

EPISODE 573

[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 David Peray. Thanks for being on the show David.

[0:00:32.5] DP: Thanks for having me, brother.

[0:00:33.7] WS: Yeah, awesome to get to know you a little bit David, and I've seen you in different places and your podcast. I know you're doing a lot of stuff in the real estate field and in military and helping lots off of veterans, we're grateful for that, grateful for your service as well, just want to say that. Always grateful for the men and women who are serving and have served.

A little about David in case you haven't heard of him before, he's an active duty marine and, for the last decade, he's an avid real estate investor, blogger, YouTuber, that hopes to combat the stigma that we don't get paid enough and help service members, public service, and the working class understand that – with creativity, discipline, and education – we can build plenty of wealth through real estate.

He's the host of From Military to Millionaire podcast, which helps hundreds of military members learn about real estate investing. We recently closed his GP member on our apartment syndication. Also coordinates a military veteran mastermind group. David, grateful for your time and appreciate you being willing to share your expertise. I know you have some super powers

we're going to dive in to but give the listeners a little more about your focus right now in real estate and what you're doing.

[0:01:44.6] DP: I appreciate it once again and thank you for your service as well. I guess my focus right now is just growth, it's always growth. I'm a very – I've always been probably to my downfall – a very grab the tiger by the tail type, where I just go with the flow and see what happens. That's really kind of how my entire real estate journey has been. I got into it, someone told me that I should read *Rich Dad, Poor Dad*. I told them I didn't like to read, they handed me a CD and called me on my bluffs. I listened to it.

Within three months I bought a duplex, house hack, and then the next year I bought a 10 unit, and then the next year I bought a 40 unit, and then I'm now – the first syndication closed a few weeks ago or well, a few months ago with 146 units, and a lot of that has just been saying yes to opportunities that showed up.

If somebody brought up an opportunity, I'd be a little skeptical and then, if it seems like it planned out, just jump on it. At no step of the way was I ready to buy 10 unit within a year of my first deal, or a 40 unit within a year of that, or jump into a syndication. I've just been – well, we'll figure it out as we go, and I'm a build-the-parachute-on-the-way-down guy.

[0:02:52.4] WS: Wow. You read your *Rich Dad, Poor Dad*, or listened to it I think you said, and then within three months, you had a duplex.

[0:02:59.7] DP: Yeah, I actually wished that Audible would time stamp when you first finished a book because I literally, like, I read the book and – it couldn't have been any earlier in the year than October and I was closed by December 28th. I really think it was like 45 to 60 days.

I wish that I could see that to see how fast I rushed into this but, essentially, the stars aligned. My apartment lease was coming due and so I was like, well, I either keep paying 550 a month to live in this apartment or I find a duplex that cost me almost as much to own, and then I totaled my Harley, so I had cash and I was like, "I now have cash." And my lender talked me out of the VA loan, I used an FHA loan, so I took cash from my Harley that I destroyed and put it into a house.

I mean, it was just like perfect timing. I don't know if it could have been any luckier at all that when I listen to that book, but it worked out.

[0:03:48.3] WS: Why not use the VA loan?

[0:03:50.1] DP: That's a great question, there is no reason not to. My lender – this is a huge part of why I talk about this on my platform because – my lender literally didn't know what he was doing and basically just said, "You don't want to waste that on this duplex, you can't use it again," which is totally false. I could have very easily used the VA loan again, so I got talked into the FHA loan, which isn't a bad loan platform but, it's between the down payment and private mortgage insurance, it's probably cost me close to \$15,000 over the last five years now.

That is fine because it's still cash flow but it's \$15,000 that it shouldn't have cost me had I known better so –

[0:04:28.9] WS: Yeah, I've used mine numerous time. I encourage people, if you're a veteran, you need to know about the VA loan and learn about it.

[0:04:35.8] DP: Absolutely.

