

**Ep #253: Ron Walraven - Taking What the Market Gives You**



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**Dr. David Phelps**

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## Ep #253: Ron Walraven - Taking What the Market Gives You

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David Phelps: Good day everyone. This is Dr. David Phelps of the Freedom Founders mastermind community and Dentist Freedom Blueprint Podcast. Today, I'm going to have a really fun and I think intriguing interview with a gentleman that I'm really getting to know better myself.

But I'll tell you first and foremost that we have met through a common affiliation; that's a group called The Collective Genius, a group that meets quarterly and really contains the top caliber real estate operators, business owners from around the country. And Mr. Ron Walraven, my guest today, is one of those members. Ron, how are you doing, sir?

Ron Walraven: I'm doing fine, sir. How about you?

David Phelps: I'm doing great. Ron, people may wonder why I have you on today, and I need to get a little bit of your background, but I think they'll find great relevance in our discussion. Ron, you were originally an auto mechanic. You're out of the Detroit area. Troy, Michigan, correct?

Ron Walraven: That's correct.

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David Phelps: And so you started out as an auto mechanic, and then you ran into a health challenge, not uncommon for a lot of people, health challenges. And because of that, I think it was back issues, you had to pivot. You had to make a change because at that time, I don't know how many you had, I think your son Matt was born about 1998, around the time you were making this switch. Is that correct?

Ron Walraven: That's correct. He's never known me to be an auto mechanic. Once he was born, I actually went on leave. Went back for a month, hurt my back totally, and I haven't fixed a car for money since, since he was born, actually.

David Phelps: That's got to be a scary, frightening thing for the head of household, breadwinner, for anybody. I don't care what you're doing as you've got to figure out a whole change. And so give us some indication, how did real estate pop up on your radar? Had you been studying it? Did you know somebody? What allowed you to pivot towards real estate?

Ron Walraven: I mean, along the way as an auto mechanic, I had been into the business at that point around 17 years. And I think generally human nature says you get kind of restless as an entrepreneur type guy, so roughly five, six years before that, I had kind of looked into real estate stuff with a few of those guys. A lot of those were guru forerunners in a sense.

I bought some books. I kind of was intrigued by it but never really could get out of the mechanicing business because there was a lot of debt and a lot of pressure financially just to keep moving. I had a child, bought a brand new house in 1995-ish, and then just steadily, my back just started giving out totally. It was June of '98 when

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I finally just had to quit and go to therapy, and then I never fixed a car after that for money anyway.

I made that transition. Now, fortunately, my wife is a tenured school teacher in Troy Schools in Michigan, and she had a really good job pay-wise, salary plus benefits, so it allowed me to ultimately make that decision to get out of the mechanicing business, which the backer told me I had to, to transition into it. I'm a shop rat in a sense. I was sitting around trying to figure out, "How am I going to make ... "

I was making close to six figures humping on cars, and I thought, "What am I going to do to do that without going back to school?" And I said, "Well, I'll do real estate. That's what I'll do." And I remember telling my dad that story. He says, "I don't know if I would do that if I were you." Well, I don't have any much choice. While I was recouping from the surgery, I went, took my real estate class and got my license, and January of 1999 was when I became licensed.

David Phelps: Became licensed, and I think one of the keys of your story so far, Ron, is that like a lot of people, like a lot of us that have that entrepreneurial spirit, you went into a career, a business, profession, you can call it whatever you want to, and it was putting food on the table. And you were making a darn good living, but things happen in life, many times out of our control. And what I tell doctors many times is you may be doing well in your practice right now, but the winds can shift.

The currents can change. It can be a health issue. It happens to dentists and doctors all the time. Back, neck, hands. It could be eyes, and then the economic climate

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can change. The industry can change. We see all kinds of disruption today in all kinds of industries. Real estate is certainly not excluded. You're seeing it right now in what you do, so I think the key here is that early on before you even had the back issues, you were looking outside of the auto business and saying, "Well, what else is out there?"

