

**EPISODE 590**

[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 Barry Flavin. Thanks for being on the show, Barry.

**[0:00:33.5] BF:** Hey Whitney, thanks for having me.

**[0:00:35.6] WS:** Yeah, great to have you on the show. A little about Barry. He started working in ERP software sales for about five years after graduating from Western Michigan University before transitioning into air traffic control where he started investing in real estate. He purchased his first 18 single family rentals in 17 months.

I mean, that's getting with it, Barry, right? That's a bunch but grew that portfolio to 21 single family rentals before teaming with a good friend and mentor, Josh Sterling who we've also had on the show a couple of times – great guy – to create New Mission Capital and transition into multi-family investing. New Mission Capital specializes in acquiring medium to large size class B apartment complexes. Barry, Thank you again for your time, appreciate you very much being on the show.

Tell us a little more about maybe New Mission Capital and I'd love to jump in to just your all's partnership a little bit, how that happened and even the transition from single – just the mindset

transition from single family to multi-family and let's dive in then to your super power, your main role in this business.

**[0:01:43.8] BF:** Yeah, was definitely a big jump, making a jump from single family to multi-family. So I got my start – I met my good friend Josh Sterling about 10 years ago, we both started working at Detroit Metro Airport together, air traffic controllers and Josh was just kind of getting started buying a handful of houses and doing a lot of the work himself, fixing them up and over the years, I watched him just slow and steady grow and build this portfolio and then he started his property management company and for people that haven't heard maybe one of his episodes, Josh is – he shines when it comes to property management.

Just extremely detail oriented, processes, procedures, and is still, to this day, constantly trying to get better. He is creating new software programs, stuff that might not be out the box, he going out and having these custom pieces of software built and also about four years ago, I had finally acquired enough funds, I felt, from buying, fixing up and selling a few of my own personal residences and I went to Josh and I said –

“Hey Josh, I see what you're doing,” but I've never really sat down and took the time to pick his brain and get in to the very specific details, how do we underwrite a deal, how do we look for a deal in the first place, how do we make this a repeatable thing and I always thought, you know, if I could get five or 10 houses that would be great, I'd be set.

Me and Josh sat down one day and we penciled it all out in one of his conference rooms in his office and away we went, started acquiring houses and bought our first few real quick and we just got addicted. “There's another deal, there's another deal,” this was in 2016 so still was able to catch, kind of the uphill swing of the housing market crash and we just went nuts for two years or so, got up to 21 single family homes and me and Josh one day, we're discussing, he's pushing me to go to the next level and say, “Hey, why don't you get into multi-family?” and I joked to him, I said, “Well, you're buying everything in the market that I'm looking at,” and he had already had a number of good relationships with brokers.

Josh is able to benefit from first looks which still benefits us to this day. I pushed back on him a little bit and said, “Hey, why don't you start buying bigger stuff so I can maybe buy some of the

stuff that was a little bit smaller that might kind of fall off the table here.” After going back and forth, we talked and he said, “You know what? You seem to have a network of guys that you could go to and continue to grow that network and raise capital,” and he say, “That’s not my strong suit and that’s not my passion.”

I looked back at him. I said, “You know what? You already have that property management piece figured out and that’s what you shine at.” We put our heads together and said, “Hey, New Mission Capital, let’s go, let’s see if we can start going after some bigger deals raise some bigger money.”

**[0:04:40.1] WS:** I think it’s great hearing some partnership stories often because I know so many listeners are looking for that partner, right? They’re looking for that person and you know, there’s so many things to consider there, we’ve talked about numerous times but you know, it’s just the trust factor alone. It sounds like you already knew each other a long time before this which was great benefit, right?

Then it sounded like you all just had immediate, complimentary skills. You know, I just think that I’ve seen so many teams created that immediately I mean, it’s like they just blast off. They maybe had some success but then it’s like, they joined forces and it’s like then there’s just – within the next year, they’ve done double what they’ve ever done. You know? It sounds like that’s what you all are working on as well and you know, with your skills and he already had this property management stuff over here, figured out and is doing extremely well at it.

But, hard to scale, right? There’s a piece there he was missing and that’s what you brought to the table.

