

EPISODE 408

[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 Will Morris. Thanks for being on the show Will.

[0:00:32.4] WM: Thanks for having me Whitney.

[0:00:34.0] WS: No, I'm honored to have you on the show as an entrepreneur, Will focuses on solving problems which works himself into the deals. His social syndication methods shows followers, how to leverage social media, to gain the attention of deals and capital. He now focuses on syndicating great cash flowing assets, sharing his knowledge and helping other seek financial freedom. Will, it's been an honor to get to know you and just a few conversations that I've had, I know we've related on a lot of different topics.

But tell the listeners a little bit more about who you are, maybe where you're located and let's dive in.

[0:01:08.2] WM: Okay, well, thanks again for having me, I appreciate the opportunity. Thank you guys for watching the show as well. But I live in Knoxville, Tennessee, I was raised, me and Whitney was talking about, I was raised in Kentucky on a 300-acre farm. After a divorced family and ended up getting split and had to move that way. Raised working tobacco, worked my way

back to Knoxville Tennessee. From there, went into contractor after I flunked out of school, went into multifamily as a general contractor, doing the value-adds, worked my way into syndication.

Worked my way into importing and after there, owned up a syndication. That's kind of it in a nutshell which will dive into on your show.

[0:01:46.4] WS: Yeah, from contractor to syndicator. You know, tell me a little bit about why did you want to get into multifamily syndication from being a contractor?

[0:01:54.4] WM: Well, I actually fell into it. Like I said, I went three years for civil engineering and in my fourth year, place in my fourth year, I had an opportunity to do a quick internship so I jumped into. It was actually 12-month internship to see if I really like that for about nine months, I said, "This is not for me!" And I quit and the only other thing that I really had because I was – I married young, I had a kid, my first child young and so I had obligations and I was like look, I've got to go to work and so having sort of an entrepreneur mind and also a builder mind I guess or whatever.

I knew I could make money with my hands, went out and got my GC license and from there, I was introduced into multifamily. I didn't have a – I never thought about it, didn't have a clue about it but one of the flyers for now what I know was value-adds, introduced me to some owners and said, "Hey, here's a GC that can help you on doing your value-adds for when they buy the property." Same thing that we're doing nowadays.

Anyway, just kind of fell into it and from there, I work into constantly watching, being very entrepreneur minded and just being aware of my situation and my surroundings, I've seen that there was people – basically they were dropping of 20, 30, 40 units worth of cabinets and different things where it was taking me and my crew two weeks to turn a unit for thee value-add. I'd seen that opportunity started exploring, importing and come to find out about how they were importing large quantities for these value-adds and so I just jumped into it, I jumped into started learning, studying.

You know, everything I could, from there, I started, went in some deals and we're right back to the people as contract before I said, "Hey look, I'll supply it as well as install it." And just really

give them a no brainer deal to go with me and I leveraged them to be able to get access to closer to them is what end up happening. I end up working with their acquisition teams and from there, that's where I really seen the next opportunity which was syndicating. I seen who was making the money is what it boiled down to.

Started seeing their numbers and I was like, "Man, I'm out there doing this for \$400 a unit. You're making a killing." I started researching that and advocated friends with acquisition teams for those syndicators and operators and from there, really just started researching more and pursued that.

[0:04:10.5] WS: Okay, you see an opportunity, right? You see an opportunity but tell me, moving in to the syndication business, you just start working for that team then, did somebody on that team become like a mentor, how did you learn the syndication business to be able to get in.

[0:04:23.1] WM: Well, part of it was – I wouldn't say it was like a direct mentor, you know? I don't think they had the mindset that they were mentoring. I was supplying, we call them components so like your cabinets, your granite, your hardware, light fixtures, plumbing features. I was supplying those for some of the nation's largest – still today, largest multifamily operator-syndicators and so by working with them, they had full acquisition teams.

These guys are you know, you got underwriters that are gurus. You got people that handle source different things, they'll do their due diligence and I don't think they directly knew what they were doing. But for me, just being like a sponge and just soaking it up, yeah, they were mentors for me. I never actually went to work for them in that role. But I was constantly, you know, I get their cellphone and I'd blow them up.

"What about this? What about that?" And I was using their deals as examples like if I was buying them. So, I kind of put myself in the situation of those syndicator s and owners and operators and was basically playing, doing roll play where I basically, I bought thousands of units, you know? In my head. But asking them those kind of questions, asking if I was actually buying it and stuff and also ask them why they didn't buy things. You know, why they didn't pursue this property or that property.

