

EPISODE 314

[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]

[0:00:24.7] WS: This is your daily Real Estate Syndication Show. I'm your host, Whitney Sewell. Today, our guest is Duamel Vellon from Orlando, Florida. Thanks for being on the show, Duamel.

[0:00:33.8] DV: Thank you, Whitney. It's good, man. Good morning.

[0:00:37.0] WS: Yeah, good morning to you. I'm happy to have you on. I know we have met at a conference a while back and had some great conversations and I've enjoyed hearing about how you've gotten started in this industry and I think you can bring a lot of value to many who are listening and looking to get started in the syndication business.

A little about Duamel; he got started in multifamily investing journey in actually beginning of January 2019, and in June a 2019 closed on his first deal. He's one of Vinney Chopra's mastermind students. He closed on a 324 unit asset in June as part of the first syndication with Vinney Chopra. He was involved with the property tour, due diligence and a past investor and done many things in that transaction.

I look forward to hearing about that and the story of how – he's moved fast. He's got this going. I know the listeners are in those same – or a lot of many are wanting to do the same thing.

Duamel, give us a little more about maybe your background, how you got into real estate and why the syndication business now is something you're pursuing?

[0:01:41.8] DV: I love to. First, I just want to – this background looks pretty good. I got it just for this interview.

[0:01:47.0] WS: Oh, really. It looks great. It looks so professional. It looks better than mine.

[0:01:52.0] DV: Actually, I have a big presentation I'm putting on this Friday for some potential investors about 40 or 50. It's a luncheon. I got it for that too. It'll be part of, yeah, I'm just getting out there, taking massive action. I'm originally from Puerto Rico. We immigrated here. I was in elementary school still and just went through standard middle-class. You have to get a college degree in order to improve and get out of your neighborhood and just keep increasing.

I did electrical engineering. That's my background. I work in the same park industry. I guess, being in Orlando, there's a handful of – at least there was back about 15 years ago, a handful of strong sectors. I mean, I build attractions man. It's a fun project, or fun career. Around 2005-2006, my wife and I started flipping houses. The plan was to acquire enough capital to get passive income, to get rental properties, to get passive income. We did that and found out that – I mean, you learn quickly. We did it for 10 years. We learned quickly that flipping houses is work, man. I mean, it's a lot of work.

We got enough capital to get a couple of deals, but by no means were they replacing anybody's income. Took a step back to maybe reassess, or business plan. In 2018 – 2016, I had my first daughter. She was born in November. Make sure I don't forget the date. That fueled a little motivation. We took a break from flipping houses and just trying to figure out how to crack the multifamily game.

2018, we were pregnant with our son. Just trying to figure it out. I had an aha moment. Multifamily. I mean, that's the ticket. Multifamily means duplexes and triplexes, right? I started going down that path, making offers and looking for duplexes and triplexes, because I thought apartment complexes were unobtainable. That's the wealthy man's game. That's somebody

else's game. That's not for me. Then I just started reading blogs and watching YouTube videos and just listening to podcasts.

I just started getting really educated. The more that I learned about multifamily, the more books I picked up and just started reading them and more hooked I got. The more I was learning and the more I was just pouring. I mean, I took multifamily, I was a post-grad degree. I think I'd put more effort into that than my engineering degree.

In reading these books, I realized, man, anybody could own apartment community. Anybody can own a 16, a 24, or a 50, even a 100. Through syndication, you can do even bigger and be part of something even bigger. It was a little bit less work, I thought. That's what led me to syndication for multifamily.

[0:04:40.6] WS: Wow. I've heard the story, or numerous times about somebody that started flipping and felt that's a way to get started. Then they realized, "Oh, wait a minute. This is another job." I know lots of people that have built amazing businesses flipping homes and even with single family rentals, but obviously my choice is also multifamily for numerous obvious reasons. You realized pretty quickly that it was going to be a lot of work for it to replace your income, right? Still a job.

You moved then though into the syndication model. You started pursuing syndication. What did you do though to get started? We mentioned that you're obviously you got in a coaching program. I know you and I, we're going to talk about that a little bit and why that's important and how that's helped you. Because I mean, I'm in the same way. It helped me in a big way when I got a coach a while back and are numerous coaches.

Elaborate a little bit on that and why you did that. I know, you mentioned before we started recording, just that you weren't for coaching. Then that changed, right? Help us to understand that a little bit, just so in case the listeners' in the same boat thinking, "No, I don't need a coach."

