just, that's not the way I would tell you to do it. Hope that helps.

Dr. Boulden: No, that answers all our questions, actually.

Dr. Spodak: You know, it's funny, Peter, is I live in South Florida and we were making the headlines back in 2008 and '09 because the headlines were saying ... I'm sorry?

Dr. Boulden: Miami, you could buy...

Dr. Spodak: Yeah, well even my area there was this ... Miami has a inventory of, it's 20 years, what they said, in 2009 and '10 and '11. It's going to take 20 years for the inventory of

Miami to be absorbed, there was so much overbuilding. Meanwhile, 36 months later, the cranes are flying, everything's sold out, and values are way past the highest they ever were pre-bubble.

So I think what you spoke to, David, where you're trying to make that arbitrage, you're trying to time it just right, if you're trying to tie in the stock market or trying to pop in and pop out of the real estate market, that's really just a best case scenario. You're gambling. What you're talking about, we have income-producing properties. My buddy, Michael, he's in commercial real estate. He is always 35, 40% LTV. Am I saying that correctly, where he's got 40% of the value in the property?

Dr. Phelps: Yes.

Dr. Spodak: He has a good amount of equity in there, and when winter comes, which we all know the seasons, winter is coming, he actually takes that as a buying opportunity. He was frankly embarrassed to tell people he was in real estate in 2008 and '09 because he'd meet his babysitter and the babysitter's like, "Yeah, I used to be a bartender. Now I'm in real estate. What do you do?" He's like, "Uh, I kind of do development." He was ashamed of it. There's many different layers and, like you said, if you don't know what you're doing and you go to your rotary club or chamber of commerce real estate person, you're going to get shafted. You really need to know what you're doing.

I was fortunate enough to be able to hook onto Michael. I think I told you that, David, but he finally let me in on a deal. He never really wanted to. He was like, "Listen, I don't need your money. No offense, I got more than you'll ever have and I don't want to lose a friendship." But finally, he did one for me and I jumped in with him.

I've watched him over 20 years go into a shopping center that was $2 million, put 30% down, refinance or re-lease a couple of tenants, and have it appraised at $4 million, pull the equity out, and then 15 years later sell it for $20 million. Meanwhile, then pull off a $900,000 free and clear of cashflow for him, pays less taxes than I do and I make a fraction of what he makes, do 10-35 exchanges. It's amazing.

I've scratched the surface of understanding the power of real estate. I don't claim to know anything with no training. I've just watched. I've been an observer to friends go through it, and they're all kicking such ass that if you could bring that to dentistry, if you could provide an easy formula for guys like us or Peter to jump into, what a value. What a massive value.

Dr. Phelps: You know, go back to what I said earlier. To be involved in another lane, which is what we're talking about here, for dentists into real estate, it really is more the who than the what. Yeah, you can find all kinds of sexy stories, anecdotal out there, of people that made money. You can find just as many people that lost money. They don't know what they're doing, right? But typically, people don't talk about those. Truly it's about aligning yourself as you did with somebody that you knew, trusted, you built an organic relationship that wasn't based on someone trying to sell you something or raise capital on your back, someone who actually didn't even want to let you do it. That's really what you're looking for.

People ask me, "Well, David, how do you find your deals? How do you do it?" I alluded to that. Peter did, especially in a upmarket like this where deals are not just out there to pick off the trees like we could five and six years ago after the downturn. I tell them it's all about the network. But I spent 38 years developing that network and I continue to do so today to find the right people because I can't do it all myself. I diversify my investments in real estate through other people, through their businesses, through their ventures, and it's just learning about the structures.

The other thing I'll say too, guys, is that financing. Financing is everything. There's different ways to finance real estate. Typically, people think, "Well, the only way to finance real estate is you go to the bank." Yeah, for commercial properties, multi-family, larger projects, the bank is the way to go because today you can leverage at 5% or maybe 5.5 or 6%, depending upon the project, long-term 30-year fixed-rate financing. On cashflow producing assets such as real estate, that's killer. You're locking in and you're having the government subsidize those low interest rates for as long as 30 years if you hold that property for 30 years or 10 or 15 or 20.

Realize as we have inflation, which I believe we'll have in coming years. I believe we've got to have some inflation, but that's the devaluation of the dollar. But when you're now paying back debt, fixed-rate debt with a devalued dollar, you're shorting the dollar. I know a lot of people talk about, "Well, you know, I don't wanna go into debt. Dave Ramsey talks about not going into debt." I have to say, "Well, look. There's a difference here, folks."