Basically, it was a mental game for me, I was just really soaking it up, really trying to leverage the situation that I was in. In order to put myself you know, because I knew what I was – I seen the writing upfront. “Look, that’s what I’m going to start doing,” you know? It’s not just multifamily. There’s other opportunities out there that I’m working on that are the same model but the reality here is when I said, “Okay, today’s the day. I’m slowing down on the importing so I can have more time to focus on the syndicating, finding deals. I’m going to go ahead and talk to this broker and this guy.”

You know, find this deal into this. I found out really quick that you know, with little capital, no knowledge and no experience, you know, you get thrown on your butt really quick and they tell you, you know, they laugh at you. I had so many brokers, different people laugh at me just tell me that you know, this is a big boy’s game. I always had the mentality, “You know, look sir, you had to start somewhere, you know?”

[0:06:28.1] WS: That’s right.

[0:06:29.3] WM: My biggest thing too was I was going after large assets. I mean, because the guys that I was learning from were doing a hundred plus, 200 plus unit assets. Really that mean, they wouldn’t look at anything less than 150 units for the most case. I was mimicking what I learned, you know what I’m saying? I was trying to do exactly what they did. I basically used their model as my model and –

[0:06:50.7] WS: Tell me about your first deal. How did you get into the first deal?

[0:06:53.4] WM: Well, I didn’t. That’s the thing, I was out and I was trying to find the deal. I was trying to find different things and I just couldn’t, nobody would give me an opportunity. So, what I did was I – I said,” Well, you know, I’ve got a message here, I’ve got something to say, I’ve got something to do. I need to get it in front of people.

That leaves me to where I am now is basically. I seen that there was a problem that unless you’re within those networks of years and relationships that they built over years and these relationships and you know, their network that allows them to be able to go out and source deals and source capital and different things. You know, for me, I had to be resourceful and so what I

did is I basically took to social media and was like, “Hey, look. I’m looking for a deal, I’m looking for capital.”

I just started putting it out there and what happened is I ended up getting somebody with that had a deal, came to me and said, “Hey. I’ve got a deal and I need some capital. We see what you’re doing and you know, you can help us raise some capital then we can help you.” And so that’s basically what happened is I ended up getting a couple of people that had a couple of good deals.

They needed help raising capital or gaining attention for that deal. That’s what I did. I basically leveraged their deals in order to promote it, put it out there and I was upfront. I wasn’t saying that this was my deal or anything, I was saying that this was my partners or our team deal and which is true, if you’re in on the GP then it’s your thing. I leveraged other people’s deals to gain even more attention and more attraction and what that did is that ended up becoming my credibility.

I was able to leverage that. I was able to raise a capital too believe it or not, I was able to raise the capital, raise some capital for them. Now, those deals ended up not closing but it wasn’t because of capital or the deal, it was one of the other many problems that can happen in a multifamily deal.

But it proved my strategy that you can gain attention without having the experience and the capital and all this stuff but you –

[0:08:49.6] WS: What were you doing to gain attention? What was it you were – tell us a little about this you know, the social syndication style?

[0:08:55.2] WM: What I was doing there is you know. I did research so I wouldn’t blindly go on out, I knew about the SEC and different regulations that were out there. What I was doing is I was coming from an educational standpoint, I was coming from a, “Hey, I’ve got this deal and look how good it looks.” I wasn’t asking for capital, I wasn’t asking for partners, I wasn’t asking for anything. I was just giving; you know? I was really – basically kind of educating over the deal I was talking about how I would value-add this. You know, we’re going to do this, we’re going to

do that and so I was just giving the breakdown of the deal and just really giving value out there, sharing and what happened is you know, sort of hidden benefit of that, a lot of people underestimate it.

You might think that you're giving away your nuggets or giving away your special sauce but in reality, what you do is you're showing your expertise. That attracted people. They ended up coming to me and saying, "Hey, I seen that you obviously know what you're doing the way you were talking about this deal and the way you were talking about value, I never thought about that. And you know, you got your own in-house import, we really like that. "And so, it ended up attracting those people just through educating about the deal through sharing how you're going to work out stuff and it became kind of like a podcast for you here. It became like my thought leadership platform.

[0:10:08.6] WS: You know, can you elaborate more on like what you were sharing, where you were sharing it, how did you connect with people?