**[0:05:35.7] BF:** Exactly, we were able to really start to scale the operation much quicker than we had been for myself. It’s a grind to get that many houses and rehab and go to the bank and just a lot of moving parts and when we started to go after bigger deals and raise capital, we were able to – our first deal, we got under contract was 144 unit deal. I remember the day Josh calling me and said, “Hey, that park forest deal we’ve been chasing, we got it,” and we both kind of looked at each other and we skipped the excited phase and, “Man, here we go.

We got to put our money where our mouth is.” It just kind of forced both of us to push ourselves on the next level and we closed the 144 and not too long after, 80 unit deal in Toledo followed. I was able to really scale my business and both of our businesses.

**[0:06:23.3] WS:** Nice. I know that feeling. It’s like, “We got it! But, oh, we got it...” You know?

**[0:06:28.8] BF:** Man, now we got to perform.

**[0:06:30.2] WS:** That’s right. It’s time to get to work, right? No doubt about it. But you know, really want to dive in to just your specialty now, just hone in a little bit because I felt like that’s how a lot of times we provide the best value to the listeners, just diving in a little bit. Your specialty, I know we talked about a little bit but let’s jump in. Maybe elaborate a little bit on what you do exactly for New Mission Capital and let’s jump in on how you do it.

**[0:06:52.6] BF:** Yeah, my main focus is investor relations. I am on a daily basis in communication with our current investors, networking to find new investors, keeping them updated on current projects that we have acquired and we’re running and just monthly updates, quarterly updates, networking with those people to see if they have anybody they can refer to us and yeah, obviously, once we do get a new project under contract, putting packages together to outline what the deal looks like, the hold period. Are we going to do our refinance after three years, six years? The whole strategy behind it all and you know, me and Josh are talking about all these things in the background together but I’m able to take that off of his plate.

He’s able to focus on running the portfolio well and maximizing a return for the investors and I’m able to go out kind of just take care of that just day to day constant communication that’s required for the investors.

**[0:07:51.4] WS:** Nice, okay. Tell me what was it that you talked about how you know, you all partnered, you’ve done a few deals and allowed you and him to both grow your businesses and your business and what was it that really helped you to grow faster during that time.

**[0:08:06.8] BF:** What really allowed me to grow even faster was that I was able to kind of hit the fast-forward button on the process where it made sense to team up with Josh. He had already

been doing this for several years. He had a few really good relationships with brokers and already had the property management piece figured out.

I was able to accelerate that here, Josh is already going to help bring some deals today. We're both out there turning over rocks but the biggest thing for me is probably I got over that hurdle of kind of the validity – everybody's always worried about it. I'm a broker even going to talk to me, am I going to be able to get financing on this? Am I going to have to bring in some key sponsors to get these things going and I was able to kind of pull a lot of those pieces together by teaming up with Josh right out of the gates.

**[0:09:02.3] WS:** What about just being able to stay focused on this part of the business. All the sudden – you're used to doing all those single families and you know, I mean, that's a lot of management right there, right? That's a full-time job. But now, you're not having to do any of that management stuff, you're not having to think about that, you can just really focus over here. You think that was playing a role on that as well?

**[0:09:24.0] BF:** Absolutely. It allowed me to put 100% focus into meeting with investors, talking with investors, building this, getting organized, you go to have coffee with somebody or a lunch, or a dinner. I mean, it's not a quick five minute conversation. Some of those meetings can be, they can be quick, they can be five, 10 minutes. Some people will – "Sounds good, trust you guys, keep doing a good job, let me know when you need the money." But, when you're bringing some newer folks onboard, that's not necessarily the case.

They got to start to build those relationships, that trust level, they're going to want to hear about other projects you've done in the past. "Guys give me some real world examples, give me some things you've done well, things you've done poorly," and so on.

**[0:10:07.1] WS:** You mentioned there, getting organized and I think a lot of people struggle with that, right? You know, I've worked hard myself like whether it's files on my computer or my desk or just my day, you know? The tasks I'm completing, trying to get organized. What did that look like for you or how did that change from being unorganized to what were some priority things that you had to organize to push forward?

**[0:10:30.7] BF:** Yes, we're still working on and still trying to get better organized, building lists and in our CRM system, we use IMS to help us just build the projects in there for just what do these returns look like, giving the investors the dashboard log in so they can get in and see the project, see their investments, they can see multiple investments if they have more than one project with us.