Dave Ramsey is an awesome leader, and he helps the masses who can't balance a checkbook. He helps the people who just don't know one-on-one finance and who rack up credit card consumption living. He's totally right. He can't speak out of both sides of his mouth. Otherwise, he'll confuse his audience. So I say, "Look, what you've got to realize is that there is good debt and bad debt. Dave Ramsey is all about the bad debt. If you learn how to use good debt, look, we wouldn't have our businesses, our practices, our buildings, would we, if we didn't use debt." I don't think-

Dr. Spodak: Peter would.

Dr. Phelps: Oh, Peter's a massive saver.

Dr. Spodak: Peter prescribes to the Archie Bunker mentality of debt.

Dr. Phelps: Yeah, there you go.

Dr. Spodak: No, I hear you and I think it's such an important thing that you just touched on, good and bad debt, man. Keep going, I'm sorry. I just got to tell you, Peter's not a debt guy.

Dr. Boulden: Well, that's not true per se.

Dr. Spodak: Come on, bro.

Dr. Boulden: David, talk to me about ... I've had this conversation with Mark Costas, actually. When the financial institutions, when you go to the bank and you're up against your limit, your personal barring limits, you have the 20% down and they get nervous when they start looking at the total allocation. So what are some options when you do start bumping up?

Dr. Phelps: Yeah, I started down that track and I said the most common place for people to go to build businesses, practices, invest in real estate, is to use financing. The secret for me is I rarely use institutional financing. I've used it maybe four times over 37 years. So how do I do it? Well, I use a lot of private capital and I've used a lot of seller financing. Private capital is a great way to invest in real estate, and you can use debt financing or equity financing. I don't want to go too deep here, but-

Dr. Boulden: Isn't private ... Sorry, isn't private capital super expensive, though?

Dr. Phelps: It doesn't have to be. No, because you can structure ... Well, look, there's different risk factors, and let's just break it down. There's private capital, and I invest this way. I'm a lender in a lot of deals, so short-term deals, which are typically called quick turns or fix-and-flips. We'll just look at single-family. You can do it in any asset class, but let's say single-family. You've got a boots-on-the-ground businessperson in real estate who lead generates, buys great deals wholesale, and he's got the team, he goes and fixes them up, flips them, puts them back on the marketplace, and sells at retail, makes a profit. Those typically you can 12, 13, 14, 15% on your money.

Now, that's expensive to that borrower, but it's not really. Here's why, because they're buying so cheap wholesale that they're making enough that that short-term borrowing, that short-term money, typically six months on average. Some of the deals I'm doing today, that money's coming back in three months. I mean, three months. Maybe nine months on the top side, but I'm getting 12, 13, 14, 15% on my money on those deals.

They don't mind doing it because why? They have quick access to capital, and that's what allows them to do their business. They can't go to the bank for the reasons you suggested. Even if they use lines of credit, the bank's going to hold them back a certain point. These people I'm talking about are doing 200, 250, 300 turns a year. We're talking massive-scale businesses of people that are really, really good. That's one way.

Now, longer term lending, if I'm lending on their portfolio to buy and hold, no. There's no way they could afford to cashflow a property at anything even close to 10%. Typically, I'll lend money at 4, 5, or 6%. Then you say, "Well, what's next, David? Because that's kind of cheap for you, isn't it?" I'll take a back end participation. A back end participation is shared equity, equity participation. I know what they're buying. I know what their equity position is going in.

Craig, you talked about loan to value. If I know that they're going in with at least a 30% equity position today and I know that the marketplace, with inflation, that'll increase, then I'll take the rest of my return on the back end. Five years, ten years down the road when the property sells, I'll go in and let them borrow the money from me at 4 or 6% so they cashflow the property, because I want them safe. I want them to go run that thing. They deal with all the contractors and the people and the tenants. I don't do any of that.

I tell people that the most profitable seat at the table ... I'm talking about, not the food table, I'm talking about the closing table. In my opinion the most profitable seat is the lender's seat. No wonder the banks have the big buildings. They figured it out. We can do the same thing because there's a void in the marketplace. See, the banks participate in different levels of financing across the capital arena. In houses or commercial real estate, they'll participate a certain level, but on void there where they won't participate and entrepreneurs like us, we fill that void. If you do it the right way with the right people, the right structures, there's room for lots of opportunity in real estate. But it comes down, again, to who you know. Don't try to do it yourself.

Dr. Boulden: Yeah, that's good. Yeah, wow, that's interesting.

Dr. Spodak: Yes. It's good to be the bank. It's good to be the bank.

