

EPISODE 433

[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]

[00:00:20] WS: This is your daily Real Estate Syndication Show. I'm your host, Whitney Sewell. Today, our guest is Josh Cantwell.

Thanks for being on the show, Josh.

[00:00:33] JC: Hey, Whitney, thanks so much for having me on. Glad we were able to finally get this scheduled up and go live. So, thanks for having me.

[00:00:39] WS: Yeah, me, too. I'm looking forward to this conversation and a little about Josh. He's a true entrepreneur and prides himself in never having had a boss in his entire adult life. He had bought and sold over 700 properties in 25 states and has a portfolio of over 2200 cash fueling apartments. He's the founder and CEO of Freeland Ventures, just one of his successful businesses, where he manages over \$30 million in private money.

So, Josh, you know, I'm really looking forward to this conversation just from our talking before we got started recording. But tell the listeners a little more about you. And listen, let's dive into your personal story that I know is going to just hit everybody in a big way.

[00:01:16] JC: Yeah, Whitney thanks so much for asking. You know, I think like a lot of people, you kind of stumble into real estate one way or another and my story is no different. I was a

financial adviser coming out of college. My dad was an entrepreneur, the owner of an employee benefits company. So, he did, you know, big packages of life insurance, disability insurance, medical insurance and stuff like that for big companies.

My dad put me through college, and my brothers, and then when I came out of college, my dad was livid. He was so upset when I took an all-commissioned position selling financial services. He's like, "Oh my God, I just spent hundreds of thousands of dollars on your education. Go get a real job making a salary. And what are you doing?" I said, "Well Dad, I've been watching you almost all my life. You started these businesses from nothing. I kind of want to be like you." So, my first mentor was my dad.

So, fast forward a few years, became really successful in financial planning, and I realized and saw that some of my most successful clients owned real estate. They didn't have all of their money in the stock market with me and mutual funds and IRA's and life insurance. They owned restaurants but they didn't own the restaurant, they owned the building, and they rented it out to the restaurant. They owned single family. They owned multifamily. They flipped some properties on the side. They were all in real estate.

I took notice, started going to some seminars, and in 2004, Cleveland, where I'm from Whitney, was already in the middle of foreclosure crisis. You know, there were 10 publicly traded companies, big institutions like LTV Steel and OfficeMax and BP Oil that were leaving the city of Cleveland. And there was already a foreclosure crisis. So, when I was marketing for motivated seller leads. Everybody was calling me saying, "Hey, I'd love to sell my property, but it's only worth 150 and I owe 175, can you help me?"

I was like I've got to get good at something because all these leads are the same, and I took to foreclosure, investing pre foreclosure, investing in short, sell investing very, very quickly. And that was a good thing. But Whitney we'll talk about this on our chat today. It was also kind of a bad thing because I got this kind of shiny object syndrome. We got really good at flipping properties. We got really good at wholesaling short sales, really good at foreclosure investing. I lost sight of the real reason I got in real estate, which was cash flow, owning buildings, long term legacy wealth, creating real income because I became very transactional in my business. But

that was that was kind of how I got into it. That was my original start when I got going the first couple of years.

[00:03:53] WS: Wow. So it's neat, though, that you started out as a financial advisor and you immediately took note of, you know, who your most successful clients were and how they got to where they were at, and they were like, "Okay, you know, I need to make a change here," and you did it. You became very good at short sales and foreclosure investing. But, you know, so you did that and that you got into the transactional, you know, over and over and over, you know, and you got caught up into that. But then what happened? What changed?

[00:04:17] JC: Yeah, we became really good at it. We got so good at it in 2004 and five and six and seven, that when the foreclosure crisis actually happened in 2007/2008, we had already done like three, four, five-hundred short sales and pre foreclosure deals and foreclosure deals. So now the rest of the country is like, "Oh, crap! Every house is in foreclosure. What do we do!" And so, people started asking us to speak and teach. And so, I think it was July of 2007/2008, we did our first live event, you know? I couldn't believe it. 150 people showed up to hear our story and what we were doing to monetize this foreclosure crisis.

We created software and we started hosting seminars and boot camps. Totally by accident. Then at the end of 2010/2011, we were one of the nation's leading educators and trainers on short sales and pre foreclosure investing, and we did hundreds of deals that way. Hundreds and hundreds. We even created a short sale negotiation service. We had a national contract with Home Vestors, the residential franchise, negotiating deals for their franchisees. All this stuff's going great. Then by 2011 you know, I was kind of, you know, I wasn't excited about the business anymore.