[0:10:14.1] WM: Well, I kept it simple. At the time, you know, now I've got a studio and I've got all kinds of other stuff that's all fancy. But in reality, you don't need that. I mean, when I started out, I literally, I took my phone and got an iPhone and an iPad. Well, I took my phone and I recorded a first little bit, looking in myself saying, "Hey, I'm Will and I just got this deal. It's in Oklahoma and it's this and this and this. Let me show you."

And then I stopped it. I went to my iPad and I did a screen share and I just went over the offer, the memorandum. I just kind of went over it, talking about it, went over kind of our CapEx and what we were planning to do for the value-add and kind of went over so the Preformat just basically reading it, going over it but elaborating on it as well. And then, I shared that to really everywhere. People asked me all the time, they say, "Well what's the best channel, what's the best network, platform to be on right now and in reality, it's everywhere."

If you can transcribe something because some people like to read, some people like to watch. It could be a blog post, like on medium.com or a video on YouTube and then of course, you know, you got Facebook and Facebook might be a snippet. Instagram. People, LinkedIn is

phenomenal right now. It's a great network to be on, it's great organic reach but at the same time, you got to be posting some decent content as well.

Really, that was it. I would do that stuff, educate and I keep it simple. Like I said, one of the best videos I had was literally in front of apartment complex talking about value on a different level as far as the labor rates, you know? I was talking about – a lot of people don't think that if you go into a hot market, you know, it's a real good market and the economy's growing and jobs are growing and all that stuff.

Well guess what that does to your value-adds, is your labor process go up. You know, I was coming from a contractor when I was out doing the value-adds and I was sourcing, say plumbers to change out your traps or your supply lines on your sinks and your vanities. Well, they don't care if you're in a 200-unit apartment complex or if they're out here working on – they got a builder paying to do 12 full houses, really, the price on the residential is better so you're competing with that.

And so that was one my best videos was literally just taking out my phone and talking about saying, "Hey, you might want to think about this really high growth markets. You might want to look at the labor process more so than the component." That one there was phenomenal. You know, that was able to reject and I shared it on of course, linked in, YouTube, Twitter, Instagram.

[0:12:42.0] WS: What happened then? People see that and then they're reaching out to you or they're messaging you or do you have some kind of call to action at the end?

[0:12:49.6] WM: No. I don't want to put calls to action out there because again like I said, I'm not really selling or anything. What you're doing is you're gaining attention because attention is the new currency. If you can leverage your knowledge or you know –I got three little words here is you either want to entertain, engage or educate. So, if you can educate somebody, which is phenomenal, if you can engage with them, "Hey, what do you think? What are you thinking?" Or if nothing else if you don't know the other two just be funny you know? But entertain them and what you are going to do is you are going to gain attention and once you have people's attention then you can start leveraging that into:

“Hey, you might want to check out this deal I’ve got.” Or “Hey, we’ve got three spots less on these three million dollars raise.” Or something but you have to – I warn you there and I will do all the disclaimers, you know you really need to talk with an attorney or check out the SEC. I am not telling anybody to go out and just start soliciting everywhere for capital.

But what you do is you gain attention. You leverage these platforms to gain the attention because that is where it’s at. You know you got to go where the attention is and so you leverage these platforms to gain that attention and once you have their attention then you can start directing or filtering however you see fit so.

[0:14:00.7] WS: I like that, entertain, engage, educate because most people just feel like it is this big thing that you know we are too scared to get started doing, right? Some type of platform, some type of social media presence and so they don’t know where to start. And it doesn’t have to be education. If you are just getting started maybe you don’t feel adequate yet to educate people.

But there are still things that you know about the real estate business, you know even if you are just reading books there are still things you know that a lot of other people don’t know.

[0:14:29.1] WM: Absolutely. And something else that I do as well – is especially because I have been in multiple family for probably a little over eight years now but it is not all been in syndication. And so, what I focus on as well is having a team just like you are talking about. We are in SEC over here so I am going to give it a football analogy. But to me it’s like football. There is a reason why you have a quarterback, there is a reason why you have tackle and a tight-end, a receiver, a running back is because they’re experts in what they do.

And for me, I am going to throw their best. “Hey look. I am not the best at underwriting but you know what I am the best at? I am the best at going out and getting the experts in those fields and bringing them in on the deal to where everybody is benefiting.” You know what I am saying? So, it is not – to me I don’t think that I and I am maybe crazy on this but in my opinion, you don’t have to have the expert team before you do the deal.