[0:05:47.4] DV: Sure. Law of attraction. November-ish, we're very pregnant. Our son was born Christmas Eve. Just something in me clicked. I was like, "Okay, I'm ready. I need to find like-minded individuals. I need to find meetups, or seminars, or something. I need to connect with

people, because now I have all this knowledge. I'm ready." Looked all over the US. I was willing to travel anywhere and there was nothing available, until January. First week of January and it was right here in Tampa, two hours away.

That was a seminar that completely changed my life. I mean, I met you there and we had some awesome conversations there. It was not what I expected from a seminar. I went in there thinking, talk about nuts and bolts of getting started and then it started there and then it started going to say a mindset shift and take action and then take massive action and believe in yourself. I connected with some awesome people, so networking I think was the first step. At that event, just getting out of my comfort zone, I'm a little bit shy. I don't know if you can tell or not, but a lot of people would disagree with that statement.

[0:06:50.4] WS: Yeah, networking is so important. I can't stress that enough as well. You mentioned, you and I met at that event and talked numerous times. If you're not networking, if you're not meeting people in the industry, you're not going to be pushed to grow. You're not going to be pushed to do bigger things, or see what other people are doing. It's an amazing thing that starts to happen when you start meeting more people in the business that are motivated like yourself and that are taking real action.

[0:07:17.6] DV: Absolutely. I can say that from that seminar, just three days I connected with so many people that I call mentors like yourself. I mean, you mentioned you and I working several times, just given me some awesome advice. You've interviewed some of the guys that I called mentors myself. Just getting out there and just connecting. It was incredible to meet with people that had 15,000 units and also connecting with people that hadn't even started yet like me. It was just like, everybody just – it's funny, because we had this perception that, "Man, I can't talk to that guy. He's way up there." It's like, "No, he's just another human and willing – wanting to share and teach."

You mentioned the coaching program. I sometime in 2018 watching a YouTube video, saw Vinney Chopra. One of his videos, he mentions at the end, "Text this number if you want to learn more about syndication." I texted that thing, but I have no idea when it wasn't. Just completely forgot about it.

After that seminar in January, I mean, I was hot and heavy, reaching out to brokers. I was underwriting, analyzing deals. I was putting offers and I was negotiating offers. They know how it's going to do it, but I realized man, I just have to take action. Something's going to fall. Something's going to happen. I was networking. Man, I've met over a hundred potential investors raising capital. I'm just getting my story out there and getting them to know me. That's what I literally called massive action.

My wife talked about nights and weekends. I go to work, down with the family and then I'm up till midnight on phone calls, or presentations, or just getting out there. Sometime in February or March, Vinney called me out of the blue, just dropped out of the blue. I think it's law of attraction. I think all this momentum that I was carrying from again, just taking action, just everyday doing something.

I have a thing called non-zero day, which means that zero day means I did nothing towards my goal and my goal is to be a passive investor, because that's one of the pieces of advice that I got is get into syndication, become a passive, learn it. Yes, I had non-zero days, man. No rest.

Vinney called me out of the blue and I wanted to get to know me a little bit, talk about my goals and said, "You fit the mold of what I'm looking for in a student, would you allow me to mentor you?" I'm thinking, "Man, coaches are all scams. Coaching programs don't work. It's not for me." I was like, "No, I'm not interested." He goes, "All right. Just a heads up. These opportunities, they don't just pop out of the blue." I'm like, "You know what? I ain't got to lose, man, if I did it."

Completely changed my perception. I started getting into that mastermind program, started meeting like-minded people and being able to share the story and learn faster. I think it started accelerating my learning curve. I was presenting deals that I was underwriting and now I'm getting critiqued. Hey, I had this conversation with a broker, or I had this conversation with an investor. These are the questions I came up. How do I answer those? I was joking earlier about the story of The Grinch, which his heart grew three times. I think my brain grew three times there in just because of the coaching and mentoring.

[0:10:34.4] WS: I'm a big proponent for coaching. I was similar to you initially, getting – moving from smaller multifamily to bigger multifamily. I hear people talking about coaching. I was like, “I don't know. That's a lot of money.”

[0:10:45.4] DV: Exactly.

[0:10:46.6] WS: It's a lot of money. I'm not sure that that's the best use of my time. Numerous coaches, I felt were really scamming me. They didn't have my best interest in mind. I didn't feel that way anyway, just hearing them speak, or talking to them. I did a lot of research on different coaches before I hired someone. I'm just like you. It just changed my whole focus, or my – sped this process up.

[0:11:14.6] DV: Absolutely.

[0:11:15.6] WS: Of me making things hot and getting from one step to the next. Just when you got questions, it's great to have that person that's experienced. I know Vinney. Personally, he's a big sponsor of the show, which if you're listening, you know that. You can text, I think syndication to 474747 and you can get to connect with Vinney and ask him about his coaching and things like that.

