

EPISODE 305

[INTRODUCTION]

[00:00:00] ANNOUNCER: Welcome to The Real Estate Syndication Show. Whether you are a seasoned investor or building a new real estate business, this is the show for you. Whitney Sewell talks to top experts in the business. Our goal is to help you master real estate syndication.

And now your host, Whitney Sewell.

[INTERVIEW]

[0:00:24.1] WS: This is your daily Real Estate Syndication show. I'm your host Whitney Sewell. Today, our guest is Matthew Baltzell.

Thanks for being on the show, Matthew.

[0:00:31.9] MB: Whitney, it's a pleasure to be here. Thank you for having me.

[0:00:33.8] WS: honored to have you on the show Matthew. Matthew works at Boardwalk Wealth, a private equity company in Dallas Texas which specializes in acquiring large, multi-family apartments. He's responsible for market research, due diligence, acquisitions and investor relations. He's a host of the podcast Real Estate Journeys, a podcast for new real estate investors looking to scale their business and thrive as an entrepreneur.

He's based out of Chiang Mai Thailand and is a travel enthusiast. Matthew, thanks again for your time. I'm looking forward to this conversation about mentors. It's a big topic, I hear it all the time. Calls, every week, numerous times about, "how did you pick a mentor, how did you find them, you know, it's such a big decision, right? Do I spend all this money, do I not, what do I do? You know, how do I know this person's going to be the best mentor?"

So, looking forward to this conversation. But first, give the listeners a little more about who you are and obviously, you know, you're halfway around the world, but you're working for a company in Texas and give us a little background?

[0:01:35.2] MB: Yeah, you know, my story's a little unique like you said. I live in Cheng Mai, Thailand right now and going back to some prior real estate, back in 2008, I helped my mother manage about 10 single family homes, we had a portfolio. And like most people at the time, we were a little over extended and we basically kind of went belly up and my mother had to liquidate all the properties and get rid of them.

So, fast-forward to June of 2016, I left United States to go travel the world and I wound up in Thailand and where I fell in love and I met my beautiful wife Bew. We got married last November and we are expecting our first kid come in January. I'm definitely excited about that as well but –

[0:02:18.7] WS: Congratulations, wow, that's some big news.

[0:02:20.9] MB: Yeah, thank you. Thank you. In the interim, you know, I was thinking about going back – when I'm going back to America, “what am I going to do?” You know, just kicking around the can of like would I really want to get my life back into professionalized. I've started thinking I want to get into real estate which avenues do I want to go into, then you know, multi-family's definitely a hot topic right now.

Then I kind of thought to myself, you know, “well, I won't be back for a couple of years, you know, maybe I should wait, right?” Kind of making excuses up in your head like everybody does in how you want to justify anything. So, I told myself, I can't do that, then I was like, you know, how about I take a course?

I took a course on UCLA online for commercial real estate and that started piqued my interest, I started educating myself. Then I wanted to really start ramping it up and so I got on some forums in Thailand and everyone was like, “you want to buy a condo in Thailand?” And I'm like, “no, no, no, I'm talking about American real estate.”

They're like, "yeah, oh, so you should go to America." Okay, well that shuts that down. So then, I wound up joining Bigger Pockets and you know, you start reading the comments and you can kind of get a general flow of things and I thought, "how can I be different, right?" I thought, well, "not everybody's in a big MSA area, there has to be some people in the middle of Kansas where there's no meetups and stuff like that. I said, what if I started a digital meetup?"

I was like, "yeah, that's a genius idea, started digital meetup." I posted on Bigger Pockets, you know, hey, who's interested in starting or joining a digital meetup? Probably about eight people got involved and were like, "yeah, sure." We had a guy in Arizona, in San Francisco, outside Pittsburg, New Jersey and myself and another gentleman in Denver, Colorado.

There's about eight of us, we met for two or three months but the key thing about this was, when I posted, one of the comments that was in there, she's a lady, she's one of my mentors today. She said "hey, you know. Let me know how everything's going, I'm really interested in your story, let me know, follow up with me in a month."