I was being so transactional for six or seven years, and was really looking to make a change, and that same exact time. I got the incredibly terrible news that I was diagnosed with pancreatic cancer. I think what happened was something I probably had wished had happened years before, where I actually could make a pivot, get out of what I was doing, get out of transactional real estate, get more into long term legacy and cashflow. But it was so comfortable doing what I was doing, I never made that pivot, which was the reason why I really got into it in the first place.

Being diagnosed with cancer and having this massive surgery forced me out of my business, forced me to get away from transactional business. It also forced my income to go like this down. Way down. So, I had to rethink what I was doing. You know, that eight months off forced me to take a step back and say, "Look, man, seven years later, you've got a great income. But what do you really have to show for it? What have you built for the long-term?" So, that experience of being diagnosed and surviving this massive surgery, forced me to kind of really think about, "Okay, let's go back to why we really got into this thing in the first place, right?"

I think that happens for most of us. Most of your listeners, most of my friends, my students, my clients I've worked with, you know, it's kind of an epiphany, this challenge, something that they go through that says, "Man, am I really living the life that I really wanted really doing what I set out to do. Is this really providing for my family? Is this really giving me the passion that I really set out to get? Or is this something I'm doing just 'cause I'm comfortable?" I went through that experience. It was amazing to step back and go through that sort of time to evaluate and think. Thank God I did, because that's really set me off on a whole new path to what we're doing today.

[00:07:24] WS: Yeah, I can imagine though, when that first happened, you probably didn't have that view. Or maybe you did. But you know, this whole scenario and what was taking place and now seeing your business kind of going downhill, you know? I mean, what really helped you through that? That's such a difficult time. What helped you get through that to now have the viewpoint that you do now?

[00:07:46] JC: Yeah, Whitney, thanks for asking. And frankly, it was my dad. My dad was an entrepreneur. And he, you know, during the time when I was diagnosed, I remember he was there when I went to get my first biopsy. When I had this massive surgery, was in the hospital for 10 days, they took out my stomach, my gall bladder, my spleen, most of my liver, most of my pancreas. I had to re-learn how to eat. It was just an amazingly easy surgery. It became a case study in the Cleveland Clinic that all their doctors studied this surgery, and that surgeon saved my life.

But what actually was going on mentally was my father kept reinforcing to me: “Josh, this is happening for a reason, don't pay attention to the pain you're in. Don't pay attention to the physical pain. Don't pay attention to this incision that you have in your stomach. Pay attention to the journey. This is happening for a reason. What are you going to learn along the way?” He kept saying this to me. I remember pretty much every week. “What have you learned? What are you thinking about? What have you learned this week that was different from last week?”

And part of it was, you know, I took a lot of things for granted. I maybe took my wife and kids for granted, my time at home for granted. I was always at the office and again because I was so transactional, I was forced to be at the office. I started thinking about, you know, from a business perspective, why I really got into this thing? What am I doing? This was not in my plan seven years ago.

So, what happened actually, Whitney, was right before my surgery, I had raised a couple \$150,000 of private money. We bought a couple properties. I hired general contractors to improve them. They did the work while I was out and when I came back, and my surgery was around November 11, and when I came back in April 2012, I had put these two properties and made about \$40,000 on each of them. I flipped them but the epiphany that I had was that funding, getting access to private capital, allowed me to have some freedom, it allowed me to have some more freedom of time, have some more freedom of purpose and think.

I knew that these profits were coming, even though I had to stabilize these properties, renovate them. The funding gave me the opportunity to think about my future. Funding started to lead me down a path to freedom, and I started thinking, you know, owning the asset, whether it's a rental, whether it's a rehab, whether it's an apartment, owning the asset is really what I got into this for 47 years ago. I wanted to smash myself in the head because I did it all wrong.

I at least re-centered myself back to where I wanted to be. And I would tell your listeners and your audience, you know, how many of you have a job, maybe you're a high paying executive or high paid salesperson. Maybe you're not highly paid, but you're in a job and you're only there because of comfort. It's not really where your passion is at. How many of you are maybe in residential real estate, but want to be in commercial, like where I'm at today. How many of you are flipping properties but prefer to own assets for cash flow?