Getting organized, CRM systems, "When's the last time we talked to these folks, how often are we talking and what type of information are we putting out to them. Not everybody might need to see that same information. If we are giving a mid-quarter update to investors that is obviously going to go to a much smaller pool of people versus if we are going to send on a big newsletter to say, "Hey guys, here is what we have been up to lately. We are getting organized using these tools and here is a new project down the way," stuff like that.

**[0:11:19.1] WS:** Nice. Is IMS your main CRM? Do you do everything inside that platform?

**[0:11:25.1] BF:** Yes, we are doing everything inside of the IMS right now but each got a blog real page, now I think it was their main shift.

**[0:11:31.4] WS:** Right, that's right and so what about you mentioned like knowing when you talk to the investor last, why is that important and what do you do when you know however long you have talked to them last.

**[0:11:41.9] BF:** You want to be able to reach out to folks in that you don't want that every time you reach out to them to say, "Hey, I need some money" I mean you want to reach out to them just to keep them updated and say, "Hey guys, here is what we are doing," giving them, I don't know, maybe some income information as far as, "Hey, this is how this project is going forward. It is on schedule as planned," or, "Guys, here who are missing the boat –"

For example, one of our projects, we didn't quite build in as much room for advertising as we thought we initially needed it so we have taken that into account but future projects that stuff is definitely accounted for a bit more now. So it is still a balancing act as far as how much. You don't want to drown them with a bunch of information where when your email does hit the

inbox, it all does come in it is just straight to the trashcan or we're going to send him to voicemail.

**[0:12:28.7] WS:** So would you say that or how would you say that your previous experience in real estate has helped now working with investors?

**[0:12:36.6] BF:** I think the biggest thing that had maybe helped me is even before real estate was in my sales career, getting out of college I was doing ERP software sales, enterprise, resource – so we were selling these big software systems and I was tasked with a lot of the things that I am doing today where again, you have to have lists. It forced you to you have to pick up the phone, you had to talk to people and you had to schedule meetings and you had to get out and talk to people face to face.

So that was really I think at the time I dreaded, I'm getting out of college – it's like, "Oh man," "This young guy," "They don't want to talk to me. They're going to look at me like I don't know anything," but it did really help me in the long run here. I am able to pick up the phone, talk to people, go to meetings.

**[0:13:21.1] WS:** Do you think there was some skills there that you were taught or do you think it was ultimately just forcing you to get out there and talk to people. I mean that is simple almost to get out there and practice talking to people so you'd get past that fear.

**[0:13:33.5] BF:** Yeah a little bit of both. It forced you to get out there and you had no other options but to just do it.

**[0:13:38.3] WS:** How are you connecting with investors now? Like making new connections.

**[0:13:43.4] BF:** New connections – a lot of our investor connections have really been through just word of mouth, referrals. Every now and then we had somebody reach out to us that just comes from outside of the circle that we have never met and there is not much of a connection there, maybe just a name recognition. They saw you on the Whitney Sewell show or something like that. So most of our investors are kind of a tight circle.

So they are not too far removed from, “Hey you know what? We know John and John introduced us to Mike and Mike introduced us to a couple of people as well” so.

**[0:14:19.3] WS:** Nice and so how do you and say Josh communicate about properties so you can inform investors well?

**[0:14:28.2] BF:** Yeah, when we are doing quarterly updates on existing projects, a lot of times we will schedule either a call or a sit down, “Hey, let’s go get coffee,” and we will really dive into the weeds and in the background Josh is having weekly KPI meetings with all of the staff in the office and I trust Josh. That is what’s he’s best at, we are going to let him run with that. I don’t need to know every time we replace a door or, “Hey, the pool liner had a crack in it somewhere.”

But when it comes down to the bigger picture, yeah we definitely we sit down, communicate all of those things so that – because I run into a lot of our investors regularly if it is out of round of golf or see some of these people around town and just always quickly, “Hey, how’s it going over there?” and it stays well. “Hey guys, you know we had a boiler go out. We’re not excited about it but yeah it still happens,” so.