Dr. Phelps: It is, and also equity financing, which means ... Equity financing, it's more like a joint venture rather than a debt financing. Debt financing has a contract, a promissory note, that has a stated interest rate on it. That's what we typically know when we go to the bank. The stated interest rate, you're going to pay it back over this term, here's your monthly payments, blah, blah, blah. It amortizes or maybe it doesn't amortize, whatever it is. With equity financing and, again, you're not going to do this with the bank. You're doing it with a private lender. But I'll do equity financing.

Now, equity financing means that you and the borrower are really on a little bit more even terms. So when you're sharing, it can be a 50/50. It doesn't have to be 50/50. It can depend upon who's providing what in the deal. But let's just say it's a 50/50. On all net cashflow, you share 50/50. On exit, on equity on the end you share 50/50. If the market takes a little bit of a dive, and maybe in a certain market the rents have to be lowered short term during that down cycle, the borrower doesn't eat the whole thing. He eats a little bit of that with the equity partner.

Equity financing is a fun way to look at maybe sometimes a little bit more risky elements when you have a lender who has experience and says, "You know what? I'll play ball with you in that market. I understand what you're doing. Yes, the bank's not going to lend it to you, but I'll lend the money because I'll play because I think there's a bigger upside." Could there be a downside? Yeah. There's a little bit more speculation there. It's not for the novice to do. But I'm telling you, that's how deals are made in this country. That's capitalism all the way, where people come together, put deals together based on full information and expectations and looking at risk and reward. That's how it's done.

Dr. Boulden: So, David, if you had $100,000, you bought a condo or a single primary residence, let's just call it $100,000, what would you expect? When you own that thing free and clear, what would you expect as a return annually?

Dr. Phelps: Yeah, great. In the marketplace today, I'm looking at 8% cap rate. A cap rate, a capitalization rate, means if I'm looking at 8% as my target, that means if I put $100,000 into a property and it's free and clear. We don't put any financing into this. There's no leverage. It's just all, I have 100% free and clear property at $100,000. I'm going to get an 8% net, net, net of all costs, all management, property taxes, insurance, vacancy, turnover. That's what I want as my target return going in today. Does that make sense?

Dr. Boulden: Yeah.

Dr. Phelps: 8%. That's my target. Now, if I can beat that, so be it. But also, remember, I'm looking for other redeeming factors to be able to increase my return. Obviously, I want to look at buying in and capturing some equity on the front end. Again, finding a good deal with somebody who finds good deals, getting some equity on the front end. Now, the equity on the front end, meaning if we're buying it at a 30% discount to market, that equity by itself is not going to return more than my 8%. That will return on the back end.

Dr. Boulden: Back end.

Dr. Phelps: 8% cap rate means you're getting 8% real dollars back on your $100,000 invested, so $8,000 a year, right? Net of everything else. That's a great target place to be in the marketplace today.

Dr. Spodak: Unfortunately, in my area now things are so hot that people are looking at 5% so the valuations are going through the roof. We're getting $1,200 per square foot and it's fueling the mania here.

Dr. Boulden: I think you were saying, David, how you invest in ... I don't know if you used the word boring markets. Obviously, South Florida's far from boring, so you have to go to areas that, yes, more boring but they sound more stable and your cap rate can be 8+, versus 5%. Craig, you're right. That's not really worth it.

Dr. Spodak: Well, it depends. If you have a 5% cap rate but the area's booming-

Dr. Spodak: Exactly, but the hotter the area and the more upside potential long-term capital appreciation, typically the lower the cap rate, right?

Dr. Phelps: Exactly. You're right. You have to weigh those two in balance. Again, there's not a right or wrong here. If you're in a hot market, 5% is your target cap rate and you expect and you see that appreciation, and you can ride that. Again, those are the more volatile markets. That's what we saw in your area, certainly, Craig. It goes hot, and it drops. If you know when to get it out or get your maximum return, that's good. Or if you're happy with just 5%, as I said before, if you just held on, even when the market drops again, if you hold on and you're still getting that 5% and you want to ride it back up again, you can do that.

Probably not the way I would do it, because I like to exit with my equity when I feel like we are topping out and go a little bit more liquid and be ready to come back in when the market drops and buy back in low again. That's how I run it with these eight- to ten-year cycles, is ride it up and get close to the top. There's never a perfect hit. You're never perfect in those things. But get close and harvest some equity. Then I go more liquid, meaning I put my money into lending deals, which I do more lending deals today than I do any equity deals by probably a factor of, gosh, probably five to one I do lending deals.

Dr. Spodak: Wow.