And I'm like you. I was doing the same thing, even though I was going into dentistry. I got the same stuff from Carleton Sheets, Dave Del Dotto. There was Robert Allen a little bit after that. Right about the same time you were studying it, I was kind of ... Well, so you were '90s. I was doing it in the '80s, but anyway, same thing, same history, same path. I was curious. You went right into it.

You became licensed, and what was the opportunity in front of you that you kind of jumped on? Because you became known as not only a licensed broker but really one who sold a lot of REO, so we probably better describe what that is and kind of how you got into that niche. Why don't you take it from there?

Ron Walraven: Well, what's interesting is even as an auto mechanic, nobody ever cut me a check without working. I didn't go to work and punch in and then punch out and get a check, so even in the mechanic days, we worked by what we call a flat rate hour. Anybody that's ever got their car fixed, you know that you take it in. There's an hourly rate. They charge that to you. As a mechanic, I just got a piece of that hourly rate, so I had to turn in the term we used, or complete, those hours of service to get paid. Even then, before I was ever a self-employed real estate guy, I still had to make my money.

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I still had to show up to work, do the work, sell the work, and then get it done to get paid. When I had to transition through the auto business into real estate, the business sense I had or the hustle, really, was already there. And of course, and that's kind of when I was restless at the end, and a lot of people know that you master something in about 10 years because generally, you're in a system for so many hours, you master that.

But when I look back at that, it's almost perfect sense that I was restless around 1992, '93, which would've been about 10 years into my mechanic career. I was working myself out. Physically, my body gave out, forced me into doing what I had to do. And so then I got my license, and what transitioned was because, like I said, I was more of a shop person, so when I started doing retail real estate, it just wasn't what I liked.

I'm not a drag you around on the weekend looking at great houses. That's not what I wanted to do, so the broker that I ultimately got my license under when I got out, got my license, was doing REO business for the banks, foreclosures for the bank. And one of the guys that he was due on his account, one of his accounts, he just wasn't doing what he needed to do. The broker gave me the account.

It was AmeriQuest Mortgage, 1999, and he handed that to me. And then I just started doing broker price opinions, which is how you tell the bank how much it's worth. And in those days, it wasn't prevalent like it is today. There weren't online systems for uploading photos and doing the BPOs online and things like that. We did everything on paper. In my early days, I used to take real photos and

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glue stick them to pieces of paper, stick them in a package, and send that to the bank overnight. I literally was doing 10, 12 of those a week at the beginning, which would be around 2001 to 2004-ish, five-ish.

When the world started turning digital, things got really prolific in regards to that process, and efficient. But I'm still a techie guy. I like phones, computers, online, and I took that one account, turned it into two or three with Option One and 1st Franklin and a few others and turned that business into a viable product that the referrals were coming at me. I didn't have to work so hard to get the referral, but I did to keep it. I didn't have to go out and find listings every day. They would just come at me, and I became very good, and the banks could rely on me to do the right job and to have some integrity.

I actually created a whole, which I live off today ... During those days of not being that typical REO guy that was always trying to jam in his deal to get double commission, I was always on the up-and-up, and if you wanted the deal, you had to make your best offer. I wasn't going to give up those numbers. My integrity in the business, I live off of that today. Regardless of how investors come to me, you know that Ron does what Ron says he's going to do at the end of the day.

David Phelps: That's what you're known for, certainly in The Collective Genius arena and certainly in your network there in Michigan. And so I think a couple keys there. One, you found a void in the market, something that wasn't being handled well at the time, that is helping the bank sell their foreclosed, their REO product. You found that niche. You became very good at that.

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You didn't try to do all things real estate. You focused on one thing, and you focused on doing that very well, with integrity. People knew you would do what you say you would do. Those relationships started to run deep, and as a result, you were the go-to guy for that whole area. And so you created a market, a business out of a void in the market.

You really were solving problems that, up to that point, really no one else was even close to what you were doing. And so this business built up relatively rapidly because of who you are and the fact that you're a hustler. You do what you say you're going to do. Now, what happened that turned things upside down in 2008, nine, '10? Tell us about that period.

