

EPISODE 604

[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]

[0:00:24.5] WS: This is your daily real estate syndication show, I'm your host Whitney Sewell. Today, our guest is Terry Moore, thanks for being on the show Terry.

[0:00:33.0] TM: Thank you. Pleasure to be here.

[0:00:34.0] WS: I'm honored to have you on the show, just reading your bio is like, you're one of the guests we've been waiting on for a long time so happy to have you on. But a little about Terry, if you haven't heard of him, he's the author of *Building Legacy Wealth: How to Lead a Life Worth Imitating*. If you're watching the video, you can see a picture of it.

I hope you'll look that book up. It has been endorsed by heads of National Apartment Association, California Apartment Association, California Association of Realtors, International Institute of Real Estate Management and more than 20 millionaire apartment investors. Received 13 awards for investment brokerage excellence by peers and business media and about 200 of his clients have become millionaires or multi-millionaires through apartment investing.

Terry, thank you again for your time in being willing to share your experience and expertise and knowledge with us today with our listeners and myself.

Give us a little more about who you are, maybe where you're located and let's jump in to your expertise.

[0:01:34.1] TM: Well, thank you. I'm glad to be in 603 of your other best friends who get to enrich your audience. We happen to be San Diego here right now and San Diego is – I would like to tell you I'm great and San Diego because I knew it was going to be a great place and that wasn't the case. We picked it for other reasons and because we happen to be in San Diego, we became wealthy.

I'm an apartment broker and my specialty is helping people invest in great prices and do value-adds and we've been doing that here for 25 years. Government policies mean that we haven't built enough apartments for our citizen in San Diego County or even the state for a generation. California has four times the population of Houston. But Houston is built more apartments in the last decade than the state of California. In Houston, rents are cheap and apartments are cheap.

And in California, rents are dear and apartments are dear. I didn't know that when we moved here. I didn't move here to do syndication, to do brokerage. but after I got here, I was mentored by a fellow who understood those and for 25 years, I helped people buy kind of what you guys talked about B and C properties, clean them up, paint them up, fix them up, raise the rents, sell them for a profit, rinse and repeat.

So, we've closed between four and 500 transactions and most of the people that we serve is the value-add that you guys syndicate. I've helped 30 years ago, when my hair was your color before it got to be silver, not gray.

[0:03:21.7] WS: I'm getting a lot of that.

[0:03:23.4] TM: Yeah, some of it. Don't worry, with passing time you're going to get more. But 30 years ago, I was trying to help people become wealthy. And 30 years later, my clients are – if they're still alive they have silver hair and we're beginning to talk about what happens next and at first, they wanted people to get wealthy and now we're talking about building legacy wealth. And we'll talk more, if you want, about legacy and how that makes it different. But for roughly a

generation, we've helped ordinary folks become millionaires and multimillionaires by value-added renovating, existing properties.

[0:04:02.1] WS: Nice. Well, I'm looking forward to getting into that and I know the listeners are definitely interested in building wealth. But I want to really think about what this legacy stuff means and the legacy wealth building, legacy wealth, we've all heard that term, but I'd love to know what that means for you and in your book and then how you've helped people do that. Let's jump right in there, why we should care about legacy wealth.

[0:04:23.9] TM: Well, for all of your listeners, I hope they become twice as wealthy as they aspire to be. Sometime in the next hundred years, we're all going to pass. Even you, certainly me. When your viewers pass, they're going to leave an inheritance. They're going to leave some cash. They're going to leave some dimes. They're going to leave some diamonds. There's going to be some grant deeds.

There's going to be some stuff and the kids and the grandkids and heirs, they can blow it. They can – we've heard shirt sleeves to shirt sleeves. So that the wealth can disappear. But more important than the wealth is what you and I leave behind, a legacy. Legacy, to me, is what people do, what people say, what people think because of your influence. The people are watching us, they're leaving a legacy. Maybe they're going to leave a legacy with a mean old grouch. Or maybe they're going to leave the legacy of the generous kind-hearted person but we're all going to leave a legacy. And the title of the book talks about needing a life worth imitating. Great.

You're rich, you're a gazillionaire, bang you're dead. After you're dead, what's behind? Did you leave a life of beneficial positive impact, your legacy is what happens, not accounting the stuff but what happens to the behavior? In the book and I call, investing face to face capitalism. When you get a drunk, when you get somebody's out of work, how do you deal with that? Your kids, your employees, your investors, they are paying attention, whether you realize it or not.

The legacy that you leave is how you treat others. You've been a blessing, you've invited 603 important people and then me on your show, and hopefully most of those people were positive and beneficial impact for your viewers and hopefully your viewers, who are leaders, where they see themselves as leaders or not, hopefully they're having a positive beneficial impact as well.