So, you know, about the time this is released it's a great time to reflect on, like I did in 2011/2012, are you really following your passion, really following your goals? Because I was forced to rethink it, and that's what was going through my mind during this whole process, and my dad was really at the center of pushing me to think, almost like a mentor, almost like a coach. "What are you learning through this process? What are you learning that's new? How are you going to do things differently in the second half of your life?"

My dad tells me all the time when he says, "Josh, you were spared for a reason. 35 years old. You had an 8% chance of survival." Pancreatic cancer has an 8% survival rate. "You were spared for a reason in the second half of your life. You know what's the reason for that? You have to find out what the reasons were for that." So, I'm thinking about that every single day.

[00:11:45] WS: Wow. Yeah. You know, you said your dad mentioned to you, "Pay attention to the journey. What are you going to learn along the way?" It is. I mean, we all get so transactional, right? And we're just into the day to day and forget that we have this big goal in mind. We forget about the journey, and yeah, I know so many of the listeners can relate to your story so well. You know, so then you made the big change. You left the transactional. You got back into the cash flow. You moved into apartments. Tell me about that transition a little bit and moving into the apartment space now.

[00:12:11] JC: Again, almost by accident. What happened was is that I initially moved from raising private money to managing private money. We started a private equity fund in 2014/2015. We took dollars into that fund. We created our first private, you know, big private placement five or six B, started recruiting capital that grew pretty quickly. And we were essentially making private lender loans. So, instead of getting into apartments right away, we went into the syndication private equity world of PPM's on the lending space. We were making private money loans, of hard money loans, for residential and commercial properties, first mortgage debt.

I was able to move out of being transactional and being the operator, to being more of the money manager, and making the loans or creating passive income for me and for my companies. Then what happened, fast forward a few more years. Those investors were really happy with their returns and they started saying, "Hey, Josh, this is great. Your fund is

awesome. I've got 200,000. I've got 400,000. I've got 50,000 in that fund. But I've got more money. What else do you have? Like, what else can I do with you? Besides this fund?"

I had some friends that were in the apartment world that we're already successful, kind of small balance apartment investors. They owned 15 units, 25 units, 35 units and they one-upped their game. And of course, they needed access to more money. And I had relationships with these guys for years. And so, I went to them and I said, "Look, I've got investors that have got more capital. You guys are looking to level up your multifamily game. Why don't we joint venture on some hard deals I can underwrite on? I've been an underwriter forever. We've been a private lender forever, helping underwrite deals. I can give you some more credibility because you can go to brokers and off-market properties in pocket listings and say, 'Look, I've got all this capital behind me. We know how to operate smaller buildings. Let's go buy some bigger ones.'" So, we did that. I partnered up with a couple friends of mine. We went and made offers on some bigger properties. And sure enough, the first big one we landed was a 730-unit.

[00:14:19] WS: You didn't waste any time.

[00:14:20] JC: We didn't waste any time. A massive lift, a 730-unit. My friend Tim, who many people know is in the syndication game. It was this really first big deal. I was a big part of that team that put that deal together and took that deal down. \$10 million purchase, 10 million in renovations. We had to raise about six million bucks, which we did. And that portfolio now has been almost completely renovated, stabilized, is operating at like 85, 90, 95% occupancy, depending on which building. We're gonna be refinancing that massive portfolio in 2020. We'll be all-in for about 24 million. And based on about a six and a half cap, it's going to praise out at \$48 million.

So, it was a massive deal and we just went, "Look. Okay, well, that worked." And I'm really good at money. I'm really good at underwriting. I really couldn't due diligence. I'm really good at investor relationships and capital management. I knew that could be my place. So, I continued to go to other operators and friends of mine, a joint venture with them, because I knew my role with me. I knew I couldn't do a \$10 million rehab. I knew I wasn't, you know, the GP that was also the project manager, or the general contractor was gonna do a million dollar or a half a million-dollar lift. I knew my role.

So, you know, in an apartment deal, there are 6, 7, 8 spots you can fit. You know, this is a big joint venture, as you know. I knew what I could do well. I knew I could partner with guys who could do other things well, and we've done now seven rate, massive projects. It's a \$200 million portfolio. We've got about 10 or \$12 million of our capital in those apartment deals, and we've just taken down deal after deal after deal after deal after that. So, it was really by accident, and we're excited. We do a lot of value add stuff, so we're not buying a lot of apartments that are really stable right now. We're buying stuff that has a little bit more vacancy where there's a little bit more opportunity to do some lease turns, increase the rents, and then refinancing into permanent financing.