Ron Walraven: Well, like most guys ... Because a lot of guys that are in the business today can remember those days. That was the beginning of what we're running through today. In my opinion, we're probably at the end of that run, really, in regards to the down and then the upside of it. But what happened around 2008, I went from a ReMax broker to a Keller Williams broker. July of 2008, we did our best month of 41 transactions closed with close to 110 in GCI.

Now, if you put those numbers together in retail business, then that's not very good, but we figured that my average commission was only 15 or 1800 bucks, but I had to do 40 deals to make that hard grand. That's a lot of business to get going, so around that time, the world was imploding instead of just the Midwest. We were fortunate, in a sense, that the Midwest was where all the REOs were: Indianapolis, Chicago, Detroit, Cincinnati, Cleveland, all that kind of stuff, that Midwest Rustbelt. About that time,



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Michigan decided they were going to put a moratorium on foreclosures, and I think it was roughly early 2009.

And I remember standing up and walking to the drawer and counting the files, and I looked at my staff of eight, nine people at the time. I said, "We're going to be out of business. If nothing changes, we'll be out of business in September of 2009 in regards to the files." That's exactly what happened. As that approached, I didn't want to switch to short sales, which a lot of the local guys were doing that were doing REO like me. I didn't refuse. It wasn't my MO because a lot of those guys were retail brokers that lapped onto the pigtails of some of us who really kind of blazed that trail in the early 2000s of REOs.

Those guys, now they're hawking the banks like we had never done, and now we get online platforms. People could sign up. They can buy zip codes. They shortened our areas from being whatever we could do to this 20 mile radius around our office. A lot of guys took a stance, and brokers took a stance of, "Well, I'll just get two more offices and call it an office," so that they could get some more work. I refused to do that. That's an integrity issue for me, so as that approached, I just started to transition. I started dwindling my staff. 2010, I went to Arizona to try to buy some houses in Phoenix and to work some REO.

I'd got my license in Phoenix and tried to work it out there. About that time is when the market just totally tanked in Phoenix and Mesa area. Late 2010, I came back with my tail between my legs and said, "You know what? I'm just going to start a wholesaling. I'm going to take the buyers list that I had from all of those investors that bought all those houses from me for 10, 12 years and just work that

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end of it." Actually, I still have a folder on my computer, it's called "Offers 2012," to remind me when all of that started. And so around that time is when I just started looking for wholesale deals.

Interesting enough, in 2011 and '12, nobody was a wholesaler. Most people didn't do what that is, so we blazed that trail again to what we are today, which everybody wants to be a wholesaler. There's lots of people teaching it, a lot of good people teaching the process, and so I'm in that midst of it. And I've garnered my name again at the top of a heap within Detroit in the sense of being one of the high-buying wholesalers in town, that we market the way we should; we do it with integrity; and so on and so forth.

David Phelps: And so that people listening to understand what the wholesaling aspect is, what you're doing is you are finding motivated sellers or opportunities to buy product, the real estate. I assume it's mostly single family, Ron?

Ron Walraven: Yes. Yes.

David Phelps: And so you'll contract with a seller based on a price, and you know the market. One of the keys here is you know the market very well. You know what things will sell for, and you contract, and then you have that contract, and then you can sell or sign that contract to a buyer. And typically, these buyers are going to be other real estate investors or people who want to have buy-and-hold rental properties.

They don't want fix them up, so you're, again, creating a marketplace because of your knowledge of the market, your network, your ability to lead generate. And you're

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creating a spread there, similar to what you did when you were selling the REO properties, right?

Ron Walraven: What's interesting is what really has given me a little bit of an edge in that wholesaler type market is that during my REO broker days, we always had to do broker price opinions to give values to the bank, so I drove the streets of Detroit and the general Detroit area to take photos of houses and then do those values. You have to consider, just for a sake of numbers, I sold roughly about 3,500 REOs in 10 years.

You take each one of those, and I did at least three VPLs per, that's close to 30. If you think about that, that's just hundreds and thousands of values so that now ... I'm not as good at it now just because I'm not necessarily doing that in the field; I have people that do that for me now, but at the beginning of my wholesale career, you just tell me the address and the street, I could generally tell you what it's worth, subject to the condition.