People read my book because they want to learn about wealth. I wrote in my book to talk with them about legacy. The meat of the book is how to build wealth, doing kind of what you talked about, buying the used building, cleaning it up, paint, fix it up. That's the meat of the book, the seasoning is the legacy. How do you leave a life worth imitating?

[0:06:56.6] WS: No, that's awesome. That's what we want to do, right? We want to think bigger. You know, I've met people recently and I wasn't, you know, exposed to this type of thinking growing up. But recently, I have been exposed to some families who were thinking, you know, hundreds of years ahead. You know, just leaving that kind of legacy and you know, thinking through that process and so it's interesting.

But help us to think about that a little bit. You know, you were in our shoes at one point. Like you said, maybe when you had some darker hair, but you know, help us to think through that a little bit, you know? What were you thinking when you were in the stage of the business like you know, a lot of the listeners and myself are? So, we can think through leaving that legacy as an apartment syndicator?

[0:07:38.5] TM: Well, one of my notions, I didn't invent this notion but I buy it is what's whispered in the ear will be shouted in the rooftop. There are no secrets. If you did something you wouldn't want in newspaper, you shouldn't be doing it. You're going to establish your values. You're going to get what's important to you and then let them out.

I happen to be a person of faith and my faith may or may not match the faith that your clients have. But if – when I was 27 years old, I figured out I was a terrible liar. When we got married, I decided I would never lie to my wife. I don't always tell her everything I know and I don't always tell her everything right away. But I sometimes will have trouble remembering the truth. And when I lied a lot, I had trouble remembering the lie which is a whole lot easier.

Part of my legacy, I hope would be integrity. Whatever matters to you, live your life as if that's what you want to be remembered for. Sometimes in the next hundred years, you're going to be tossing dirt on your grave or they're going to throw your ashes into the sea or into the lake. Figure out what's most important to you and live it out.

Right now, we're in the only pandemic we've ever lived through. I did not volunteer for this. I did not volunteer for another recession but we got drafted into it. We made a choice with our tenants that we were going to do something tangible, benefit to them before the local government and state government said that the landlord should be the lender first resort. We had already made a commitment.

Most people didn't know about it and I won't say what it was but we had made commitment of generosity to our tenants. We didn't say you could live here for free forever but we did something to help them out. And frankly, I didn't intend to tell anybody about it. But we did something which was helpful to the tenants.

When we do renovations on every property we've owned, we've improved it. We haven't made money on all the properties, but every property was better when we sold it than when we bought it, and it was the client that we were serving in brokerage arena. If you were my client, I would not compete with you.

If I saw a building that I wanted but I knew you would be interested, I'd show it to you first. Now, if I have three qualified clients who don't take it then I write an offer. A lot of brokers do it differently. I do relatively dual agency, some estates does not allow it in California, it is and these states, it is but part of the way that I treat people is I treat people the way I want to be treated.

I may not make as much money as other folks but to me, that's part of the legacy that I want to leave behind. I'm a flawed follower of my faith but I'm a determined follower and that's part of the legacy that's important to me.

Frankly, if I were on the phone talking to multi-millionaires in own zip code is a better chance of it to make money than helping you and your clients get richer. But I get silver hair, I'm not going to be here 50 years from now. Maybe I have something to add value so I'm choosing to spend time with you, not because I'm going to sell 10,000 copies of the book and get some sold and I'd be grateful but because I want to add value, I'd like for people to learn quickly what I learned the hard way.

[0:11:02.2] WS: Wow. Maybe you could highlight a couple things specifically that you had to learn the hard way that you could help us to walk through, maybe not have to learn as hard?

[0:11:11.0] TM: Well, one of the chapters that I wrote was, emotional intelligence. I was an only child and I was a class A rectum. I got fired from the biggest bank in the world for being a class A rectum. Part of what I've learned, the best people that I served have had an abundance mentality, they've been gracious, they've been the look offenses, they live out the book of Proverbs, they're flawed, they have bad breath in the morning but they've learned to have a longer view-point and they've learned to have thicker skin.

One of my favorite clients was a divorce attorney. She was a Stanford law client, fascinating woman, we could do three hours on her, we're not going to. But she had a remarkable thing. She was professionally contentious. She was professionally competitive but she had this novel approach. When we were dealing with broker on the other side, she figured out what she wanted and we tried to get it but she always tried to package it so that their broker on the other side would look good to his or her client. She didn't want to beat them into submission.

Maybe you've encountered the book *Never Split the Difference* by Chriss Voss. Chriss Voss is a hostage negotiator and has this notion that he wants to be known as a straight shooter. But he would like people dealt with him once be dealing with him again. He doesn't want to be known as that mean SOB who follow up shoot and makes you look like an idiot. He wants to be known as the guy who hears you and gets something where you finally give in and you do his thing, his way, and you think it's your idea.