So, I did that and she's like, "great, I love your progress." Follow up with me in two months, right? Boom, did that. About, I don't know, maybe two or three months from the time I initially posted, she saw how serious I was and she said, I think I was reaching out to her about syndication calculator, something along the lines of underwriting, right? She says, "why don't I put you in touch with Omar?"

I was like, "okay, who's Omar, I don't even know." Just at that time, Boardwalk Wealth was starting to ramp up and starting to go off and I did one thing for Omar and he was like, "good, why don't you do another thing? Why don't you get some comps, why don't you do this, why don't you do that?" It just kept building and building from there. And then now, I'm working as you said, I'm working as an analyst, I'm working in all things acquisitions. And my current focus is to really help other people show that you're in America, you really don't have an excuse if you think you really want to get into commercial real estate.

If there's a will, there's a way and so on today's episode, when we want to kind of talk and educate your listeners that are listening out there, how they can go about educating themselves and finding a real estate mentor. So, I've come up with this five stuff –

[0:05:58.4] WS: Even if you're halfway around the world.

[0:06:00.4] MB: Yeah.

[0:06:01.4] WS: Even if you're halfway around the world and even if you are listening to this and I know I say real estate mentors but a lot of these can be applicable to – in the industry that you're trying to reach into. I developed these five steps to finding real estate mentor for free or real estate mentor for free.

First, everybody should know is that mentoring is not about you and that I feel like is the first misconceptions. People come across needy, "it's about me. It's about me." You know, people are coming at it for the wrong angle, it should be about helping the other person.

The first step is you're going to want to do is become a person of value. Now, if you think about it in the marketing world, they call it the spiral effect. If you think of like a tornado, like a core keep going up and up, right? People want to be around people that are making moves and going upwards momentum and I believe that's one of my successes of starting a podcast and starting the virtual meetup is people see that and they see you as more credible, more serious. And therefore, they're more likely to help you and not expect anything in return, but you might be able to help them down the road.

So, first thing you want to do is become a person of value. What are your strengths, what are you good at? You might be on [inaudible 00:07:24], it might be communication. I know people that are listening to this might think that they don't have something to offer but that's not necessarily true.

You can go on people's websites, you can look at you know, their copywriting, their photography, their videos, a million different things. I have a list; I'll introduce the list later.

But the second thing you'll want to do is what you have to offer and then you want to develop a credibility kit. In this syndication model, you know, people speak a lot about credibility kit, your team, but think of it as thee way of being – when you are looking for a mentor, you are your own

entity. So, you're going to want to have your own credibility kit. Now, a lot of people shoot themselves in the foot and they say, "I don't have anything or you know, I'm just not good enough."

[0:08:13.6] MB: It's a mindset problem already isn't it?

[0:08:15.2] WS: Yeah, it's your mindset. So, what you want to do already is you don't want to limit yourself. You never want to say anything negative about yourself. If you've read a thousand books, you've read a thousand books, that's a start. Don't say, "I've only read a thousand books, I don't know anything."

You've read a thousand books, you know something. You're going to want to create a website, you're going to want to develop yourself as a personal brand, whatever you want to do, start there. Develop a website, second you want to do, you want to put pictures, you want to add things to this website that you've done.

So, imagine if I'm coming to you and I say, "Whitney, I really want to get involved with you, you have several people reaching out to you every single month. You know, who is credible, who is not?" I'd imagine you come across me, I say, "Whitney, you go to my website, I've read a thousand books, I've taken a course, I got a 2.9 GPA, I had bad grades at first semester but I was working 40 hours a week. I walk several properties, I know cap rates in this area." And you're like, "all right, the spiral effect. This guy is going up, I don't know, I kind of like him."

I don't know anything about the Tucson market but he says he's got it covered, "shoot me a report, I'll get back to you in a month."

[0:09:21.1] MB: It's a way to stand out, right? If I got numerous people asking this, I do. Often. You can say, "hey, Whitney, I've done these things, I understand." You don't have to be this very big entrepreneur yet but most people can do something like data research, you know, even if I have to give you some guidance on what I'm looking for. If you show me just what you said, you have done these things, you've put yourself out there, you've educated yourself some, what you can do.

I wouldn't expect you to be an expert or you wouldn't be reaching out to work for somebody else, you'd be doing it yourself, right? That's some great points.