I took that talent and that respect, and of course, I'm a hustler in regards I like to make deals. You take that talent of knowing numbers and then be able to be empathetic and negotiate and do all of those things that we do as a real estate investors, I turned that all into a viable product just to use and then grow. And we've grown it, for sure. We're another nine-person team again, and it's interesting. It's like my mind was stretched in 2008. It shrunk in 2012, and now it's back out here again. The balloon was already there; all I had to do was fill it back up. And it's interesting because in 2008 and nine when it was starting to dwindle, I already had online that we called ... GoToMyPC was what they called it in those

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days where you could log into your computers from a remote. I was already doing that. I had sent all my staff home to log into computers that I had sitting in a big office so that I didn't have to pay them to drive, and they could stay home with their kids and their dog and all that. And so interestingly enough that when the internet world came about, and now everything we do is online and high speed, it's easy for me.

None of my staff that works for me today, we don't sit in a room together. We're all remote. We all talk like we're talking on video for meetings and stuff. I mean, we do meet once in a while, but generally, we don't see each other in physical form.

David Phelps: It's definitely changed the world and how we work. No question about it. Ron, you've expanded back out again. You're serving the market by being a premier wholesaler. It's what the market allows today. You've been through now a couple of major changes, shifts, and you just mentioned a few minutes ago, which I agree with you, I think we're somewhere at the end of this market cycle.

You're very good at looking ahead and very good at adapting. Can you tell us how you're kind of looking at what happens when we do have the next shift or correction? I mean, how do you iterate? What do you do? Have you put things in place right now in advance so you can kind of make those moves and shifts with your team?

Ron Walraven: Yeah. I mean, I actually created a local mini-CG, in effect, where I did an invite to about 20 guys, and we've met four times now. Just this past week, we had that meeting, and we talked about what does that look like in Michigan? And interestingly enough, Michigan is its own animal.

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Obviously, the West states are different. Florida is different, so on and so forth. Michigan never had the run up in 2007 and eight.

It had a steady run, and then when it died, Detroit died because of the exodus of the auto companies, all that kind of stuff. But then it's risen slowly unlike some of the other areas that are normal or outside of the normal that rise quickly, so we've always had that steady up and steady down, being able to predict it. Personally, right now, I think that the market in Michigan is at the top of it.

It's kind of floundering at the top a little bit, and the reason I say that is because of course the world tells us the world is falling apart. You listen to the media, the whole world's falling down, but in Michigan, the market is very steady. But in my world of the stressed out product, it's been a little difficult in the last four or five months to move them quickly. Number one, the sellers are a little more savvy in what they know, and the product we're buying tends to be more expensive than some of the smaller stuff. I mean, so the answer your question is I don't think it's going to dive like everybody's thinking it is. I think 2020 is going to be a good, solid year where you're not going to die tomorrow if you just be smart.

A lot of local guys are hoarding their cash. They're cashing everything out or taking away their leverage on their rentals, or taking that cash and putting them into rentals so that they can get out. A lot of guys are selling them all off to get the cash. Personally, myself, I'm looking for those guys getting out that want to sell for cash that are good cashflow. I like velocity of money so that the effective rate ... I'll pay some extra interest for the velocity

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because I'm going to use it. My bent is to use it quickly and fast and twice and three, four times to lower the effective interest rate that I'm actually paying, not the annual.

And it's been working for me. I think a lot of guys are running at multi. Initially in the beginning of 2019, I was taking a stance, "Well, let everybody run that way. I'll run the other way and pick up what they're not," which did work. I mean, right now, we've got 35 properties in our inventory, so we've been hitting the single family market hard. And then I've just been kind of cherry-picking the multi stuff if it comes at me. I network a lot. I'm a vice president of the local one, the mastermind that I just mentioned that I created with some local guys, which is not a normal scenario where you get in a room full of the top guys in your neighborhood and tell everybody your secret like we do at CG.