One of my best clients was like that. She had the ability to think through, how can the other side look good in this? I've got a whole chapter upon emotional intelligence.

There's a lot of people who think, "They owe me, I'm entitled and I ought to get it," and they don't win very much. And sometimes they only do one transaction with the other side, the best folks that I know, know how to do business in a way that people want to do business with them again. That's true for tenants and suppliers and everything else. Emotional intelligence.

Part of my world view is we're interdependent by design. With you, I think it's – whether you think it's John Wayne or whether you think it's Clint Eastwood, Americans have sold the line of rugged individualism but it might be that there's more community involved than we recognize. And if we accept that we're interdependent, we're more likely to be gracious, we're more likely to be forgiving.

I don't know about you, I need forgiving a lot, I need grace a lot and –

[0:13:56.3] WS: For sure. Me too.

[0:13:59.4] TM: I suggest that if that's part of what your legacy, if you want to be known as the mean SOB okay, be consistent as the mean SOB. But if you want your grandkids not to be mean to you, you need to teach them love and courtesy and respect. So, it is not a complicated idea but it is integrity. The idea was the Greek statues had wax in them. It was fake and sometimes the marble would get chipped and they would cover it in wax and make it dirty and people could say, "Okay."

But eventually they figured out that integrity means what you see is what you get. What you see is what's there. Sincere in that without wax so there is no fake, which is true down to the bone.

[0:14:39.1] WS: Wow. And I just think the emotional intelligence that working on that having that thinking long term right. It is not just thinking about just this one deal, you know it is really caring about the other individual or somebody else more than yourself, right?

[0:14:52.2] TM: Yeah, I think a wise man one time said something of that, "Love God and treat others the way you want to be treated." And that seemed to be a pretty important idea and that is one that I would like to live out.

[0:15:02.3] WS: Yeah, that is one we need to all work on and keep in mind, that's for sure. Well Terry, what about – And I think living that way goes a long way as far as when someone is trying to distinguish that champion investor versus someone as pretty good. I think that goes a long way when – How do you distinguish that champion investor, what is that that distinguishes the champion investor versus somebody that is just pretty good?

[0:15:27.2] TM: So, for a generation, I've worked with millionaires and people who wanted to become millionaires. I have talked with a thousand millionaires and a couple of thousand people who wanted to become millionaires. And this morning I was thinking about the best investor that I know. A guy who has roughly a quarter billion dollars' worth of real estate. I helped him buy his first roughly 10 deals.

A lot of folks that I know they kind of want to be sold. "Tell me why this is a good deal? Tell me why I should do it? Is this really a good deal?" And most of the folks that I talk with they're that way. They need to be convinced that it is a good deal. This guy, because of who he is and how he operates his business, he knows that he is going to see a lot of deals. And he's more cautious. He looks at things that other people gloss over. Let me start with the lower level. Some people are going to buy a million-dollar property and they don't want to spend \$1,000 for building inspector because, "Oh my gosh I might not need to spend on that much."

But to me this is like driving without insurance. I think a prudent person gets enough data, does due diligence and if one deal in 10 the building inspector says and runs screaming the other way and you pay a couple thousand dollars for two buildings you don't buy one, I think that's brilliant. That is a great idea. But some people don't want to spend that. "I don't want to spend the money until I know I need it." It's too late to buy the insurance after the accident.

The super investor that I know, he's figured out that people buy income per income. He figured out that he is going to buy an imperfect building with fixable problems. So, he knows that whatever he's going to buy is going to have flaws. And he gets people to check the due diligence. But the super investor that I know looks at a level of detail that most people don't look at. He declines, a lot of people want to invest with him. I had helped him make money on five transactions before he agreed to take my money in the deal.

And he looks for risks that other people wouldn't think of. He looks at neighborhood trends and he declines most pretty good deals because he is looking for the super deal. He is looking at things other than what's at the property. He is looking at what is going on in the neighborhood and whether or not he could influence that. He is of one faith and the first building that we bought was across the street from buildings of two other faiths. And he went out of his way to go

over and meet somebody who worshiped either a different God or worship God through a different channel.

And he said, "How can we make this neighborhood better?" He never worshipped with them, but he tried to figure out. He said, "Those are good guys, I am a good guy, how can I make it better for them?" So, he was always an abundance guy, but he was looking at the things which can have a negative influence beyond his control and he was trying to line up as many positive influences trying to stay away from mediocre deals.