[0:09:54.3] WS: yeah, if you're not going to sell yourself, nobody is going to gas you up and sell you. You have to be able to sell yourself to get your foot in the door. Once you get your foot in the door, you know, think about if you're trying to go to the grocery store. You're going in there, if you can't even get in, you can't even buy any food. But once you're in there, you're like, "I came in here for chicken but these Doritos are looking good."

My appetite's adapting, right? You're going to want to sell yourself. Website, create a thought leadership platform, I'm not the most experienced person in the syndication model. I'm almost I'd say, pushing around two years now but I wanted to create a real estate podcast, get other people on my show and network and develop my skillset, so when I take my skills back to America, I'll be that much more developed.

So you can create a thought leadership platform. Courses you've taken, there's no excuses, you could take online courses online, you can go to your community college, you could take several of these courses, syndicators have. They're all mine, right?

Degrees, and you want to get pictures, testimonials, you know? You might know a Fortune 500, fastest growing entrepreneur top 30 for 30, whatever. Get a testimonial, put that on your website, once again, the spiral effect. You know, you might see on LinkedIn that Whitney's connected to so and so and he's a senator or a governor from the States, right? So that's what you're going to want to do initially and you're also going to want to identify what your weaknesses are.

If you approach somebody and they say, "hey, you know, I am looking for somebody to underwrite." You don't want to lie, right? You want to be honest and it's not to have weaknesses so it's okay to be bad at something at first but you must progress and learn from it. You must be honest if they say, I know a little bit about underwriting like let me figure it out, come back to you, you know, progress from there. Know your weaknesses.

Second thing you're going to want to do is find someone you want to be like. Go to meetups, listen to podcasts, read books, journals, go to Facebook forums, listen to great podcasts, like yours. Listen to the people that are on the podcast, go to their blogs, see what they're writing about, see what podcast they've been on, educate yourself and you can really start learning a lot from these people.

You say, "okay, I want to emulate myself." A lot of the syndication model is you know, it's almost like simple plug and chug like you know, you're going in, you're adding some simple value, you want to increase the NOI, you want to reduce your operating expenses, okay, done. We're going to sell this in five years, on to the next one.

Go in and create the NOI, drop the expenses, get a good management team in, okay. Sell in 35 years. So, rinse and repeat. That's a lot of like what you're learning from these people is, if they've been doing successfully these clues, so long as you are listening in your following, what they're doing, odds are, you're more likely to be successful.

Right down the observations that you find within, on blogs, what are people talking about? What are people saying? Learn the lingo, learn the jargon and you'll really be able to start picking out, kind of like a niche of where you see that you could fit in.

Even on that finding someone that you want to be like, most likely, this person has posted numerous times on social media or Bigger Pockets even more specifically. You know, where you can learn a little more about them and what they're focus is and even some track record and even see what other people are commenting, you know, their post so you learn more about that individual.

[0:13:31.9] MB: Yeah, definitely. And so, when you're seeing all this stuff, you should be starting to develop a clear picture of where you see yourself fitting in within the industry. And I know that sounds a little bit nebulous but you're going to have to develop your own style of speaking, you'll develop your own style of investing and you won't know until you really put yourself out there, so you must start. The third thing is, you must have clarity.

What are your goals? Are your goals to become a future sponsor? Do you want to raise capital, do you want to own 10 units a year or acquire 10 units a year? Do you want to own a thousand units in six years? I think that's important to really know and clarify your goal going in. And that can always change and I know everybody says the syndication model is going big and large multifamily apartments, but it's not for everybody.

You know, I could even speak on my behalf like I'm finding my own place within Boardwalk Wealth and you know, where things are as well. I'm like, "hey, man, maybe I'm cool with like being Scotty Pippen. I don't need to be Michael Jordan when – I'm still on the team, you know?"

I get to travel the world; do I need to be the main guy? These are all kind of things that can – your goals can constantly change but I think it's important to have a goal going in. Then, why? Why do you want a mentor, you know? Mentor might ask you that, "why do you want a mentor?" "Man, I want to get rich and I want to do this." And man, everybody's busy, you know?