**[0:15:21.8] WS:** Yeah, investors definitely want to know that you are in the know, right? About their investment. So what about just some other ways that maybe you all are standing out with investors right now? I mean something that maybe you are trying to do that maybe you don’t see other operators doing.

**[0:15:37.7] BF:** I don’t think – maybe one thing that we’re doing and I don’t know if everybody else is doing – our long term model for our business is when we structure a deal we are trying to structure it so that we are typically going to be a 70-30 split for the general partners and the limited partners. So 70% of that going to the limited partners and we’re typically targeting properties that we are going to hold long term, we are underwriting on current actuals today.

And we’re targeting properties that are going to cash flow right away and we are going to be targeting refinances and each one is different but three, six, 10 year, whatever that number is and when we do a refinance, everybody still retains their same level of ownership that they initially invested with us as. So in a perfect world, six years, seven years down the road, we can



do a refinance. We return a large portion of the capital to the investors and they still own their same share of that building.

I don't see why they wouldn't turn around and if we had done a good job they say, "Hey guys, go find me another project I need to get this money back to work," so that is kind of our long term strategy and I have seen many deals structured in different ways where some guys will start out with very little equity on the GP side but as those refinances come down the road they might claw some of that back and there's nothing wrong with that. Just a little bit different than how we typically take tried and structure this.

**[0:17:08.0] WS:** So what's a way that you all have recently improved your business that we could apply to ours?

**[0:17:13.3] BF:** On the property management side, now this is getting really detailed, Josh and the EPIC Property Management team have gone and automated a lot of the different spreadsheets and standalone systems. We use Buildium as the main piece of the puzzle there for property management but simple things like where is the lockbox, where is the heater, he's automated a lot of those things. He hired a third company software company to come in and build that program.

It is a year, a year and a half in the making now and now that is potentially going to be bolted onto maybe the bigger system. Who knows? I don't want to get ahead of ourselves here but that has really allowed the property management folks to have a quick snapshot. There is a big couple of monitors up in the office and everybody has a GPS tracker on the vehicle. All the maintenance guys, listing agents, they all have company vehicles.

So you can see real time where is Cody, Cody is at this job and they all have iPads in the field. So it is all real time live updated so that's really helped to gain a lot of efficiency there.

**[0:18:23.9] WS:** Nice. I love that.

**[0:18:25.6] BF:** I'd say for other folks to apply that is just get organized, processes, procedures, nothing is really super complicated about the business. It is just being disciplined I would say.

**[0:18:35.1] WS:** Love that being disciplined and I like to say it is about those small things and small changes you're making yourself but on a very consistent basis that add up to very big things I mean discipline that's awesome. So tell me what is the number one thing that's contributed to your success?

**[0:18:52.0] BF:** Just try to be consistent in everything that I do. So to tell somebody you're going to do something, show up, be there on time. Do what you said you're going to do, when you said you're going to do it and how you said you're going to do it kind of a model.

**[0:19:05.6] WS:** And how do you like to give back?

**[0:19:07.8] BF:** You know that's been one of main drives here with this business is to – I don't give back enough and I am looking forward to get into the point where I can have some more time to give back and I guess in the short term right now, a lot of people have helped give me advice and guidance and mentorship along the way and there is a handful of folks that have reached out to me and I am trying to do the same with them. So I can't promise I could be anybody's full time mentor but always going to help with anybody that I can in any way.

**[0:19:38.1] WS:** Nice, Barry grateful for your time, grateful for just talking to the partnership stuff and just the benefit of partnering with somebody that has skills that maybe you don't have or maybe they are there better at and you're better at this and being able to just focus makes such a big difference and how that's helped you all but then also just getting into your investors relations just a little bit. I appreciate that. Tell the listeners how they can get in touch with you and learn more about you.

**[0:20:03.0] BF:** Yeah, they can get in touch with me directly at [barry@newmissioncapital.com](mailto:barry@newmissioncapital.com) and you can also find us on our website, just [newmissioncapital.com](http://newmissioncapital.com).

**[0:20:13.3] WS:** Awesome Barry, that's a wrap. Thank you very much.

**[0:20:16.1] BF:** Thanks Whitney.

[END OF INTERVIEW]

**[0:20:17.8] 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]

**[0:20:57.5] 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](http://www.LifeBridgeCapital.com) for free material and videos to further your success.

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