It's not normal to do that, so I've created this little world of 20 guys that say, "Look, nothing goes out of this room, but you need to give it up in this room." And it's worked well for cooperation to be able to talk about that market. What does that really look like? And one gentleman, actually, he's a pretty good data guy, he showed the U.S. average numbers. And Michigan has always been low, always. Even when it's climbing, Michigan's mirroring it down here and then maybe even steady when California, Florida, and the East coast are just going crazy.

Michigan has been a steady Eddie, and as a wholesaler, what do I need to do? I need to take a snapshot in time of what a house is worth, pay a little bit less so I can sell it for what it's worth. That's what I do, and we've been very

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successful at it this year. We've done 130 deals this year, closed wholesale deals, so the Lord is blessing me in that way, meaning I do things on purpose, not by accident, and what God puts in my pocket, I give it back to him and use it to feed my family. That's every day, any day.

David Phelps: Ron, you have the business in real estate. Are you also an investor? Do you hold property? Do you build cash flow streams in conjunction with your transactional income?

Ron Walraven: Well, you know something? I mean, as Matthew probably told you, my financial story has been a roller coaster in a lot of ways. I've made a lot of money, but also, I've used it and lost it in regards to just not switching gears maybe as quick as I should and or just being generous. My staff is important to me. Is our company important, and first and foremost? Yes. But also, I gave a commitment to people to do what we do, so I try to push that out and try to adapt, like you're saying.

And if I can't do it, then we just got to go. I just say, "Look, guys, we can't do it anymore. Here's where we're going." The answer to your question is I don't do it on purpose. I don't go looking for rentals. If sometimes it's a house I paid too much for, wholesale side, I'll just rehab it and put it in the stock. I'll go get some cheaper money because I buy everything with private money, which is minorly expensive. It's not hard money rates, but it's not private money rates either. And it's because the partner I use just gives me the money at my word. I don't have to give him a package. I don't have to sell it to him. I just call him up, say, "We got this deal. Here's the numbers I need." He does it, so that money is always moving and shaking.

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I have to get that money out of the way if I'm going to keep it. And in 2019, I mean, we've lost physically money on maybe three deals where we just didn't hit it, and I just unloaded it just to get rid of it. But of course, the Lord's blessed us enough where we have enough resources to cover that. I look at things like a big picture. Did I make a million bucks? Yes. Did I lose \$20,000? Yes. That means I made \$980,000. I didn't lose 20; I made 980. To me, that's the way I look at it. I just keep moving forward and just do what I got to do.

David Phelps: You talked about using private capital, and I'm a big fan of that as well. That's really how I built my real estate portfolio up over many years is private capital. You mentioned you've got one person, and over my career span, I could probably count probably five main private investors who were with me for many years. Just as you said, you build up a reputation, integrity. At first, when someone starts with you, they want to see what this looks like if they've never done it with you or not sure.

And once you build that track record, they get pretty comfortable, and private capital, private money allows you to move quickly. I mean, that's the speed. You talked about velocity of money. You can move fast. You don't have to go in front of a committee and get appraisals and have a committee rule on whether or not this deal you're doing is worthy because by the time they would do that, it's gone. A lot of people outside of the real estate arena don't understand private capital because they're used to using the banking system, and the banking systems there for a reason.



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It serves a retail marketplace, and most everybody's touched that to some extent. But private capital, as you said, the cost to you is kind of in between what you could get if institutional money made sense, and we know rates are low today in that respect; and hard money, which are the short term rates, which can be at the higher end of single digits or entering double digits. But the reason private capital works for you is because you found that sweet spot, and you know what your margins are.

And you give enough to that investor who really just relies on you, your wherewithal, your knowledge base, your track record, your integrity; and that person or other people are happy to provide that capital to you. Is that basically how it works? Would you add anything else to that conversation? Because a lot of dentists want to know "How do I do this?" and "How do I establish this kind of relationship with someone like a Ron Walraven?"

Ron Walraven: I mean, the guy that I speak of, you know him. He's my partner, Jesse, and Jesse and I met through just doing deals, and we have the same worldview, so we kind of hooked up together. And he's the money and the tech guy behind everything, and I'm the real estate guy that's putting the deals together and selling them. What I developed after some time of doing that was as you network, people want to know what you're doing.