All the sponsors, capital raisers, time is limited and if you can't sell yourself and you can't explain to somebody why you want a mentor then you're out of luck. And also, what are your expectations? This is why I say free mentor because I think it's the best way to go about it. Because when you put money down, it definitely changes things. It's a give and take like, "I gave you a thousand, now you should be having 25 units by now, you're my problem."

And I don't know, that's just a different avenue, this is for finding a free mentor. What are your expectations, what are you looking for in a mentor? Are you looking for somebody to hold your hand, are you looking for weekly calls? Are you looking to have access to a sponsor on a monthly basis? On a quarterly basis? These are all things to be considered.

And then the fourth thing is, you're going to want to reach out and add value. So add value first and to go back to listening to the podcast, the blogs, the journals, the Facebook forums. Success leaves clues and when these people are also talking on my podcast in particular, Real Estate Journeys, I always ask at the end what is the pain point or weakness you are facing right now in your business.

And one of the reasons I ask that question is I don't really explain it to a lot of people just because I want somebody to hear that and be a solution to somebody else's problem and people say deal sourcing, people say time management, people say all sorts of different things right? And when people get on this podcast as much as they like to regurgitate real estate porn, they also vent about their frustrations. So, if you can be a solution to their problem then bada-bing-bada-boom.

[0:16:57.1] WS: I like to reach out and add value because most people like yourself, you know you are going to be on your big pour hearing you right now, but will people actually reach out to you? And I know numerous times I've reached out years ago to people I heard on the podcast and once specifically who I reached out to for an example, you know I was working on a deal. It is a larger deal than I have done before and he was extremely experienced, I heard him on numerous podcasts, but he always puts his phone number out.

So, I thought, "well, I am just going to call him" you know? And sure enough, he wasn't available right then but he scheduled a time later for me and him to talk about it and you know we're still friends now and so it was just because I made that first connection, reached out and we helped each other now but you know reach out. They put their email out there and usually for a reason you know? And take advantage of it.

[0:17:44.0] MB: And when you reach out, obviously you want to do it in professional value, a professional manner but I had a lady on my show. Her name is Judy Robinett and she is big in the venture capital entrepreneur community and she says, "when you are reaching out to people to always initially add value." And she's considered the power connector and really good in networking and she says, "whenever you meet somebody you should initially add value. It should never be about you."

So regardless of whether you meet, I meet Whitney and he says, "ah, you know me and my wife and my kids, we were going out to eat." And I was like, "hey man, I know where you live there is a good pizza restaurant around the corner, you should try it out." A recommendation, it is a suggestion. You know it is adding value, "oh my kids go to this school" hey you might want to check it out, check out this blog it might be helpful and beneficial to you.

“Oh, you’re struggling with your renovations in your kitchen? Well my brother is a contractor, maybe he knows somebody in your area,” right? “oh, wow” you know? The law of reciprocity, right? You give and usually it comes back to you but you shouldn’t be giving with the expectation of receiving. So, I have created a list of 50 ways to add value to syndicates. So, you can take this and implement it into your real estate business and you can also implement it into other assets that you face in other endeavors in your life.

Not all of them apply, but I will just read 20 that I’ve come up with. So, these are for obviously free real estate deals or finding out free real estate mentors. The first one is source deals. You can source deals everybody is struggling for deals. The second one, manage somebody’s social media. A lot of people on real estate do not have time to manage a social media, that is a good way to get in with them.

[0:19:25.7] WS: You know that brings up a good topic right there because a lot of people even if you are not familiar with real estate, most people specially if you are younger or very familiar with social media right now and more so than someone you are probably trying to become a mentee of if they are a little bit older or whatever, they are not used to this social media stuff and I mean I could use help with social media. I think most of us could if it is something you’re trying to bust out on.

[0:19:47.6] MB: Yeah, I mean if you are listening to this right now you know, we need help with social media. So, website, IT issues, underwrite deals, walk properties, raise capital, social capital, become a connector. Connect to people, you know you might not be an underwriter, but you may know somebody that has a venue that can host your next meet up, right? Volunteer at meet ups, management skills, copyrighting, brand management, digital marketing, taking photographs, of not only properties, taking photographs of you.

