

EPISODE 501

[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 Pauldine France. Thanks for being on the show, Pauldine.

[0:00:33.6] PF: Thank you for having me.

[0:00:34.4] WS: Yeah. I'm excited about this show just from our conversation a little bit, it's amazing what you have accomplished and all your abilities, what you can get done, it's pretty incredible.

But, a little about Pauldine. She's introduced to real estate in 2003 as a developer assistant. Over the course of 15 years since, she has participated in almost every role within every commercial property projects from developer assistant, independent agent, financial and risk analyst to construction estimator, business development, project manager to leasing.

As Vice President of strategic investments at LFIP Realty Services Commercial, she spearheads the LFIP branding and sales strategy initiative, aimed at streamlining the process of retail, hospitality brands planning on entering the US market via Miami.

As a licensed agent, she focuses on property repositioning, tenant outreach, site selection and predevelopment planning with specialty in retail, hotel, industrial, and land leasing sales.

Pauldine, that's a mouthful, I mean, you've done a little bit of everything in this industry it sounds like in this business. Just from talking to you a little bit, I'm like, "Wow!" You know, I didn't even know there were people that could do all these things.

It's incredible but give the listeners a little more about your background, other than what I read there but tell us a little about yourself and what you're doing in this real estate industry.

[0:02:01.2] PF: Well, essentially, so that it makes sense, you know, the list of credentials that you just listed, I originally, when I graduated college and I went to my Master's program, I actually wanted to become a diplomat. I was the state department intern under George W. Bush and it took a little while before I realized that it would take forever before I can lead a lifestyle, the lifestyle that I wanted.

I mean, you could have all the great intentions but the reality is public service doesn't really pay as much, you get all the great prestige that comes with it and the relationships but I wanted to go back into the private sector.

So, I landed in real estate, essentially by accident. I came back home, looked for jobs online, smoothing that I can set my hours and that was the developer assistant job. And why I have played so many roles is because real estate has so many facets as you know. So many areas that you could enter from. Commercial real estate itself, especially in retail and office and industrial, there's real estate finance. There's the architecture side. There's the construction side, there's the – everything.

Since I had no intention of getting into real estate, I needed to discover where I wanted to be in real estate and that's what kind of led me to these journey of starting of as the right hand of a major billion-dollar net worth developer to saying, "All right, I got the language from the developer side, now, I would like to know how to oversee a project." Hence the project management side and then I like that. Then I decided I wanted to know more about construction.

That essentially is why now actually, 17, 18 years later, my resume has covered various aspects within the real estate industry with the exception of being an actual contractor, an architect or in the finance part.

Here I am today where I represent various developers and very large portfolios here in Miami and one case, I guess you could say quite a bit of property in downtown Miami. I believe the number's about 38% and if you compare that to any downtown, 38% of an urban corridor like that is quite a bit of property.

And everything from sourcing new deals, all the way to naming the buildings – I essentially, everyone reports to me. The construction team, the architects, finance, accounting, our leasing team and so on and so forth. I guess all of that hop scotching around is now paying off because I have to understand what everyone was telling me. I can't have someone translate the jargon of various people specialties. That's where I am today in 2020.

[0:04:57.5] WS: Awesome. You definitely can't put a value on all those experiences that you had.

[0:05:03.0] PF: There isn't.

[0:05:04.0] WS: You learned so much.

[0:05:04.9] PF: It was business school times four.

[0:05:07.7] WS: Right, at least. Yeah. You connected with this billion-dollar net worth developer and that was how you got started. Was that the first job in real estate?

[0:05:17.5] PF: That was the first job. They were building a large five building, mini city project down on South Beach. Included one hotel tower and four residential towers with retail on the ground. And so, imagine, me coming out of White House area, I'm wearing tights and the suits and you know, there's the list of protocols and then suddenly I'm running between office to putting on a hardhat and steel toe boots to meet with investors.

I was just thrown into the lion's den. But I'm very thankful for it because this is where I feel I was meant to be. I went in one direction with a different intention and I fell in love with real estate the moment I stepped foot.