[0:04:36.9] WS: You know, I want to jump in a little bit. I mean, 10 units the next year, 40 units the next year and then you know, obviously, you've grown a platform quickly, you're really good at networking, you're good at content marketing. Kind of would love to learn a little bit about you, just your sequence – how you did that, you know, where that came into play in your real estate business and kind of what's happened since then. Let's dive into what you've done there to grow that networking ability and stuff.

[0:05:01.5] DP: Yeah, I've always kind of a people person but I first learned about, like, actually how to network intentionally when I was a recruiter for the marine corp and your job is to hunt people down when they're minding their own business and try to convince them that they should stop minding their own business and go to war or, you know, you understand.

They teach you a lot about building rapport, and finding common ground with people, and learning how to communicate effectively, and how to speak in public and all of that. I basically took those skills as I've started the real estate journey and realized that they will help me a lot, being able to network with people.

About a year after I bought that duplex, probably nine months. Was talking to a friend and he was like – you know, I was trying to figure out – really, I was interested in the whole idea of starting a blog. I had no idea what to blog about. I just thought, like, I'd heard that writing was therapeutic, so thought I would just give myself an excuse to write – and he basically said, “Why don't you just document everything you're doing as you learn about real estate?”

“If you learn a new subject, write an article about it, throw it on the Internet.” I started doing that and within like three months, people were asking about Instagram, and then Facebook, and then it kind of started growing and a lot of it was organic. I don't know that I ever paid for – I mean, I might have paid for a Facebook ad at one point in time, but it's all been totally organic, learning how to use hashtags and stuff like that.

The biggest secret to like the online thing – that is, ironically, seems like a secret – is that social media is supposed to be social, and it is amazing to me how many people put out content and don't ever interact with anybody else's stuff. All of my growth has come from essentially sharing platforms that are bigger than me, sharing their content, getting to know them, asking how I can help them, working with them on stuff, you know, sharing my stuff, and it just kind of – it's the law of reciprocity: as you share other people's content and you get into their network and eventually, they'll return the favor, whether intentionally or just because you're rubbing off on each other.

Everybody rising tide, all ships, everybody kind of grows together as this platform grows. The cool thing with networking and it's not a secret anymore. You can network very effectively online. I think the entire world has realized that in the last 60 days that we haven't been allowed to go outside, but I've been doing that for a while through Zoom calls, through doing live chats with people, you know, if I can't – being in the military, I'm kind of all over the place sometimes.

I'm not able to be in my market but I can still have a presence in my market by – I mean, little things. You can location tag in that area for Instagram or whatever and it pops up in the area, you can, if they're doing a live stream, you can be a part of that live stream even if you're not in that town. There's a lot of really effective ways to grow your market, whether you're online or in person.

Prime example, I've never been able to attend the REA in my local area because I've just never been there on the right day, but I've spoken at that REA via Zoom call. So there's, I think, a lot of people just kind of limiting themselves by not understanding how to use technology, and it's simple things like Zoom chats and Google Hangouts to actively engage with people who aren't in their community.

The beautiful thing for that is that you can be in multiple markets at the same time. You can kind of start to grow a national brand, as you've done with your podcast, everybody across the nation has heard of your podcast, or everyone who is in the syndication realm, and that is the content production side.

The marketing is you know, networking is two-fold, right? It's you going out and networking with people and try to get to know people, and it's you creating really good content that you give away, and people come and find you. I think that's actually much more powerful as that grows, the evergreen side.

Anyway, I basically have been dabbling in that for a long time and I've had some pretty cool opportunities come out of it.

[0:08:54.2] WS: That's awesome, I couldn't agree more. You know, just with getting out there and making it happen, and I love how you said, you know, grab-the-tiger-by-the-tail type, and you know, you documented what you were doing as you go and I feel like most people, you know, there's this like block – mental block, on I have to be an expert before I can put out any content.

What I've learned is you know, a lot of times, you are an expert compared to a lot of people that are wanting to do what you are doing, and you have so much value that you can bring to so

many people even if you don't see yourself as an expert, because you're surrounded by all these people you feel like are so far ahead of you.

How did you get past that and start putting out that content. The first little bit is the most difficult, right?