Dr. Phelps: Because I want to be more liquid. I've got enough equity that rides, but see, I'm ready. I'm ready, I'm poised, because I can turn those note receivables into cash like that because they're very liquid because, again, they're generating great cashflow. There's plenty of people that will take my notes in a heartbeat. Not a bank, but someone else will take them. A private capitalist will take those notes because they're great notes. They got a track record, and when I want cash to go do another opportunity I can liquidate those notes that are producing 10, 12, 15%. That's where I park my money when I'm not investing it in equities.

Dr. Boulden: Wow, that's smart.

Dr. Spodak: That's great. What a great position to be in. But look at the beauty of what we're talking about. If you are in the leverage deal but you have, let's say, 30 or 40% LTV and you got an 8% cap rate, net return after debt service and all the fees, and your property's increasing 4 or 5% capital, increasing on the asset yearly, the return on cash is astronomical.

Dr. Boulden: It's huge.

Dr. Spodak: Because you're returning a ... Your property may be worth a million. You got $300,000 or $400,000 of equity in it, but when it appreciates 5% it doesn't appreciate 5% on your equity. It appreciates 5% on the value. So it's just a slippery ... Then you factor depreciation into it, it's an amazing vehicle.

Dr. Phelps: Well, here's the thing to remember too. I joke around when I tell people this. I say, "Equity doesn't taste so good. When you need to eat, you try to eat that equity, it's like cardboard. You spit it out." You're exactly right. You ride the equity up, and that can be return as long as you know when and how to harvest it. You want to be able to harvest equity, which is net worth, right? You want to be able to convert that to cashflow, which is then what you convert to food so you can eat. I'm being facetious here. I'm all about building equity and capital appreciation, amortization of debt, forcing equity by approving property.

There's so many ways to increase equity, but you want to be able to convert that equity to cash or cash on demand and have the flexibility in the marketplace. Yeah, it's such a fun place to be. It's never perfect, but gosh, real estate, you do it the right way, it's just really hard to lose. I know a lot of people have lost money, but again, that's just because they didn't know what they didn't know, right? Same thing with anything. We're all going to go down the road, you get burned a few times. But just mitigate your risk. Don't go out and shoot for the home runs. Hook up with people that know what they're doing. Learn the ropes a little bit, see what it looks like, and then you can decide, "Is this something I want to be more active in, or should I just stay more passive in it?" You can choose. You can choose, that's what's nice about it.

Dr. Boulden: You have conferences, right?

Dr. Phelps: We do a quarterly mastermind. That's where our members come. I'll just give you guys a little bit of foresight, because we're about capped off with Freedom Founders Mastermind, because I can only deliver high value. The deal flow that we bring is one of the key components. You guys know if you grow too big, something's going to get diluted.

So we are close to capping out, but what we want to do is we want to do some one-off conferences that would not be just Freedom Founders or just real estate, but bring other great people in that also talk about the other key components of freedom, which we talked about earlier, your practice asset. That's something that I'll probably be coming back and looking to you guys for at some point and saying, "Hey, would you guys be interested in doing something?"

If we have the right people, if we're bringing the right people in, components, I want some more brain trust. That's why I love doing these podcasts. I get to meet the other brain trust out there. If we put some stuff together that was really cool, we could give solid information to people who aren't ready to jump into a big mastermind or something like that, especially the younger generation.

I've got a real heart for the younger generation because, doggone it, look what they're coming out of school with today, with a debt load hanging on them. The choices are tough in getting started. If they just had a little bit more direction, the podcasts are great. What you guys do, that kind of direction's key. I just love to get that out to more people with all the financial acumen that they need, everything that they could start figuring life out a little bit. Your question was, when do we meet? Yeah, we meet four times a year. Sorry about that.

Dr. Boulden: That's your private mastermind community, right?

Dr. Phelps: That's correct. Yes.

Dr. Boulden: You just answered it, is that really you're not open because you don't have any bandwidth to deliver value.

Dr. Phelps: We're about maxed.

Dr. Boulden: Okay. All right. Well, yeah, I think the second part of your answer was good. Maybe something does need to be created that synergizes with some of the things that Craig and I are promoting and talking about. That would be good.

Dr. Spodak: In full disclosure, too, David knows Chuck Blakeman because Peter and I are getting a more deeper connection with Chuck. You guys really speak the same language. Of course, a different mechanism, but the same philosophies and principles.

Dr. Phelps: I love Chuck's philosophy. I've had a chance to interview him twice. In fact, he's actually doing our keynote in March. Special invitation to you guys. If you guys would like to come, you come as my guests. I'm serious. I'd love for you to come. Chuck's doing the keynote for us because, yes, he speaks to the core of building a business.