[0:06:02.4] WS: Nice, what was it that this large developer seen in your that they took you on?

[0:06:07.7] PF: I believe, one of the advantages of having worked in government and governance, is that you understand and respect hierarchy, you have to. Everyone has a title. Everyone has a role. You don't get a lot of opportunity to step out of that, okay?

Although that has its plus and minuses. In real estate, sometimes, because there's so much going on at the same time, you could be a chicken without a head. At the time, that's what it felt like. He felt, "Okay, these five buildings, this contractor is falling short, we need to hire another one. I can't clone myself. I need five of me. I'm going to start with you, I'll teach you what you need to do along the way but I need for you to be my voice when I'm not around."

And I think my speech and debate and government experience gave me a certain gift of gab, if you will., that even when you know, water issues and environmental assessments that were causing delays, I was able to calm things down and kick into critical thinking and if not find a solution at least put everyone at a place where they're not stabbing each other.

[0:07:22.0] WS: Yeah. I think it's the same that not just anybody gets to work at the White House.

[0:07:25.9] PF: No, not everyone gets to work at the White House or particularly in my case, it would be the state department. I was third year in college when I applied and only about a hundred or so gets selected a year.

And I believe there's something like 10,000, 15,000 applicants and we don't hear anything for months. I think it was almost a year and I got a phone call and it was a gentleman from the FBI and he said, "Hello. We haven't forgotten about you, I'm coming by your dorm this week." and I was very scared, the moment you hear a CIA, FBI, you freak out, right? You're like, "Wait, what's going on. I thought my roommate's start dealing something, somewhere."

He was in my little room for about three hours, having me fill a document that was about 40 pages long to get my background check complete. They have a very thorough process for you to even put your foot into these buildings.

[0:08:26.9] WS: Sure.

[0:08:27.3] PF: Let alone to have relative closeness to you know, let's say the top 10 of the government.

[0:08:35.1] WS: No doubt, somebody that's looking for somebody that's a good candidate. I mean, you definitely have the qualifications, or they felt like you'd already been vetted, no doubt about it. You know, you jumped right in and obviously, you had many positions that taught you a lot and I was just thinking about, you mentioned also dealing with owners who are not even in the US.

[0:08:52.5] PF: Correct.

[0:08:54.1] WS: I was just thinking about what that looks like and maybe you could explain that process a little bit?

[0:08:58.6] PF: Well, Miami is dubbed the gateway to Latin America. A lot of our cash deals here actually do come from Venezuela, Brazil, Mexico, Columbia and other places. Some might assume, "Well, there's instability so Miami is just a clear option." But even prior to some of these country's economic shakiness. Miami always had great appeal because it's close, it has due to the humans that arrived here, 40, 50 years ago. It already kind of has this tropical, Latin American vibe to it, so when they're here, they feel like home.

The other thing also that makes it easier for them is since many of them are Spanish speakers and we have a lot of Spanish speakers here, getting property managers, bankers, lawyers that are fluent in both English and Spanish, is very easy to find.

Miami is one of those places where we welcome just about anyone if you speak English. But if you speak Spanish, you definitely have a home here as well. Hence, why I believe the number was about 70% of our real estate deals in residential and in commercial are by foreign entities or foreigners in general.

[0:10:10.3] WS: Wow! I just find like in the real estate business, dealing with international investors, sometimes there's like things you don't expect or complications you know that are a little different but I just wondered as far as buying property in Miami and what that looked like with your relationships with them?

[0:10:23.8] PF: There's a learning curve. You mean like how they adjust to the new system here in the US versus what they're used to back home?

[0:10:29.7] WS: Yeah. Just like you know how things have to get done here and you're trying to walk them to that process?

[0:10:35.2] PF: Sometimes it's difficult. Believe it or not, it's the most difficult with the wealthiest foreigners. Whether they're from – are European clients or their Latin American clients or Asian clients. The wealthier they are back home, the more leeway they have, naturally, right?