I wanted it back up. You said when you were getting started, there were many books that you were going through. Just a couple books that you can recommend that were – that really stood out to help you understand this business and help you?

[0:11:49.4] DV: Yes, absolutely. The biggest book for me, the one that I had to read and reread and just completely blew my mind was David Lindahl's *Multi-Family Millions*. That's the one that opened my eyes to anybody can do apartments. That's the one that really clicked for me. I've read Gene Trowbridge. I think it's *Syndication Basics*, or something like that. That's a powerful one as well. That's one that I'm rereading now, so just get more knowledge into how to put syndication deals together.

[0:12:23.8] WS: Yeah, I think it's called *It's a Whole New Business* –

[0:12:25.4] DV: That's it. That's exactly it.

[0:12:25.9] WS: - I think is Gene's book. Yeah, I've got it as well. Yeah, it's a must read if you're in the syndication business, just to understand that side of it a little better. What was it specifically though in that coaching program that really helped you the most? There's so many different types of coaching, there's so many different people that offer coaching. If someone is thinking about coaching, or joining a program, what was it that really stood out to you in that program that had helped you the most, or maybe something somebody should be asking about before they actually take that leap?

[0:12:56.9] DV: Sure. Accountability I think was the biggest thing. I mentioned earlier about non-zero days. I was taking absolute massive action, but just being held accountable, I said I was going to call three investors. Did you call three investors this week? Why not? Or congrats if you did. What was the outcome? Accountability to me, I think was the biggest thing, or is the biggest thing in coaching.

[0:13:21.7] WS: Nice. Okay. Some accountability. Maybe can you explain what that looks like to somebody that's keeping track of you a little bit, or some goals that you're trying to accomplish? What was that?

[0:13:34.8] DV: Yeah. I can give an example, real-time example of how I did my first passive investment and how coaching pushed me there. Basically, I had been networking with syndicators and networking with investors, networking with brokers. One Sunday, I'm just hanging out by the pool. I'm grilling. I get a text from Vinney. It was mass text, but it was a Sunday afternoon and it said, "Public to the effect that he had lost a deal that he was putting together. Needed to find a deal ASAP."

I just happened to have been talking to a couple of syndicators and I call friends and mentors and I was able to present a couple of deals. Again, just from networking, Vinney, here's two, not one, two options. He didn't take those, because he wanted something he can control completely. That's what he was looking for. These were capital-raised opportunity.

Later that week he says, “Hey, I have a –” He mentioned a town here in Orlando, it's called Maitland. He said, “Is Maitland close to you?” I'm like, “Yes. 30 minutes away.” He says, “I'll be flying down there to take a look at a property.” I said, “Okay, so how could I be of value? How I might going to be a service to you? You come into my backyard. What can I do?” He said, “Nothing. Just giving you a heads up.” I said, “Okay. Vinney, I'll pick you up from the airport man. I'll carry your bags. I'll bring you food. I'll bring you coffee, whatever it takes.” He said, “Fine. If you're there at 7:00 in the morning, then I'll let you go on the property tour with us.”

I was there at 7:00. Yeah, it was awesome. Did the property tour. It's funny, because I promised to be invisible, but I swear every two minutes I was asking him, “What are you looking at now?” He looks this way, “What are you looking at over there?”

[0:15:18.9] WS: Yeah, that's awesome. You've covered a lot of ground in a few months, from joining the program to being a big part of this deal and learning a lot. You mentioned that you're doing an investor presentation today, or soon. You mentioned a 40, or 50 investors. Tell me about that process a little bit. How did you get to this point now so quickly? I know we talked about the coaching, or let's go into this presentation you're doing today and why you're doing that as well.

[0:15:47.4] DV: Sure. I have a very good friend whom you've interviewed recently, Jens Nielsen. He's a guy that I banter with also as things are happening. We were talking about, one day I was talking about trying to find more investors to talk to and he says, “Look at your circle, right?” I'm thinking, “I don't know anybody with capital.” He says, “Well, look deeper. Just start with your phone rolodex and so with your contacts.” I did that. Okay, so I printed them all out and I was surprised. I actually know quite a few people.

I did started hitting them almost in alphabetical order and just started going down the list. Got to about 20, 25, 30, then they started recommending me to other people, but then I started meeting with their friends. Then the local real estate investor group – actually I did a presentation there. After that presentation, actually now I had a line of people wanting to talk to me and work with me. It's just been really organic, just really networking as much as I can. Finding that elevator pitch. It started morphing.