[00:16:26] WS: Nice. So, it sounds like you had a really good skill. You're really good at raising money. You had all these great connections. And then, you know, this other industry over here, I mean still in real estate, but this other type of real estate business where they need that type of skill in a big way, which we do in this indication business. I mean, it's a perfect fit. So, you created massive value to this team, you know, with your skill set and the connections that you have built over many years.

[00:16:47] JC: Yeah, Whitney, I think the point here, again talking to our listeners, you don't have to be an expert at everything, right? Like niche is rich. So, knowing your niche, knowing what you're good at, and then aligning yourself. Going to different multifamily events, meet ups, seminars, you know, being on podcasts, participating in Facebook groups where there's other operators building relationships, getting to know people – you realize some guys are really good at deal flow. But they're not great operators. Other guys are great operators that actually like, boots on the ground, at the job site every single day. Some guys are good at that. Some guys are good at raising money, investor relations, due diligence, securities work, capital management.

So, it's really like there's very few guys in this space with me as you know that do it all right. They find the deal, they operate the deal, they raise all the money, they sign the personal guarantee. Very few guys do it all. So, it's really about you finding your niche and finding guys you like to be around, finding guys you like to do deals with, or girls that you like to do deals

with, because it is a long term relationship, right? Hopefully you're in that deal for a very long time and it's very profitable.

So, it is gonna be a partnership. You're gonna get married for a while. It's kind of a weird term but married in that apartment deal. So, you're gonna be together for a long time, so you've gotta be doing deals with people that you like and people that can contribute.

[00:18:11] JC: I couldn't agree with you more. I definitely couldn't have gotten to where I'm at doing it by myself. And I would say people who are doing it by themselves are really holding themselves back. There's just no way I couldn't imagine doing all these pieces by myself. We've done this only by building a team and hiring professionals to partner with, you know, that are much better at parts of this puzzle. Then I'll probably ever be, you know?

[00:18:29] JC: Right. Yeah. And finally, guys, you know, when I got involved in that first deal, I looked back at their experience and said, "What other deals have you done? Show me like other apartments that you've done and how you've taken this model from A to Z, from acquisition to stabilization, to operation, to exit, or refy." And they were able to show me some proof. I saw that over the couple years, and then I'm like, "Okay, now here's the deal. That makes a lot of sense. Let's jump in and let's make this go." And then you know, then we closed that 730-unit. Then we closed a 407, then a 210, 216, then a 492 and a 164. And the thing's just mushroomed out in the past two years or so, again, because we've got guys who are really good at acquisition. Got other guys good at operations. Other guys really got at securities work or underwriting. The other guy's good at raising money. So, we put together a nice team.

I still feel like we're just kind of scratching the surface. These next five years, I know the market's hot and the cap rates are really low, but if you find stuff under-value, find stuff underpriced, which is the goal, gotta dig through a lot to find one or two good deals. But if you could do that, you hold on to the asset for the long-term, and now I can make up for the first seven years when I screwed the whole thing up, right?

[00:19:49] WS: Are you strictly focused on this indication and distressed apartments now?

[00:19:52] JC: Well, I would say we're still in sort of a pivot. I'd say half pregnant, if you will, because we still have about \$20 million in our fund, that is all in both residential commercial loans, private money and hard money loans. So, we are making a lot of loans were also an approved originator for several crowdfunding platforms. So, we originate small balance and middle-market multifamily paper. We fund first mortgage debt and then we sell that to these crowdfunding platforms and then they sell that paper off to their investor base.

So, we're pivoting to get more more of those dollars away from residential and more and more into multifamily. But we've got 10, 15 million in commercial multifamily, we're originating paper for multifamily, but we've still got about 20-million still in the residence space that's gonna migrate over the next year or two.

[00:20:43] WS: You know, moving from the transactional space, whether it's whole-selling, you know, flipping or whatever, maybe to the syndication business. I know there's a lot of listeners who are in that same boat now, they're trying to get in the syndication business. Maybe you could just speak a couple things to them that – I mean, everybody comes up and says, “Josh, you know, what do I need to do to get into this syndication business?” You know, “If I've been flipping homes or whole-selling,” what would you tell them?