Because one would think, well the smaller investors, they probably think you know, it's the wild, wild west. No. The wealthier ones that have large assets back home and we're talking about six figures US equivalent wherever they're at, they're used to people saying, "Yes, you got it, I'll hold that building for you. Yes, I'll cut a point off of the interest rate, don't worry about that, I'll handle it." When they come here, that ends, right?

Now it's like, "All right, you were the big shot back home and here, until your portfolio gets to a level, you're still not a big shot. And even then, you're not really a big shot because the laws of the US and the oversight and all of the various types of accounting methods, right, limits the flexibility that someone could kind of bully with their own power." That's really the difficult part.

In general, when we're talking about the smaller investor, the one that's looking to put in 200,000 in a syndication or they're looking to buy a small apartment building for 800,000 or a

million, those guys are actually always ready and willing to learn. We don't jump into looking at properties, it usually requires myself. I speak a little Spanish. I'm not completely fluent but I have Spanish speaking team members and who will sit there and explain, "All right. These are your tax benefits, if you do this as an option, this is how the income works, this is the way your corporation generally will be set up."

We don't endorse or back or have any type of in house real estate attorneys or accountants that specifically deal with that. Just because it's a liability and chose preference of one company to another. Instead, we give a list and we say, "All right, these are the language specialties of these, okay, including property managers for when you're away and you can call them, tell them what you're interested in doing, get back and see if this is something you want to do."

If they come back and when they come back and say, "Yes, we're interested, this is the type of product we want to go after." Then it's just collaborating with everyone else that they've engaged, their attorney, their accountant and getting the process going to getting some deals that what their appetite essentially is different from dealing, essentially with the Americans. It's just that extra step of them really learning. Once they've learned and they've got the professionals they've hired, then I'm back to doing what I usually do.

[0:13:18.1] WS: Yeah. I want to highlight that before we run out of time, is some things that you're really good at. You know, one thing you and I had talked about that you're really good at is like, finding the highest and best use. You know, value engineering you called it, leasing strategies, things like that. And one property you mentioned was taking an old hospital and converting it into something else.

I'd love for you to tell us about that a little bit and maybe walk through that property a little bit.

[0:13:41.6] PF: Okay, yeah. Well one of the – as you know, some of the best opportunities are the ones that are run down and they've been abandoned or no one knows what to do with them. We had acquired an old hospital like an elderly kind of home turned hospital that essentially had been overrun by homeless in the last 10 years. No one had interest in it.

We saw an opportunity, we walk through our team, we had great bones. We anticipate the area where it's located that there would be a great need for office just because there was a lot of residential plan by very few office. So, you were creating, there was this urban density being built but very little office product to it was being offered. So, we said, "Listen, let's do something really funky. We are going to take this building and we are going to put state of the art glass that reflects the sun and reduces our air conditioning needs and we are going to put a fast speed elevator on it and all of these type of reception less, touchscreen entry points and to make it super techy."

And after we came up with the idea to start pulling people into our side of the block, right? Because you need something sexy for people to brokers and influence and so forth to start bringing their tenant.

And then we said, "Well, if we are going techy, how about we source tech office tenants?" And so, we went from talking an old building that everyone just gave up on to now really putting together this incredible state of the art building and already going out to Silicon Valley and sending our brochures and floor plans and getting people interested in opening up secondary offices in Miami particularly to open their brand to the Latin-American market.

[0:15:23.7] WS: Okay. Somebody had to be a great visionary there.

[0:15:26.7] PF: I can't take full credit for it. I can't take full credit. I have to say the owner of these assets is a visionary. He has created incredible product. He actually has so many billions that is driven more about by the vision than the income. So, having that kind of flexibility does help versus just having it looking at things from a proforma point of view. Then after that, it was just being able to sit down and brainstorm and not tell people that's a bad idea.