[0:09:34.0] DP: Yeah, the first little bit is the most difficult. I agree with you, a lot of people think that if they're not the expert, they don't want to be – the imposter syndrome's a real thing. I mean, I struggled with that on – almost every ceiling that I've hit, it's been because I was doubting, who am I to talk about that?

What I realized is that the people that are further along the journey than you are aren't ever going to stop you and say, "Hey, slow down. You shouldn't be talking about this," right?

[0:09:59.9] WS: I love that.

[0:10:00.3] DP: They don't care, they're not looking back. The people that are behind you are going to get value out of that. The most important thing I think is not whether or not you're an expert in the field, but being honest about where you are in the field. If I write about syndications and I've never done one but it's from the perspective of me educating on what a syndication is and I put in there, you know, I haven't done this yet but this is what it's all about.

I position myself properly and I can absolutely educate on that. I think the only time that you really have to worry about that is if you're talking about syndications from the standpoint of I'm the guy who has done a whole lot of these and I know what I'm doing, but you've never done it. And then, it's not even really that you have no right to talk about it because you totally have a right to educate on it.

It's just you run the risk of your credibility getting tarnished if somebody realizes like, well, you haven't done that and you're saying you have. As long as you're honest about where you are in the journey and you're coming at things from an educational standpoint, there should be nothing that holds you back.

Case in point, one of the biggest limiting beliefs that I hit was when Stew and I were starting a mastermind group and we're like, who is going to talk to us about – there was always that piece. I'd been debating doing it for like a year – and there was always this piece in the back of my head that said not to do it and we did it and now we've got like 30 members in it within the first six months.

Everybody loves it, it's been a huge hit and it's just – I don't know. I would just tell people, if you've got that voice in the back of your head, know that it's normal, it's not going to go away until you start doing something. You either let it stop you and you might as well just give up on the dream of putting out some content.

Or you putting out some content and maybe get a little egg on your face. Who cares? So did the rest of us. Go look, here, here you go. I'm going to let you in on the biggest secret ever if you want to see how imposter syndrome shouldn't stop you. Go to Bigger Pockets, click on videos on YouTube and sort by earliest videos, go watch Brandon Turner's first ever video on YouTube. Go watch that! If you know who Brandon Turner is and you know his content now, you'll go, wow, all right. I can look like that.

Don't compare yourself to what he looks like now after hundreds of videos, compare yourself to what he did on his first video. You've got it!

[0:12:04.7] WS: Wow, that's awesome. I have not done that but I may do it just for fun.

[0:12:09.6] DP: It's entertaining. Don't tell him I said that.

[0:12:12.4] WS: What's been the most productive or most valuable type of content that you've been creating, you know? We're talking about content marketing and I know you've got a podcast now and you did blogs for a long time. What's been the best type of marketing that you've done?

[0:12:27.0] DP: Great question. I think it kind of depends on two things. One, your audience and two, your personality. For me, my favorite of the platforms is Instagram because it's super

simple and you can tag specific locations, you can tag specific hashtags, you can tag specific people.

For example, if you go on your story and you – location tags, San Diego, and you tag me and you hashtag whatever. Anyone who follows me or follows that hashtag can see that story. Anyone who is in San Diego and looking at the San Diego story can see that, but then the person who you tag will also see it, and there's a one button tap for them to share it.

You can reach out to people who have very large audiences with simple – by just saying hey, you know, I really love this content. Prime example, Grant Cardone shared my page at one point and it was literally just like – I woke up one day and it was like, hey, tagged, oh my goodness, and he had just seen something that I had shared, where I mentioned him, and it was a one tap button, and now I'm out on his platform in front of his millions of followers or whatever. And I can tell you that if someone like that tags you in their story, you may grow two or 300 followers in half an hour.

It was just by saying hey, I really appreciate this book you wrote or this quote or whatever, and the person who put that out there will reciprocate generally, not always. I really like Instagram but as far as, like, a growth, I think podcasting is huge for two reasons. One, it's national and you don't have to be following a person to hear it. Someone can recommend a podcast to you and they can kind of go viral, they can be found from someone.