[00:21:02] JC: Well, my first piece of advice, Whitney, and it's a great question because this is exactly what I lived in 2011 and 2012, which is you may have to resolve yourself and make up your mind that you're going to make less money for the next year or two. You know, if you're flipping less properties, you may have less transactional income for the next year or two. But if you're going to get into the syndication business and own apartments long-term, you're gonna have so much more over the next 5, 10, 20, years, that might feel like a step back, or that dip down in personal income over the next 12 to 24 months.

That's what I went through, and I was cool with that because I knew I was now investing for the right reasons and the right thing. So, it's okay. It's okay to take a step back. It's okay if you know that you're re-aligning yourself with what your true long-term goals are of creating permanent cash flow, providing for your kids, and her grandkids. You know, getting into commercial is fun. It's more risk, but if you do it the right way, you can manage risk really well. And so, it's not necessarily riskier as long as you manage the risk well and underwrite properly. But that's the

first thing is just saying “It's okay. It's okay if I go backwards. It's okay if I'm less transactional because I know it's gonna take some time to ramp.”

The second thing I would say is start meeting with investors now, showing them potential deals, deals that you don't even have under contract. What a deal could look like. You know, are you going to prefer to pay a return with some equity? Is there a refinance opportunity to return some of the equity, or all the equity. Start to present those types of deals to people and I swear people are gonna be so interested you're gonna build up this little chest of potential investors. So that when you get you knocked down 100 unit or a 50 unit or a 200 unit or whatever, these people are already primed and kind of waiting for that deal, so those two things right.

It's okay, mentally, to know that you might take a step back. It's okay if you're messing with long term. Secondly, is just start presenting what could be a potential deal for investor structures and just say, “Hey, I don't have a deal yet. This is not an offer of a security. I'm just letting you know that this is the way I probably structure it when I do a deal. These are some structures I've seen from my buddies, my joint venture partners, people at seminars. They structure this way. So, if I found a deal, it was structured like this. How interested would you be in something like that?”

Or what I like to do is to present something with me and say, “Hey, I'm not assuming that you're interested at all. But if you know anyone that would be interested in this, or interested in learning more, can you refer me? Can you keep me as top of my reference?” And then they'll say the magic words: “What about me?” Okay, I love that. I never really present to somebody and ask them for money. I present the concept and then tell them, “Hey, I'm not assuming you're interested at all. I'm assuming your liquid or have any money. But thank you for taking this appointment with me. Thank you for your time. If you know anybody just introduce him to me. I'd love to build my network.” Then again, the three words we're waiting for is, “What about me?” Which happens all the time because we didn't pressure anybody into investing with us.

[00:24:24] WS: Wow. No, that's awesome, Josh. I appreciate you sharing that. And for the listeners, Josh has this 12-step process of raising capital that they were planning having back on the show for us to go through. It may take a couple shows, but I'm really looking forward to that, Josh. And unfortunately, we're about out of time today.

Just a few more questions. But also, I know the listeners are. You can really relate to your story, and I appreciate you sharing that being so open and being willing to help others by using your story as well.

But Josh, what's been the hardest part of this syndication journey for you?

[00:24:53] JC: You know, I don't think there's anything that's really been hard about it. It's just you don't know what you don't know. And like we're all going to fail so you can either fail fast or you can fail slow. You know, I listened to a great podcast once, and there was this one liner that I heard that really resonated with me? It was, "You can create and achieve all your goals in 10 years, if you do it part-time on the side." You can have your day job, or your transactional thing, and also do what you're really passionate for. In my case, which is apartment syndication. And you could do that part-time and that could take you 10 years.

Or you could jump in full-time and know that you're going to fail. Know that you don't know it all but go full speed and accomplish them in three years. So, you can do it. But you want to do it in three years or 10? That resonated for me because when I was again, and I still sort of feel like I'm half pregnant with residential moving to commercial. If I continue to do both, that's hard. That's hard to do both. What's gonna be easier is just committing 100% to syndication, multifamily. So, what I tell people now is we lend on, we joint venture on, and we buy and operate multifamily properties. That's all we did. So, what's hard about it? It's just again, every day, finding something new to learn every day, making another contact. Knowing that it's long-term gratification instead of short-term, a short-term, really fast win. Because there's always the temptation of falling back to instant gratification, right? This syndication and multifamily game is a long-term, wealth-building, huge gratification game. It's not instant gratification. That's the hardest part about it.