Man, the plan for this presentation was friends and family. Then it went from friends and family to investors I know. There were friends and family to investors I know, to investors I don't know. I will have friends of investors, friends of friends, friends of family. It's going to be pretty cool, but it's a presentation to show them what I'm up to, teach them a little bit about syndication and how they can invest with us.

[0:17:22.8] WS: Nice. I love it. Tell me a little about, what are you going to present to them in this presentation? What does that look like? Somebody that's okay, that's listening saying, "Oh, that's a great idea. I should try to do that." It's great. People see your face. People see your excitement about what you're doing and how you've educated yourself and now you're educating them, why this is a great opportunity. What are some things that you're going to definitely add into this presentation that if somebody is listening, thinking about doing this, they need to know to put in their presentation?

[0:17:55.6] DV: Absolutely, man. First, I talk about my story a little bit. I go a little bit deeper into the story of how I got there. Then I go right into what's an investor. An investor, as you see has these rules about the accredited investors and [inaudible 0:18:13.1] investor. Then a passion behind trying to get my friends and family invested in. I mentioned earlier, I'm from Puerto Rico. I grew up in a certain community. There's a statistic actually that published recently in Forbes that said that minority households are going to have a – projected to have a negative net worth around 2050. That created an impact, because that's my community.

I'm going to explain my why. Obviously, everybody's why is at first is pretty personal. "Yeah, I want to spend time with my family and my community." After seeing something like that it's like, I want to teach the community. I want to impact the community and teach them about investments. I think that this is awesome vehicle.

I go into from what is an accredited investor, sophisticated investor, to how I find deals. Then I mentioned about that everybody has different steps. I have a seven-step approach. You find it. First, you look in emerging markets, time to deal, negotiate it. Going through the steps, without getting too crazy detailed. I go into the steps of what I go through to put a deal together for you, the investor. Then I wrap it all up with the power of the tax breaks, the tax benefits that we get and how powerful the 1031 exchanges, for example, and how real. You can just buy a share into

this apartment community and that share that you've purchased can generate wealth that you can carry on to your next deal.

Then when you pass, you can leave it to your heirs. Now they're increasing their cash flow and their wealth. Then they pass, they can leave it to their heirs. There's a powerful component of generational wealth that just hasn't really been – just not something that's very public knowledge. It's not necessarily a secret. It's just you don't know what you don't know. I go through that whole gamut and explain like, man, this is an awesome vehicle to do that. You get your cash flow, because you get next spendable cash flow, because of depreciation and all that. On top of that, you get this awesome generation wealth building profit center at the end.

[0:20:31.3] WS: Nice. I just love the idea of this presentation that you're doing and how so many – you've connected your friends, or your family, then their friends and it's grown a little bit. I would imagine after you do this, then there's going to be numerous of those people who talk to more people. Then you're going to be connected to lots of other people because of doing this. It's hard to see that in the beginning. You're doing this for, you said 40 and 50 people. That's a bunch.

If you can get 10 people, eight or 10 on this, I would do it, even if you get two, I would still do it, because they're going to talk to people and give it your best shot. Because you're building that relationship, right? That's what it's about and getting to know them and provide value to them as well and helping educate. What's been the hardest part for you so far through this syndication journey?

[0:21:23.6] DV: That's an interesting question, because a lot of – I don't know. It just seems in the last – I guess in the beginning, would be credibility. Building credibility, establishing credibility, having completed this first deal, it was instant cred. It became an exponential growth. Now I had investors calling me. In the beginning, the first challenge was we talked about reaching out and getting people excited about wanting to work with you. That was probably the toughest. Once I got that first deal under my belt and it's been an avalanche, it's been awesome.

[0:22:00.6] WS: Amazing. Yeah, and I've heard that so many times about getting that first deal done, it just really changes things, and so many people's perspective, not just your investors, but also with brokers and other people you're working with, after you have that first deal and you can talk about that. Even the conversation with investors is totally different –

[0:22:16.5] DV: Oh, absolutely.

[0:22:17.2] WS: - when you can talk about a deal you've been a part of. What's a way that you've recently improved your business that we could all apply to ours?

[0:22:23.8] DV: Man, because of attracting people, law of attraction, you're out there, you're taking all this massive action. I urge everybody to take massive action. That's working towards your goal. One little thing is working towards your goal.

I actually have a couple friends that joined up with me and are taking on. I taught them how to underwrite and analyze deals, taught them how to talk to brokers. Now we're getting deal flow and we're doing our own underwriting, our own analyzing in-house. The biggest thing I've built is I have this army of this team, because this is definitely a team sport. Now I can focus on capital raising, because I realize I like that. I like talking to you. I like talking to people.