If I interview you and somebody is searching for Whitney Sewel, Military Millionaire, and it's got the right SEO in there, my podcast will show up with you on Google. So there's some cool search features there, but the other thing with podcast is the credibility of having a podcast and getting to network with other investors.

I mean, I've gotten to interview people who I would never be able to get an hour of their time, because they're so busy, and here I am with an hour of me getting to ask them whatever questions I want to know. So that is very valuable, but if I am going to be honest, the one – and I know this is like three because they are all good for their own way – the one that I am really trying to knuckle down on is YouTube, because YouTube is a search engine. It is the second biggest one in the world, it is owned by Google, so it's got all of those features.

But it can also earn you a little money, which is nice, but people can search very specific topics and they get to know you better. Instagram is good, podcasting is good, but something about the YouTube video where they get to see you and hear you, and just watch how you carry yourself, I think there is some definite value to that one long term.

[0:15:12.4] WS: Yeah, I know a lot of people who will use YouTube just to search. And then they'll find – okay, if they were searching for me, like you said, on a military podcast, whatever they'll say – “Okay, you know Whitney was on David’s show and it was show number 68” whatever it might be and then they might go listen to it on the audio but at least they are finding it there because they know they can search, like you were talking about.

Great platform. Yeah, Instagram is something I know nothing about. I just haven’t dove into Instagram. I am on there but not very active. So how did you learn to be more active in these spaces to be able to develop that content, specific to different platforms like that? Was it just picking up some books or just jumping in, reading some articles, or just trying it? What worked to help you speed that process up?

[0:15:57.9] DP: I started out with just the blog, and then I think I went blog, and then Instagram, and then I think Facebook was the third thing, and it just grew. And with every step of the way, I would pick up a book. So I read this book called *Instagram Secrets*, which may or may not have been – I mean there is probably a million different versions of it, I think they update it every year when the algorithm updates – but it gave me a basic understanding of how to use the platform.

It is a very simple read. Then what I would do ,and what I have done all the way along the way – and this is why YouTube is the thing that I enjoy – is I would just sit in bed at night, and I would watch a YouTube video, or two, or three on how do I do this, how do I grow on Instagram, how do I tag people on Instagram, how do I get more engagement on Instagram? I would watch a few videos and on the next day I would try to do one or two of those things and, just, if something worked then I stuck with it.

The moment I started getting stuff shared by people who are bigger than me, you know it was like, “Oh wow.” I mean, I am not by any means a celebrity on Instagram, but I mean I’ve got

more followers there than any of my other platforms, and it is just because it is easy. It is super simple to tag people and have other people engage with your platform, and if someone likes your post then their followers might see it, and so on and so forth but yeah, just learning through, you know, picking up a book on it, or watching YouTube videos about people who have been successful about it.

[0:17:14.5] WS: What is your schedule of creating content? How do you keep up with creating enough content or even coming up with the content? Do you have a certain time of day? Do you have a certain time of week? How do you keep track?

[0:17:27.7] DP: Well to show you how high tech I am, I have a piece of paper that I handwrite crap on. I have a content calendar but online stuff but I just like penning stuff in. Really the blog is the central point. I try to make sure I write one article a week, or have at least have one article air every week, that I have never missed. So from that article, I can make a YouTube video, add to it by throwing it on the teleprompter, or just taking a few bullet points from it and talking about it, which I could then embed on the article.

I can also take the bullet points from that and I can turn them into little infographics. So if you were to see my post on Instagram today, I had written an article about real estate exit strategies, and it is like six bullets, and then I took that and made a video out of it. Then I had my virtual assistant take that article and turn it into six different slides that I could put on Instagram, with six different exit strategies, put it in one post where people will have to swipe through it and get a little bit more engagement on it, and make it sharable.

So I essentially just take the one idea – that took me a little bit of time writing – and then I record a 5 to 10 minute video about it, and have my VA make the stuff, and I can just share it all over the place. You know who does this incredibly well is Gary Vaynerchuk. He has an article or a PDF that I saw at one point about how to make 60 different pieces of content from one speech, and it is incredible.