Craig, you and Peter are in alignment with him. Yeah, he's right on track. Again, that's what I'm talking about. There's different components to freedom. I'm really big on the real estate side, but I realize there's these other key pieces that I appreciate so much. Chuck's model we've used a great deal in Freedom Founders, not just for our members but for the Freedom Founders team. We have built a lot of our culture and our pulse based on some of those principles. So I love Chuck. He's dead on.

Dr. Spodak: Where are you guys going to be in March? Where is this?

Dr. Phelps: Dallas.

Dr. Spodak: Oh, awesome.

Dr. Phelps: Dallas, yeah.

Dr. Spodak: Is there any extra room for the people that are listening to this to jump onto that?

Dr. Phelps: Really, probably not. If someone was really interested, there is a process they can go through, screening to see if

... We do have other guests that we invite to come, so again, I didn't come on your show to promote at all here.

Dr. Boulden: We're putting you on the spot right now, David.

Dr. Phelps: Okay, but there's probably a couple people out there going, "Man, this sounds really cool." We do like to talk to those people, so we've got a little bit of room in the back. We brought in like 16 new people at our meeting last. We're just about there. We've got a little capacity. We don't have much drop-off. Our retention rate's really high just because of what we do.

Not much room there, but I would encourage people if you want to jump on the podcast, Dentist Freedom Blueprint podcast, and we do put out a lot of just free information. We have a Freedom Insider. I love to give stuff out. Look, I'm not all about holding it all in, saying, "Oh, this is all just secret stuff." Look, that's not the way the world works. I live off of an abundance mindset. You give, you give, you give, and you receive. I want to make a difference out there in the world.

I've lived a great life, I've gone through stuff that's been tough. I know what it takes, I know what it's like to be in tough positions in life. Whether you are younger or mid career or in a career, I know what it's like. I just want, through not just myself alone, but through guys like you and other people who have a heart also, is to show our colleagues there is a way out. There is a light at the end of the tunnel, no matter how deep you feel like you're in and how behind the eight ball you may be. There's a way out.

The best way to do it is find the right people. Jim Rohn said it best. He said, "You become the average of the people you spend the most time with." That is a truth. That is a truth. That's why I like hanging with you guys, because you guys up my game. Hopefully I up your game. We all up everybody's game. If we just go into our cave and our practice and just take that John Wayne, rugged individual and say, "I'll just crank it up myself," how far do we really get in life? You just get so far and you're topped out. As soon as something hits you, you get slammed on the side.

Dr. Phelps: Yeah, you're out. You're out of gas. You can't do it by yourself.

Dr. Boulden: Yeah, I agree.

Dr. Spodak: It's so true. So true. Good stuff, Peter. Good stuff, David. This is awesome. Awesome.

Dr. Boulden: David, I don't know where you're going in your airplane right now.

Dr. Phelps: It's getting a little bumpy. Turbulence, turbulence.

Dr. Spodak: You know what, David? I have an earthquake here in Florida.

Dr. Phelps: You have an earthquake in Florida?

Dr. Spodak: Yeah, look at that. It's going crazy over here.

Dr. Phelps: Oh, man. The whole world is shaking up. We got turbulence everywhere, don't we? Yeah, it's crazy.

Dr. Spodak: Yeah, it's crazy.

Dr. Boulden: Well, I appreciate you taking the time to come on. Honestly, this meeting has been on our calendars for a long time and I've been eagerly awaiting it. So I'm glad to connect with you and, yeah, it sounds like we've got some stuff to circle up on post-call with each other-

Dr. Phelps: No question.

Dr. Boulden: ... and that's great. The synergy and the relationships are where it's at, like you said.

Dr. Phelps: No doubt.

Dr. Boulden: Yeah. Anyway, I can't thank you enough, brother, for coming on.

Dr. Phelps: My pleasure. You guys are great. I'll let you close, Craig, but I just kick it back to you and say thank you. I've been looking forward to this for quite a while as well and I wasn't going to miss this today. Even if I had to travel, I was going to stop and we were going to make this happen, so we did it.

Dr. Spodak: Yeah. Thank you, David, and thanks for what you do for dentistry and just love not only the real estate message, but the message that freedom is in your own hands and you don't have to be a victim. I love the idea that the intentionality and the belief that you can control your destiny and not imprisoned by fact or situations or concepts that are self limiting. Keep beating on that drum. I'm a big fan, and I appreciate what you do and look forward to circling back with you.

Dr. Phelps: All right, guys. Thank you.

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