We sit at a round table and we just shoot ideas. It might sound crazy. Maybe having a mechanical giraffe in the lobby is a horrible idea but say it anyway, you know? Say it anyway because hey, maybe that is an opportunity to bring in a Disney store or an [inaudible 0:16:12]. You just never know what you can extract out of brain storming sessions.

So, if there is anything I can take credit for are the brain storming sessions but what comes out of the brain storming sessions is definitely a collaboration of 10 to 12 people that have passion for real estate just as I do.

[0:16:30.5] WS: There is some key people that's a must to have around that table for the brain storming session.

[0:16:35.5] PF: An architect. You know an architect and or a contractor because sometimes there are some ideas where the architect has to jump in and say, "First of all that is going to cost you a fortune." Or "You'll never get a permit for that." Or you know because you are being theoretical when you are being conceptual, at the end of the that has to get built and you can't spend \$100 million on a building that you can only extract five million out of, right?

So everything is within reason and definitely in these cases the voice of immediate reason is the architect and or our head of construction.

[0:17:14.2] WS: Okay. Well, unfortunately we're going to move on a little bit but I wanted to ask you, I know you're managing all of these teams, all of these different projects going on, give me a couple of key strategies to making all of these happen in managing all of these teams?

[0:17:27.6] PF: Definitely get a task managing app. I love personally Monday.com. That is one of my favorites because all of these that we are talking about are just a multitude of tasks by different people and you don't want to micromanage what you still want to see an updated report of what is going on without having to ask someone to send you a report daily.

So, I have to say for me, my real estate right hand must have is a task manager where I have all the team with their own section on Monday.com and I put tasks on there and I get notified who is taking the task and what they're going to do with it and where it is. And I feel that being that connected to your team and being able to look at a live, relatively live, let's say updated within the hour of where project stands is part of it.

It is really multitasking and following the task and making sure that no one is sleeping on you essentially and not going over budget.

[0:18:24.8] WS: Yeah, all right Pauldine, just a few more questions before we run out of time but what's been the hardest part of this real estate or syndication process for you?

[0:18:32.9] PF: I can't speak for other cities but again because we're the gateway to Latin America and we have a lot of Europeans, there is a little bit of a hesitation of we're entering the market right now. Something that we didn't feel until a couple of years ago. And it works both ways. There is one side hesitation where it's like, "Well, we think things are going to get better so we want to keep waiting. I think I can do better than what there is right now."

And then there's the opposite where you have some people that are completely bearish that say, "Okay, I don't think it's the time right now. I'd rather wait it out." So, that I think that's the difference.

Right now, we sit at this difficult cusp where we are having to convince people more that at any stage of the market there is an opportunity in various different asset classes one way or another. But people are going to feel what they have to feel. It is their money so it is navigating those waters that have been a little bit difficult.

[0:19:34.2] WS: That leads us right you know, I was wanting to ask how are you prepared for this potential downturn that everyone talks about.

[0:19:39.9] PF: I'm lucky to have a portfolio that regardless of what happens our buildings have to be erected. I feel a little bit more confident in shared office space and some of the product that we're working on like micro apartments and things like that. I feel there is a need for those products because condos as we know it are not moving as fast. I think apartment buildings are great opportunity. Like everyone, you just got to keep trucking and looking for those deals and hope one of your clients buys it.

And if it doesn't buy it either way the portfolio that you're managing, make sure that it is in its best shape and you're out there updating your marketing plan being aggressive in your outreach, not skimping on your marketing dollars to make sure that you are getting the right

tenants and you have a list of tenants that are constantly coming in whether it is on the residential portion of your buildings or the retail portion of your buildings.

[0:20:38.3] WS: So, what's a way that you have recently improved your business that we could apply to ours?

[0:20:42.5] PF: I am going to go back to my task manager because not a lot of people I know do that. They use Outlook. I find Outlook ineffective, personally. It looks messy to me. I think right now at our fingertips we have so much tech that our industry underutilizes that can make our life way more efficient that improves our outreach, improves our scheduling, improves our cost management.