Whitney your beautiful face and your family. I have seen you, great family, right? Like people want their photos taken, offer your services. Cinematography, huge right now, right? Video, YouTube, video editing, sound editing, podcast editing, gathering statistical data, develop your own walk score, create a statistical map, right? These are just 20 of 50 that I have come up with. So, if anybody is listening and they want to get a hold of this.

A complete list, you can head on over to realestatejourneys.com/checklist and I will include it. I will give you the link as well and you'll be able to get it.

[0:20:59.8] WS: Man that's awesome and you know most people especially if you are in the same market, I know you are halfway around the world and there's even things you could even do about learning the market, digitally from no matter where you are as long as you have internet. But if you are even in the same market, you could be walking the streets, you could be getting comps and really walking other properties and getting photos to provide to somebody that is adding big value to somebody you're hoping to be a mentee of. I like that idea a lot.

[0:21:23.6] MB: And then like I said, if you are listening to this and across any industry, I know this is a real estate podcast but these are usually applicable to anything. I mean I live halfway around the world there is no reason why if you live in 20 minutes outside of Dallas that you cannot be walking properties in the greater Dallas, Fort Worth area or you can't spend a weekend with your wife and drive to New Mexico, you know? So, those are 20 things that you can start off by adding value.

And then number five is relationship building. So, you're going to want to start being top of the mind. You're going to want to follow up, you're going to be want to be commenting on people's social media. If you look on people's blogs, this is a great suggestion because a lot of people don't have comments. Or let's say you look at somebody and Whitney Sewell has an average of 13, 20 comments on Instagram or Twitter, how do you stand out?

Well maybe you go through on your blog post and there is zero comments and you leave a thoughtful comment, an educated comment on each blog post and the people that are going to read that are probably going to read your comment and they will probably click your little icon, see who you are and learn about you. So, engage in the content, be a real person, right? Don't leave, "hey great picture, thumbs, like, Whitney killing it, crushing it" and there is nothing wrong with that.

But when you leave an in-depth, thought provoking comment it says something, it says you took some time and have an opinion. You know just because you say something doesn't mean I have to agree with it and it creates great conversation and that is how you become a thought leader,

right? Thought leader, you have thoughts that necessarily are maybe you don't think the same as the pack. So those are five ways to go about finding a real estate mentor and they are applicable to all markets across whatever business you're in and I know that people might be listening to this and say, "well what about the ask? When should I ask?"

For me personally, I have never asked and that has been the best because as soon as there is an ask there usually is an expectation. So, when if I said, "hey, Whitney, will you mentor me?" It's like, "Well what do I got to do?" You know? Is this weekly? Do I got to give you time?

[0:23:42.0] WS: What was the first reach out that you did like say to Omar? What was that first connection or how did you prepare for that?

[0:23:47.7] MB: So, when I first reached out to him it was through a virtual introduction and I just introduced myself. I said what I was doing. You know like I said my laundry list of things, I was like, "hey, I have been taking this class, I have been doing, I have been reading these books, this is my story?" And he was just like, "all right." And I just think he just cut right through it. Omar is a nonsense BS kind of guy and he's like, "all right," he's already, "then do this." he's like, "go" and I forget where I heard this.

But when somebody asked you or says something right? You want to be diligent about your words and the things that you say. So, if somebody says like, "hey can you pick me up from the airport?" And you say like, "oh, I probably can" probably? There is a little bit of way to wiggle it out, right? Be a person that is affirmative with their words and say, "consider it done." And then when you do it, it is momentum right? It's the spiral effect. It keeps going up.

So I would always say consider it done like, "okay." And if I wasn't able to finish it then I would say, "hey, I had some questions here." And then I would get it done and I would put pressure on myself like you know I said Friday. I got to get this time by Friday because I am a man of my word and when I say consider it done then it keeps going from there and it is going from there and then people can just know that I can trust you and relationships build.

So for me, I never say to ask but if you are going to ask, one good thing about an ask and I will leave this at this is in order for there to be a relationship to take place, in any relationship, it has

to be a give and a take, right? So, you might be reaching out and say, "I want you to be my mentor," that is a big ask, right? Go back to what do you have to offer, right? So, if you have a podcast or if you have whatever service, you have something to offer, it is the law of reciprocity.