I have some friends that – engineers that they'd prefer to sit behind the scenes and just underwrite it and put deals together. I think that's probably the biggest thing is building the team that complement each other.

[0:23:22.7] WS: Nice. What's your best advice for taking care of investors?

[0:23:28.5] DV: Lots of conversation, transparency and really listen, because everybody has a different concern. You might be a numbers guy, but they're not a numbers guy. They're more of a, does it feel good, or they just want to be touched. Then the biggest thing is transparency and communicate. Just don't be afraid to communicate. I find that I have some benefit that I use with our team, but it's over-communicate, just constantly over-communicate and yeah, just transparency and be humble. If you don't know, chase that down.

[0:24:07.9] WS: Do you have a CRM that you like, or that you're using that helps you to communicate and track all this?

[0:24:13.8] DV: Jens says the best CRM is the one that you use.

[0:24:17.3] WS: That's right. I agree with that.

[0:24:20.2] DV: It's actually a spiral notebook.

[0:24:23.6] WS: Okay. Whatever works. As long as you're doing it.

[0:24:27.6] DV: Yeah. I tried it years on.

[0:24:28.5] WS: As long as you have a system.

[0:24:29.1] DV: I tried to use Excel and I downloaded streak for Gmail. I try to do several things, but I just – I don't know why I can't get away from paper, man.

[0:24:39.4] WS: Okay. Whatever works for you, as long as you're doing it. What's been the one thing that's contributed to your success?

[0:24:46.4] DV: I think it's getting out of the comfort zone. You hear a lot about growth happens outside of your comfort zone. You don't really see that impact until you're actually doing it. Like I said, I'm a little bit of an introvert. I like socializing. I like hanging out, but with people I know, with my friends and my family. Having to go to networking events, where I don't know a single person, but leave that networking event, high-fiving, or hugging five or six and because I'm out of my comfort zone, I think that's the biggest key is push yourself to be uncomfortable.

[0:25:23.9] WS: Got to do it. No doubt about it. How do you like to give back?

[0:25:27.9] DV: Oh, man. Financial education. Right now, we're on this trip to want to just teach, especially the youth of our community about just importance of – because they're the ones that are statistically going to be negative net worth. That's who we need to impact the most. Man, we

do all kinds of little things, even feed homeless. There's areas here in Orlando related with families and you see the impact, you see how those families that are without shelter. We've teamed up with some people to feed homeless.

The biggest way we like to give back is empowering our communities. We'd like to go to immigrant type areas and communities and meet with leaders there and just try to make an impact. My wife actually sings, and so we've put on events to bring the community in and feed them, or maybe bring some books, or bring some school supplies, that stuff.

[0:26:32.3] WS: Well, Duamel, you've been a great guest. I appreciate your time being on the show and providing value, just how you've got started and you've made things happen really fast by getting out of your comfort zone, being active in a coaching program, a mastermind and really taking advantage of that. The mindset shift that you had from, "I don't need that expensive coaching program," to well, this has provided a lot of value to you now, and how others can take advantage of that as well.

Also your presentation, that's a great topic right there, and just how you are putting yourself out there. It's another way you're getting out of your comfort zone and letting people know what you're doing. You're showing them who you are. They see your face, your passion, you're knowledgeable about it and you're educating them. That's amazing. Tell the listeners how they can get in touch with you and learn more about you as well.

[0:27:19.5] DV: Before we head there, I want to give you a round of applause to you. I mean, you're doing it. You're out of your comfort zone and I'm sure that's helping your success, man. I'm proud of what you're doing. I'm proud to call you a friend. I know we met only six months ago. I mean, you've given me some awesome advice on the phone when we've spoken. Your humility and just your – what you see is real, right? This is the real Whitney. I want to give you a kudos, man. Good job on putting this together and getting yourself out of your comfort zone.

[0:27:56.1] WS: Thank you. Thank you very much. Yeah, I've enjoyed getting to know you as well.

[0:27:58.8] DV: Absolutely, man.

[0:27:59.4] WS: Appreciate that.

[0:28:00.5] DV: @Ten15Capital. On Facebook, at Ten15 Capital. That's probably the easiest and best way to reach me. Ten15.co. T-E-N-1-5.co. Yeah, hit me up.

[0:28:19.9] WS: Awesome. Thank you so much.

[0:28:21.7] DV: Thank you, buddy.

[END OF EPISODE]

[0:28:22.9] 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. Subscribe too, so you can get the latest episodes.

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[OUTRO]

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