[00:26:35] WS: I couldn't agree more. Well said. How do you prepare for this potential downturn that everybody's talking about?

[00:26:39] JC: Yeah, I think it's a couple things. I think it's making sure that your underwriting deals really, really conservatively. You know, if you think you can get, you know, \$200 rent bumps, you know, maybe underwrite about a \$75 rent bump. If you think that you're gonna get a

six cap, you know, on stabilization and maybe refinance or sale, you know, maybe run your numbers at a six and a half for seven caps, so you're not, you know, you're not running your performers at all in your best case scenarios, instead of, you know, underwriting the deal and saying, "I'm gonna get financing at 4%."

We've seen deals, we've able to secure a long-term permanent financing at 3.8%. So low, the cost of money, we underwrite them at a 5% interest rate. So, that's a big part of it. Second thing is knowing that we have to have enough capital, right? The only way you really lose money in this big downturn people are potentially talking about is if you run out of cash. Right? Ray Dalio talked about it in his book, his principal's book about, you know, I'm gonna have enough cash that I'm never knocked out of the game.

So, having a little bit extra in reserves, maybe over raising a maybe a couple hundred extra thousand dollars, keeping it in a reserve account, making sure investors know, hey, if we're planning on refinancing, maybe it might take an extra year to stay with me. The only time we really lose here is if we sell in the downturn. If we hold, just like in 2007, if you bought an apartment building in 2000, by 2017 that full value came all the way back, plus more, right? So again, if you buy it now, and even if you're buying at the top of the market, just don't sell three years from now if we're in the middle of a downturn. Make sure you hold onto that thing for the next 10 years because that's how you will come back.

We just proved that in the worst economic downturn in our lifetime from 2007 through 2010. And then, you know, 10 years later you had more than your value back in those residential and apartment deals. So, you know, underwrite conservatively, over-raise capital, be prepared to hold for the long term, don't sell in a downturn. Those are some of the things that were preparing for.

[00:28:48] WS: We don't have a lot of time to go in-depth on this, but I wonder what kind of debt will you put on distressed property right now?

[00:28:53] JC: So when we can get permanent financing, we're trying to do that out of the gate, but we're still trying to buy properties we can get a lift. So, we just closed a deal six months ago, we were able to get permanent financing out of the gate. But we convinced the lenders, this is a

492-unit permanent financing out the gate, 12 year balloon, 30 year arm type of stuff and we're gonna convince him out of the gate. Permanent financing. 3.8%.

But also, able to convince them and we said, "Look, there's a lift here. We're gonna get a substantially larger value when we're done with the renovations in the rent bumps." And they agreed to, in advance, that if we can get that value that they would comfortably slap a supplemental loan on it, behind it. So, essentially like a refi, but without refinancing that first mortgage. So, essentially a refi, slapping a second mortgage on it, so that we can get all of our investor capital out of it and even pull some cash out, refi proceeds out of it.

That's an ideal deal in today's market because you're not doing a bridge loan where there's a chance to have that balloon called, or that note mature, and then have to sell the asset at the wrong time. Now, we are doing some bridge loan debt still, but only on stuff where there's enough of a value-add lift that we can refi in the next one to three years. Because even if there's a downturn, so much money in the market right now, we don't anticipate that money just drying up overnight.

Rates might go up, cap rates might go up a little bit. But you know, if we're buying them at a good enough price, there's opportunity to still do some bridge financing for two to three years, stabilize the asset and then refi. And that's what we're doing with some value-add stuff. But ideally, we get permanent financing with the opportunity to do a sup loan when the value's there, and then you pull some investor capital back out and cash out refi proceeds. That's ideal if you can do it.

[00:30:43] WS: Yeah, I appreciate you explaining that. And what's a way you have recently improved your business, that we can apply to ours?

[00:30:49] JC: Yeah. You know, I think it really starts with the owner operator CEO, and this is something I've gotten right this year that I didn't have right, you know, two or three years ago. My morning routine personally sets the table not only for my business but also for my entire organization. My personal routine, I've realized, is the pivot point. It's the epicenter. I don't say that to brag, or take too much ownership of the business, but I just feel like if I get my morning right, the business operates at a higher level. I operate at a higher level.