Of course, a lot of guys want to be real estate guys but don't have the time, but they've got some IRA money or some cash, obviously like what you're doing. And what I realized was the velocity is what's key, so I just reached out to some guys and said, "Hey, if I give you this interest rate, will you just give me the money? I've got a doc

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package that'll secure it with everything I own. If something happens, you're secured with the real estate."

The real estate is volatile, meaning it's not always the same, and we're not going to lean up on each property every time with your money, but if you just give me a line of credit, I'll give you a personal guarantee on everything that this particular company owns, and if something goes backwards ... " I'm giving them that peace of mind, and I've managed to collect about a million and a half dollars worth of line of credit money like that. That's more expensive than Jesse's money, which is fine, but the velocity of how that causes me to be able to do things ... because then I can borrow money from Jesse for the deals, and if I need to rehab it or to pull out the carpet and put in new or something like that, then I've got some money that I don't have to go after to him to get. I just go into my bank and grab it, put it into the deal, and then I give a good return to those guys that are leaving that money sitting there.

And they're very happy with that. Some of the people I have are people from church. They're just people I know personally. They've been referred to by a few others that I've done the business with. I just recently got pre-approved with Lending Home. I haven't used that yet because this is more traditional hard money where you've got to put the downstroke, and they got to do the BPOs and early appraisals, and just like you just mentioned, it's quick enough, but what I've developed in the market as wholesaler is that we are wholesalers, but once we get through an approval process on the front side, we always close. In other words, we don't string you out for three

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weeks, and I can't find that buyer, and then get out, or renegotiate with you and then get out.

So once we put you under contract, it comes to me, and I got 48 hours to approve it or disapprove it. We negotiate at the beginning, not at the end, so if for some reason, if we see it and that misses it, I don't get any bites on the assignment, we just close. I get the money from Jesse. We close the deal. Then we clean it out, do whatever maybe minor repairs that may make it better, and then because I'm a broker in Michigan, put it on that multi list and sell it the traditional way in regards to an MLS sale.

David Phelps: And that's a big part of your integrity. By going and closing those deals and only holding the seller to a 48-hour due diligence on your part, it's either a go or no-go versus the typical ... Well, many wholesalers which, as you said, stretch things out for three or four weeks because they never closed on the deal, you do it differently.

And again, I think that speaks to what you said: you are a reliable source of transactions. People know that when you say, "Yes, it's a done deal," it's a done deal. And you don't go back on your word, and you make up for any potential not so good deals in volumes because of all the deals you get to do that.

Ron Walraven: Well, we train our acquisitions guys to get contracts. That's what they're supposed to do. They're not going in there just like a listing agent that just lists anything. They go in there with some knowledge, and some of those nuances of things they don't know as much as I would just because I've been around for many years. Our contract even says that if we get all the way out of your deal ... in

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other words, I get to the 48 hours, and I just tell my guys, "We're not buying this house at all," just flat out, "It's got this problem, this problem," it's like, "I don't know who this buyer is on the other side," then we give the seller 250 bucks to get out of the deal all the way.

They have some confidence when my guys are handing that contract to them that one of two things is going to happen, or three things. We're either going to say, "The price needs to be here"; or we're going to move forward; or we're all the way out, and we're going to give you \$250 for your trouble. And then they're only off the market for three, four days tops. And if it's a weekend, then it might be five days because of the weekends. But the sellers have complete confidence in the fact that like I've said before, we're going to do what we say we're going to do end of the day.

David Phelps: Well, you make it easy to do business, and I think that's a key for anybody in any kind of business. You got to make it easy for the consumer, the client, the seller to want to do business with you. And so you've done that. Last question, and this is maybe a big, overriding question. You've given us I think a lot of great insights into how you've looked at your life and gone through iterations when you had to.

Ron, that's a great lesson for everybody, but is there any overriding lesson that you would give other than what you've already given us in terms of how you do business, and any last thoughts about changes in the market or how an entrepreneur has to look at volatility and disruption? Anything else on the top of your mind that you would add to the conversation today?