But we start developing these relationships and you start going back and forth or you know you're donating your services, don't be afraid to ask but when you ask, ask small you know? Like start with a small favor, "can you briefly give me some quick notes on this deal I have been underwriting? I would love to hear your thoughts." They might give you one or two lines. "Great, awesome, no problem," and then maybe for the next two weeks, you are managing the social media.

Everything is going great and then you say two, three weeks later, "hey, what do you think about the Jacksonville market?" Love it, these are my notes.

[0:26:16.7] WS: All right, we are going to have to pivot Mathew, but Omar is a great guy, I think a lot him and he's been on the show numerous times. So, I would encourage the listeners to go back and listen to numerous shows that we have done with him in just picking his brain about how he operates in his business and a great mentor as well I can only imagine. But Mathew, what's been maybe besides finding a mentor, it sounds like you get that figured out. What has been the hardest part of this syndication journey for you?

[0:26:41.0] MB: Raising capital. We, on our last deal, we closed a 138 deal in February and it was one of my first times trying to raise capital and going about that and learning the processes and what you really need to do in order to start raising capital.

[0:26:56.2] WS: Okay and did you do something there to educate yourself or to figure out what you needed to do to raise that capital for that team?

[0:27:02.6] MB: So for me personally, I wasn't a lot in the slot, but I was more starting out and putting out feelers out there and I realized that you need to be constantly putting out feelers out there for let people know that you are looking for deals because when a deal automatically comes your way and if you are not necessarily trying to raise capital, people are like taking back

like, “whoa wait, what, what?” but you got to warm them up. So that is what I learn from that process.

[0:27:27.3] WS: What is your best advice for caring for those investors now?

[0:27:31.0] MB: I would say be honest and be in constant contact as much as – I am even going to say as much as possible, but just be on the front of mind and be giving to them.

[0:27:41.8] WS: How do you do that or how you manage that. Do you have a specific CRM or what do you do?

[0:27:46.0] MB: I would say that I usually send out newsletters and I am subscribed to other people’s newsletters and recently I have been trying to make my newsletters for me a little bit more personal and I found that in my last newsletter mailing that 60% of my emails were opened up. So that was high for me and I was like, “okay, maybe this is something to start going with.” So I don’t know probably I would say being more personable.

[0:28:13.0] WS: What is one thing that is contributed to your success?

[0:28:15.4] MB: People. People and networking.

[0:28:18.2] WS: Awesome, what about how do you like to give back?

[0:28:20.3] MB: I like to give back by, I really love kids. I was involved in the Big Brothers Big Sisters Program before I left the States. And I really love children and I always just love to play with them and nurture them and help them grow up and just pass the wand off to the next generation. So, whenever I see a kid struggling or I always try to help them out or give them a little bit of a friendly advice and I’ve been a mentor to some younger kids and I don’t know, I find that to be very rewarding.

[0:28:52.1] WS: I appreciate you sharing that and you’re also fixing to be a father, congratulations again there you know that is big news. So, congratulations, thank you again Mathew for being on the show. I appreciate you laying out there’s some real actionable steps

that most of us can take to find that mentor and really take our business to the next level, finding that person that is already been doing it and that can really just project you, push you along the way.

And anyway, thank you so much for just laying that out, giving us some really good tips on how to move forward, but before we go obviously tell the listeners exactly how they can get in touch with you and learn more about you.

[0:29:25.1] MB: Yeah, so if anybody wants to get a hold of me, my name is Matthew Baltzell. I have a website or you can email me matthew@matthewbaltzell.com, Matthew Baltzell on Instagram, Matthew Baltzell on LinkedIn, Matthew Baltzell on Twitter, straight across the board so I am pretty easy to find.

[0:29:44.0] WS: Awesome, great. Thank you, Matthew.

[0:29:46.0] MB: Thank you very much Whitney.

[END OF INTERVIEW]

[0:29:47.1] WS: Don't go yet, thank you for listening to today's episode. I would love it if you would go to iTunes right now and leave a rating and written review. I want to hear your feedback. It makes a big difference in getting the podcast out there. You can also go to the Real Estate Syndication Show on Facebook so you can connect with me and we can also receive feedback and your questions there that you want me to answer on the show.

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[OUTRO]

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