So, my routine looks like this. I'm up in about 5:45, get my kids up at 6:15. We're out the door. I drive them to school every day. 7:10 we're out of the door. I drive them to school and it's awesome. Whitney, I don't know if you have kids? But my kids are 11, 10 and eight, and they tell me stuff in the car in the morning that we don't, you know, they don't tell their friends – we don't talk about – just little stuff like about a teacher, or about a classmate, or about school, or about a dance that they're going to. My 11-year-old daughter, you know, is going to dances and there's boys there. So, little stuff like that.

But then I go to the gym and I don't work out for an hour. I don't have an hour, but if I can work out for 20 minutes and, so drop my kids off at 7:30, I've got till 8:20, I know my schedule is 8:20 I'm out of the gym and I'm in the shower and then I'm out of my gym at 8:35. I've got the time. Some days I swim. Some days it's weights. Some days it's cardio. But that morning is so key for me because I can do that four days a week, which is my goal. Sometimes I get five days a week. Sometimes it's three. But then when I get to the office, I get to the office around nine.

So, I'm not here at 7:30. I'm not here at eight. A lot of people beat me here, but in my mind, I've had the time to think while I was at the gym. My mind is totally now dialed into exactly what's going on with my day, my week, our priorities, our mission. I arrive, I'm on fire, I'm ready to go. Then I have my sales meeting with my acquisitions manager, my business development guys at 9:30, that's working really well because it sets them up. We talk about dials they made, brokers they called, deals we're trying to lend on, deals we're trying to buy right out of the gate. By 10 o'clock, everybody's on the phone. Right? We're rolling, man. It really starts, though, with me.

Like a year ago, two years ago, I didn't have that whole system down. And without it, the office was kind of like, "What are we doing? Like we having a meeting or not? When it's Josh gonna get to the office?" You know? And now, we know. Now we know when you get on the phone. We know what metrics we've got to hit as a sales organization, brokers we've gotta call. Then on certain days, I can have my operational meetings to talk about KPI's and things like that. I do that on Monday afternoon. So, that morning for me has been huge. Whitney, if I get that right, everything else just seems to work.

[00:33:51] JC: Nice. What's the way that you like to give back?

[00:34:00] JC: Well, I personally, this time of year at Christmas time is huge. We sponsor lots of organizations and agencies. But you know, everybody likes to do that around the holidays, Christmas time, I think. For me giving back a lot is about, you know, we have a coaching organization. We have people that pay us lots and lots of money to coach them. But what I really want to do is usually once a month a couple times a quarter, a couple times a month, just having a call with a new investor that's really just getting going and talking to them for 15, 20 minutes, 30 minutes and coaching them for free, right?

I usually get so much joy out of that because I can relate to not only when I started in 2004 but then when I went through my cancer scare in 2011, and then even pivoting again into commercial is almost like a reboot again, right? So, I understand what it's like to restart a couple times, and to tell that story, and kind of give back to them and, you know, not be staring at the clock and trying to hustle him off the phone. You know, having a lunch meeting with the newer investor. Just to, you know, tell my story and help them understand like you can do it, right? And we all started at zero.

That's one my favorite ways to really have an impact on one person, as opposed to just giving money, or those kind of things. But to touch with one person, to have a real connection with them on a monthly basis, on the phone or face to face, and feel like they're gonna remember me and I'm gonna remember that meeting.

[00:35:27] WS: Yeah, I would say you're giving something of a lot more value by giving your time that way and sharing with them, giving some guidance instead of just giving someone some money. Thanks for sharing that, Josh. An amazing story. And I can't wait to have you back on and talk about your 12 steps of raising capital. I know the listeners will really look forward to that as well. But tell them how they get in touch with you and learn more about you.

[00:35:48] JC: Sure. So, I mean, website is Freelandventures.com. Go there and see some of the deals that we work on and all the other things we do, links to our book, links to our podcast, links to our lending site. So, if you're looking to borrow money, you know, pick up our book, which they can get for free, just pay the shipping, our podcast, all of that starts at Freelandventures.com.

[END OF INTERVIEW]

[0:36:10.6] 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]

[0:36:50.4] ANNOUNCER: Thank you for listening to The Real Estate Syndication Show, brought to you by Life Bridge Capital. Life Bridge Capital works with investors nationwide to invest in real estate while also donating 50% of its profits to assist parents who are committing to adoption. Life Bridge Capital, making a difference one investor and one child at a time. Connect online at www.LifeBridgeCapital.com for free material and videos to further your success.

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