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Ron Walraven: Well, I just think perseverance is the key to anything, and of course, obviously, we're put on this earth to feed our families as men. That's what we're supposed to do, and you're supposed to lead that family.

You're supposed to protect them. When we get to heaven, God's going to look at me and say, "What did you do?" I take that seriously. I'm sure Matthew told you a few stories about how he saw his daddy persevere -

David Phelps: Yes, he did.

Ron Walraven: One of those times, he might've told you that penny story, and that's why he is who he is today in a lot of ways is because he saw his dad just do what he had to do and make things right with people that maybe would have been harmed unintentionally. He saw me deal with that and to take care of that, so that perseverance of doing that is what's shaped him today. And at some point in the next four or five years, he's going to beat me inside of our business, and I'm going to be someplace else not in the cold winter of Michigan because see, I got a sweater on.

I don't have a tee shirt on like if I was in Florida. It's cold in Michigan, and my 56-year-old body's done with winter Michigan, Michigan winter. I'm moving, but back to the point is perseverance is always where I'm at, and you got to have some integrity to do that. And that's difficult to keep that reputation of doing that. And back to the penny story with Matthew, he saw the struggle because he was born in '98, so around 2008, he was 10, 11 years old.

He was old enough to know that there was some struggle there. He came to me one night. We were sitting at the dinner table, and he brought his bag of pennies that he

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had been saving. He gives those pennies to me, says, "Here, dad. Pay some bills with my money," and it tears me up every time I talk about it, that loyalty that he's ... I taught him something, and just some things you do to feed your family, which I did 2010 and '11. I sold stuff. I sold everything I had to keep food on the table and a car in the driveway and then transitioned into that wholesale business out of necessity as opposed to wanting to.

Today, as things are growing again, I've learned all those lessons then because I wish I had done real estate 10 years prior to when I started because how much smarter would I have been in 2008 and nine? Which a lot of guys did take advantage of that where they bought a lot of property that was cheap. I think that that's common. Again, I don't think it'd be quite as harsh, but I think that that buying frenzy is going to be a little ...

People are going to be a little smarter about it when it comes again. Of course, in Michigan, Michigan got hurt pretty hard on the downside just because the auto companies did what they did, the attrition. GM went bankrupt. Whoever thought in a million years that GM, the biggest car company in the world, calls bankruptcy? Nobody ever thought that would happen, and of course, who bails them out is the unions. The unions are the ones that bailed them out and got their pensions. My father is a retired GM engineer.

2006 he got out, right before that crash of GM's financial world, and he got out at the right time, but a lot of those guys' pension got devastated by that bankruptcy. And course, the UAW is the one that took it all. If you talk to my dad about that, he's not bitter, but he'll tell you the real

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story about what that looks like. He was fortunate enough to get out, but he's got friends that didn't, and on the white collar side of that, that was tough for those guys to go through. The legacy cost is real. It was real.

David Phelps: Ron, it's been really great to talk to you today. You shared a lot of real world, real life stories of perseverance, doing the right thing. And you're absolutely right. Our kids, we may not think they're watching, even when they're very, very young, or listening, but you showed it well that they do. They watch. They listen.

They see what we do, and we are teaching them lessons whether we realize it or not the whole time they're growing up. And how we act during not just the good times, but how we act during the tough times, is what they realize, and so that legacy that you've set in place already, and you've got many years to go, but you said it well, sir. I appreciate your time today.

Ron Walraven: And what I've recently told Matthew is ... because he's my kid, so there's still that obedience issue in place. He's just going to do what I tell him to do. I point blank told him, "Look, if something's bothering you, you need to tell me." Now, if I say, "This is what we're going to do," you need to do that.

But I also want you to give me that feedback in a way that makes me listen because I'm not that smart. I don't think any real estate guy is that smart or that stupid. I just think we just do what we got to do with our knowledge base, and we move forward and just do what we have to do.

David Phelps: Well said. Well said. Thank you so much, Ron. Loved talking to you today.

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Ron Walraven: All right, thank you, sir.

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