Nor do you have to have the expert team on salary. You know, I have talked to some guys that are like, "I just can't find a good underwriter." It's like well there is tons of them out there that are great underwriters that with 400 bucks they'll run and write a deal for you, you know what I mean? So, they don't have to be a part of your team but what you do need to be – you know the definition of syndication is the pulling of a general interest for a similar interest.

And so, to me, that is not just capital. That is not just deal flow. It is not just the value-added. It is everything. As a syndicator, you need to be pulling together expert knowledge. You need to be pulling together capital, you need to be pulling together deal flows, you need to be pulling together your marketing, you know what I mean? There is a ton of it that there is a lot to it other than just a lot of people get caught up in the capital and the deal. But there is more to it than that in my opinion.

[0:16:11.9] WS: Give me a couple of team members that are very important to you or to your team?

[0:16:15.3] WM: Underwriting is and here is what I do and I recommend this for everybody is to really think about yourself and what your strengths are. So, for me, one of my weakness is underwriting. I mean I understand it and I have to do a quick analogy but to get in dig up and digging to those numbers is not me. I more of a hunter, I go out and I hunt capital, hunt deals and network and find people and make those connections, build that following that's me.

I love this stuff. I love meeting new people and networking – but what I recommend is for everybody to think about your strengths and your weaknesses and find people that compliment you to make a whole team if that makes sense. So, think of it like a 100% and if you are 60% outgoing and this and that and everything but 40% you are not so good at numbers, then find somebody that has that 60% is your 40% so to speak.

And so, what you do is you find a complimentary team surrounded around you. As your strengths and weaknesses and so for me it is definitely underwriting the – you could probably relate to this but when you do that editing and when you get to promoting content and moving this stuff, doing the editing and the video editing and the audio editing and putting all of that stuff together. Again, it is just not my strength. I am like too much entrepreneurial endeavor that is

going on to where I get that five minutes into it, I'm like, "Ah! There is also something exciting over here."

[0:17:36.7] WS: Yeah, I tell people we have done over 400 shows I have never edited the first piece of audio or video content and I don't want to. I don't even know how. So, it's from building a great team.

[0:17:46.8] WM: Absolutely and that is the thing and even that you know there again, you can find people in fivver.com, you can find people on upwork.com that can do those things for you for a decent price to where there is no reason anybody should be holding their selves back from, "Oh I can't do this or I can't do that." I mean nowadays there is a connectivity of the world, the internet and this may be I am 32 so this maybe the millennial coming out in me but you know you can reach anybody and anything nowadays if you just have the drive, you know the willpower.

[0:18:21.8] WS: So, Will, what has been the hardest part of this syndication process or journey for you?

[0:18:26.1] WM: The hardest part for me is the fact that I am married with three kids and I still have a house or I have a house, I have truck payments, car payments, schools. Everything that we had to pay for is that especially getting into something like this – don't matter if it is syndicating or starting a new business or anything. It is starting something new and when you do that, for me the biggest burden is that I have what I call now money and I have future money.

And for me what the means is that I am still a general contractor. I still have my import business. I am still believe it, I am a commercial realtor and I could go out and make really, really good money right now but what it does is it takes away from my focus of my legacy, my wealth or my generational wealth that I really honestly believe that is imbedded in multifamily or syndicating the real estate. You know real estate is the true – to me I just believe in it so much.

So, for me the hardest thing is saying, "Okay, delegating do I go out and make some money today to pay the bills? Do I go out and invest time and money and resources into travelling and looking at this deal or looking at that deal?" And so, I mean that is the reality of it. I am not trying

to sit here and say that I am so guru that makes \$300 million a year. I am not there yet. I will be. That is my goal is to one day be as big as the biggest guy out there if not bigger but right now, the biggest hurdle for me –

Well even coming I mean up to this point the biggest hurdle is making sure that my family is taken care of, making sure my obligations because I have those obligations before I said, “Hey I am going to be a syndicator, you know what I mean?”

[0:20:02.9] WS: That is a big-time commitment no doubt about it. And yeah, I like how you said there is a now money and a later money or you know I can relate to that, for sure. So, tell me, how do you prepare for this potential downturn that everybody talks about?