So, if anything, I would have to say constantly searching for new software, new hardware and upgrading our way of doing things versus saying, "Well we've been doing this forever. We're just going to keep it that way." I feel that my task management program has really helped a lot. I don't have to have the every, Friday 20 people send me a different report by email for example. I can just log on.

[0:21:35.8] WS: The way the government does it.

[0:21:36.9] PF: Right, the way the government does it. Not to mention that it's not great for the environment. But I get to just open up an app or on my computer and it shows me a bar chart and a pie chart showing how many of our tasks are completed, what's going to happen next? people's opinions. And all of that can happen whether a member of my team is in China and another one is in New York and I'm in Miami. We are all together, we're collaborated.

So, if I could give any advice to other companies is take the time to go and look for ways to put paper even if not for the environment but for time. Because truly if anything right now is time is truly money.

So, we just can't sleep on opportunities and be swept away by some new disruptor because there are quite a few out there trying to disrupt the real estate industry and cut people like me

out and to make it automated. So, we have to really show our value and part of showing our value is adapting to new technologies and adapting that in our processes.

[0:22:42.7] WS: What's the number one that's contributed to your success?

[0:22:45.5] PF: My smile. It's tied to that. I treat people like humans and not numbers. And I'll be honest, when I first got into the business real estate kind of makes you want to address people like either a commission check or a task and as the years have gone by, I've realized that what has differentiated me to various other people whom have lost deals to me or opportunities to me is whether I'm approaching someone because I am interested in their building or even the clients that have already engaged me, I speak to them like I would want to be spoken to.

It's not, "Hey Bill. Yeah thanks for the coffee. So, our numbers are like this..." You know, some people are actually want to feel that you are not looking at them like a check. That is the one disadvantage of social media and the fact that life is getting so expensive is more and more people are churning their clients and opportunities through like a car manufacturing company and you can't do that.

Sometimes you have to pause and the same person that told you, "Hell no, forget it," a nice coffee, a conversation and trying to relate to the person might get you a yes, if not today, later. So, dealing with your contact as humans to me is of utmost, utmost importance.

[0:24:05.5] WS: I love how you said if not today, maybe later or later and then really having a long-term game in mind, yeah.

[0:24:12.6] PF: Correct, absolutely.

[0:24:13.7] WS: Yeah. Pauldine how do you like to give back?

[0:24:16.5] PF: How do I like to give back, well, I'm originally of Haitian descent, lots of Haitian in Miami. I participate in charities that raise money for Haiti. Two of them actually. Sow A Seed. Plugging them in. And I also have a soft heart for the homeless. Downtown Miami has been the dumping ground of various other cities of Miami that have nowhere to put their homeless. And

unfortunately, there is some people, the powers that be that have focused more on new trashcans versus what to do with the homeless that are sleeping in the streets.

Aside of it devaluing real estate property in terms of its appearance and sell-ability, they are also humans and not all of them are people that are just incapable of giving back. Some of them just had tough luck. Some of them are military veterans, they are disabled and no one gives them a shot. So that is something that is very close to me. I work very closely with the Miami Rescue Mission down here in Miami. We have many, probably the largest holders of homeless shelters in Miami and so those are my two things.

[0:25:30.5] WS: Wow. Well, thank you for sharing that, Pauldine. I appreciate you giving back in that way and even giving back on the show and just talking to the listeners and myself. And I am just very impressed by just your wide array of ability and experience and what you're able to accomplish right now. So, thank you again for your time. Tell the listeners how they can get in touch with you or learn more about you?

[0:25:51.0] PF: Well, find me on LinkedIn, Pauldine France. Our website is fipcommercial.com. Our downtown projects that are very interested and I am spearheading right now is under Mana Group, managroup.com and you can just Google me, Pauldine France, you'll find me there.

[0:26:14.9] WS: Awesome, Pauldine. That's a wrap, thank you very much.

[0:26:18.4] PF: Thank you.

[END OF INTERVIEW]

[0:26:20.4] 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]

[0:27:00.4] 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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