I don't necessarily have the patience for all of that, but he talks about taking a quote from the speech and turning it into a tweet, and then taking the tweet and screenshotting it and posting it on Instagram, and then taking the Instagram post and linking it to Facebook – and you can just

bounce all over the place out of one speech, which is obviously easier if you have a team of people to create all of that stuff for you, but it is just repurposing the same stuff.

As far as what I come up with, usually if a few people ask me the same question – prime example about two months ago, three months ago, I got the question at work, ironically, three or four different times in one day, people ask me if they should refinance their house. It's like man, it is time to write an article on refinancing your house, and so I did. So a lot of it is just paying attention, and as you get a little bit more of a following it is very easy to use those platforms to do polling.

Say, “Hey, which of these three things are you most interested in?” or “Hey, what would you guys like to learn about?” If you just listen to your audience your content will get – there will be much more reception to your content if you build it based on what your audience is asking.

[0:19:48.7] WS: So you know switching gears here just a little bit to real estate specifically, what's been the hardest part of your real estate journey even including the syndication?

[0:19:56.9] DP: The hardest part has been the 40 unit I mentioned to you, because that was the one that did not go well. So, I think we mentioned that a little bit before we started the recording – I am actually still in a law suit a year and a half later on this bad boy. Essentially it was a big mixed use property that I bought on a lease option with some really incredible terms. It is like 4% interest only for the first year and a half, and I had five years to execute the option, and it was 4% fixed, and then whatever. So it was pretty cool – and 4% fixed may not seem as incredible right now, but that was in 2018. So that was like a solid percent and a quarter under what I bought the 10 unit at and – pretty cool terms, pretty great deal.

All of everything had seemed to go well or seemed like it had a lot of potential. I just got into a deal with the wrong person, essentially, and none of the contract was upheld after closing and, it was at one point, like, the roof was supposed to be replaced within 90 days of closing, or the seller would buy over \$100,000, and 90 days comes and goes no roof, no money, and just various things like that.

So, four or five months into the deal, at one point I had two commercial tenants on the 4th floor of the building vacate in the same week because the roof is leaking, and the HVAC that was supposed to go on the roof after it's repaired isn't up there, and it is December and so it is snowing and I've got a wedding venue who is like, my roof is leaking in the venue.

You know, so it is just a mess! So I think the hardest thing was just the fact that that entire deal – I had visited it. It wasn't completely site unseen. I was there, I went through due diligence and everything but, aside from that, the whole deal was transacted with me in Hawaii and in Missouri, and so it was all done remote. My property manager took over. I fired that manager who had been there within a week or two of taking over and realizing something didn't feel right.

And then it was just one of those things where it may have been easier had I been there, but I think we are still getting the same outcome. The gentleman that I got into the deal with didn't release control of the asset as he was supposed to and didn't uphold his end of the contract, and so it's been the learning curve of having to figure out what it looks like to terminate a contract and what it looks like to go through the legal process – trying to get your money back out of the deal that didn't go well.

I would say that's been the biggest headache, because there is – I mean, at one point I remember trying to figure out if it was worth holding onto the building, and my wife just telling me like, "Not if you're going to turn gray before you're 30. You've got to lose this thing, it is ruining your life." I'm like, okay. Anyway, so yeah that's been my biggest mistake to date – and I don't even know that I would say mistake, because, looking back, I would still purchase it.

The purchasing portion was great. You know I didn't know any better – but I'd definitely make some changes to how that process and build it.

[0:22:38.5] WS: Sure you learned a lot. That was a university for sure. What about the syndication itself, what was the hardest part of that for you?

[0:22:44.6] DP: Really, I think the hardest part is just getting the wheel moving as far as raising capital. So my audience wasn't used to me discussing syndications as much. I didn't prep for it as much as I could have. I didn't have warm them up to that, I didn't bring that up as much I

could have, and so when I started helping raise for this deal, I had a lot of – I guess you could say – cold context. People that I had not mentioned syndication to, I had done some private investing, some private lending – but I think the hardest part for me with the whole syndication process was realizing that, how to frame asking people if they want to invest instead of asking them for money? You are offering them an opportunity. Getting over that imposter syndrome, again, with bringing up the deal to parents of kids that I went to high school with. In fact, I've got a couple of parents that are very interested in investing in future deals.