[0:20:15.9] WM: Well, I will tell you what I have done is I have diversified a little bit away from multifamily as much and you know to me, I don't know how to explain it unless you've been in it. To me, I feel a little pressure. I call it market pressure or whatever and these are crazy terms that I come up with all by myself but I don't know if they are real terms or not. But to me, I call it market pressure and you just got to be in it to feel it and what I am judging is the processing to be coming up.

You know the corridor process seems to be coming up, you know you getting multiple bids. I mean even the first year, we had a lot of like off market stuff and they don't seem like you are getting any kind of off market stuff now. So, I am actually diversifying a little bit into a similar, to literally the same system I guess you could call it the same syndication. That is it, the independent senior living and the only difference is if you are doing new construction, you got a little bit of a carry over there at the front just before it stabilizes.

But looking into independent senior living. I hate to say the storage stuff because I am looking it but I am not in there. So, what I am doing is I am trying to diversify a little bit. I don't want to put all of my eggs in one basket. But I do want to stay with the same syndication process and that system. Because I am a firm believer in how that works, how are you able to pull other people's money. How to leverage other people's expertise and for a general gain.

So also looking at some tax stuff too, so I am using some bond deals, multifamily properties for low income housing. So, three or four different things that I am looking at in anticipation that something is going to happen. And the way I look at it is if things keep going here because I am not a fortuneteller. I am not these voodoo guys where if the economy keeps doing great then I am going to do great. If it does go down then I still feel like these are trends especially in the affordable housing, I still feel like it is going to be okay. So that is kind of my play.

[0:22:08.2] WS: No, so we just have a couple of minutes before we have to go but tell me what is a way you have recently improved your business that we could apply to ours?

[0:22:16.5] WM: The biggest thing I am telling you is just push-push-push on social media. Gain attention. That attention is going to connect you to people. It is going to grow your network. It is going to connect you to capitals but it going to connect you to deals. It is going to connect you to great people doing great things and it goes back to your circle of influence.

[0:22:33.1] WS: What is your best advice for caring for investors?

[0:22:35.7] WM: Transparency. Be honest. You know we were talking about being from eastern Kentucky and small towns in eastern Kentucky you know if you are not honest, they'll find out real quick because everybody knows everybody. So, you know I am just a stickler for being honest whether it is good or bad. A lot of people don't want to be that bearer of bad news.

But at the end of the day, you know that is the reason why you are an entrepreneur. It is not always sweet tarts and rainbows, you know it's hard and somebody's got to be willing to put on your big boy pants and go out there and deliver the good or bad news. The good, the bad and ugly.

[0:23:05.7] WS: What is the number one thing that's contributed to your success?

[0:23:08.7] WM: I would say confidence. Having the gall to jump on an interview like this with you. I've got an event. I am speaking out in December. You know having the gall to jump out there and speak on a stage and you know. Having the gall to call somebody just people build it

up in their head that it is this big deal. But in reality, I mean just have the confidence to go boldly and you will reap the benefits.

[0:23:28.8] WS: And tell us how you like to give back?

[0:23:31.0] WM: What I am doing here. I don't – anybody can message me, call me, whatever. Well, I don't say call me all the time but you can message me anytime you want to, reach out. I will help you anyway I can. I don't care if it is putting up pay or if it is helping you syndicate or raise capital for \$30 million I will help you anyway I can. I have some people that helped me and I have some people that didn't help me on my journey.

And honestly the people that didn't help me inspire me more to help others than the people that did because they run some great positions to help me. And they didn't because they were snooty and just didn't want to share and I am not one of those guys. I want everybody to be successful. There is enough money in this world for everybody. So no shortage of money.

[0:24:09.9] WS: I appreciate your time today, Will and sharing with us. And I appreciate how you laid out many things but even the entertain, engage, educate just you know, making it simple so people can get out there and get their platform started in some way and I talk to people about that a lot as well. So, I can't agree with you more. But thank you again. Tell the listeners how they can get in touch with you?

[0:24:27.4] WM: Really social media, please reach out on social media. That is the best way I think it is @heywillmorris is sort of my handle on Twitter and Instagram. And Facebook, you can just search Will Morris on LinkedIn, search Will Morris, m-o-r-r-i-s, and just reach out to me, message me, let us connect. We can set up a call and go from there.

[0:24:47.5] WS: Awesome, thanks Will.

[OUTRO]

[0:24:49.5] 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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[END OF INTERVIEW]

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