And it was actually really cool, because some of the people who invested in this, that I know, are people who, I would have told myself a year ago, are not even worth reaching out to, because – oh you know – who are they to think that they might invest with me because they are up here and I am the new guy, or whatever?

I think the hardest part was just getting out of my head and realizing that, if you offer the right opportunity, people are going to invest with you, and if you have a network, and you have some credibility, it shouldn't be that scary – but it is still kind of scary.

[0:24:03.5] WS: So what's a way that you have recently improved your business that we could apply to ours?

[0:24:08.3] DP: Ooh that is a good question. I think the best thing I've done this month is finally hiring a virtual assistant. So this person is essentially transcribing all of my podcasts, taking all of my blog posts and turning them into info graphics, and all the things that I used to put off doing because they were super tedious and annoying – and now I don't have to do them and it is wonderful.

[0:24:27.5] WS: Where did you find your virtual assistant?

[0:24:29.2] DP: I found this one in the Philippines – onlinejobs.ph – which I am paying all of like 375 an hour, which is actually almost 15% more than what she was asking. I felt, on good faith, it was worth offering a decent bonus – and she's incredible so far. I haven't run into anything that I say, "Hey, can you do this for me?" and not only does she do it but I don't even have to critique it. It's awesome! I have other editors and virtual assistants for other various things, but

this is the first one that's going to be, like, full on admin, anything and everything that I can think of, and man, it's been really nice.

[0:25:02.8] WS: Nice, wow.

[0:25:03.5] DP: I should have done that years ago for that price I could have afforded it.

[0:25:06.3] WS: So what's the number one thing that's contributed to your success?

[0:25:10.4] DP: I think transparency. I think the fact that I am not afraid to talk about mistakes I have made here and there, and I am very open. I mean I am sure there is other things that could work very well for me and work in my favor, but I would like to think that that's what it is, is that in the land of occasionally gurus, I'm not. So just the fact that I am willing to be open and honest with anyone who talks to me and I am an open book.

I think that is played very well to me as far as real estate, because if you are not willing to be open and honest with your partners and with people that you are getting into deals with, they can bite you down the road – but also with the content, the network, and just growing all of that.

[0:25:47.3] WS: How do you like to give back?

[0:25:49.0] DP: Well I think the free content is one. You know, half that stuff is filmed when the sun isn't shining, so that is one way I like to give back. The other is just, if people reach out to me with questions, especially Instagram – I probably had that Instagram almost three years now and I have never not responded to somebody's message, personally. I don't have anyone who touches that, it is all me. So I would just say I like to give back by being there to talk to people, which is not as easy as you would think at some points.

[0:26:15.3] WS: Right, well David, how can people get in touch with you and learn more about you and your podcast?

[0:26:20.3] DP: Yeah, so it is the Military Millionaire Podcast. You can find it on Google, and I am pretty easy to find on all social media platforms. It is From Military to Millionaire or Military

Millionaire – as the hoodie shows, if you can see it – and that is really the easiest way to get a hold of us. Also if you are a veteran or a service member, we are hosting an event, The Veterans REI Live, definitely worth checking out, it is all military and vets speaking at it.

So you should definitely hit me up and we can get you hooked up with that. Unfortunately, it is going to be a virtual event this year, which, I say unfortunately because of all the stuff going on but actually that actually works out really well for service members because you don't have to take leave.

[0:26:58.1] WS: Yeah wow, they can watch it from anywhere right?

[0:27:00.8] DP: Yeah.

[0:27:01.0] WS: All right David that's a wrap. Thank you very much.

[0:27:03.2] DP: Thanks brother.

[END OF INTERVIEW]

[0:27:04.8] 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]

[0:27:44.6] 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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