And I spent an hour and a half with again yesterday. And he told me about my four pretty good deals that I have are really good for many people but they had too many blurs on them. He could have done all four of them and it would have made no difference. But he said, "There's these impediments and frankly I am looking for deals with fewer impediments." So, he didn't just look for the value-add. He looked for things that are going to cost more or were bigger problems and he focused most of his time on the things that have a super returns and he said no and he said no quickly. It didn't take him two weeks to say maybe. If he knew it was a no, he said no and that gave him plenty of time.

A different way to say that is he was living out essentialism or one of the books is the one right thing. He focused on the things that had the super impact. And he skipped lots of the clutter, lots of the confetti.

[0:19:29.7] WS: Right, wow. Yeah, where we focus is so important in making quick decisions. I have heard a lot of people talk or lots of very successful entrepreneurs who are in real estate or not just that important skill alone goes a long way in making decisions quickly.

[0:19:45.2] TM: You can make wrong decisions quickly.

[0:19:47.9] WS: You can.

[0:19:48.5] TM: The trick is to have the right criteria and be sure that your criteria makes sense because lots of things which are pleasurable in the short run can cost big in the long run. If you know it's the wrong thing just say, "You know that is not it." Discipline is knowing who you are.

“Thanks, I don’t need any cocaine.” “Yes, you are a really attractive woman but you are not my wife.” “I don’t care it’s not free. I can’t afford it. Thank you very much.” it is knowing who you are.

[0:20:15.0] WS: So, Terry, what’s been the hardest part of this syndication business for you?

[0:20:19.7] TM: My wife said we’re done. And I would have loved to have syndicated more deals but we’ve been married for more than 43 years and so I want to finish with her.

[0:20:28.8] WS: Congratulations.

[0:20:29.9] TM: Yes, she is a saint. She has very thick skin and I am deeply grateful. I would love to be still doing syndications because I think I might even know what I am doing now, but we’re on a different stage. Among the best advice that I got was don’t take every investor you get. Try to figure out which investor you want and there were several people who I am really glad I didn’t take them.

One of my other biggest clients took a person as an investor who I would not have taken. And by the time I knew it, it was too late. And for 15 years that pesky investor has been harassing the syndicator. And again, it has to do with legacy. It is a matter of what risk you would take and some money, some clients, some guests are not worth being around.

[0:21:22.1] WS: For sure. Wow. Yeah it is hard when you are getting started too like you want to take every investor, right?

[0:21:27.9] TM: Fortunately, I never took an investor I regretted. But people who are wiser than I was warned me about that and I have followed their advice.

[0:21:37.1] WS: Terry, what is a way that you have recently improved your business that we could apply to ours?

[0:21:40.8] TM: Well, when I got to the retirement age, I got a national coach. In fact, I have suggested to him as an interview for you, Blaine Strickland has written two bestselling books. And Blaine spoke to me like a brother and he said, “That is an interesting idea, you’re too old

don't do it." And when Blaine came out on my nickel and spent three days in San Diego and he gave me one-on-one coaching and we came up with very small number of things.

He said, "We are going to talk about triage. Do you know what triage is?" And in fact, he was saying that essentialism. You pick a very, very, very few things and you focus really hard in them and lots of confetti, you pass by.

And a couple of years ago I was in a bicycle accident. I am the slowest triathlete that you know. I am okay to be the last to finish, but I do want to last until the finish. Well, a couple of years ago I was in a triathlon and I fell off my bike.

And I later realized I could have woken up dead and later realize I could have woken up paralyzed. As it was, I spent the night in the hospital. I told you I am a man of faith, a verse from Psalms stuck in my head and it was Psalms 90:12, "Teach me to number my days, so that I might show you a heart of wisdom." The practical implication of that is do away with the clutter. The way the camera is you can't see the rubble around me, my wife can. But the hardest part of my life is saying no to really interesting things that I am never going to do or aren't worth doing.

So, the discipline in picking the few things that really matter and pass on the other that is continuous to be the hardest part of my life. If that's interesting I could do it. For a long time, I wanted to do a whole bunch of things and now I could do more things than I've got time for. I don't think God's going to give me 175 years. So, the hardest part for me is try to pick the few things that really matter that I can contribute to, not that I can do but that I can do that somebody else can't do.

That is the hardest part for me. Because it means passing a bunch of things. Once upon a time, I couldn't even afford ice cream, now I could afford the ice cream financially, but I cannot afford it physically. So, the hardest part for me is saying no to the things that no is the right answer to.

[0:24:20.3] WS: Terry, before we have to go, tell us how you like to give back.

[0:24:23.8] TM: I didn't give us kids and so I am working for charity now. When we go, our wealth is going to go to causes that we believe in. There is a young woman who works in my

office who does not work for free and I am going to mentor her son and frankly it might cost me some money, but will do her some good. This podcast I hope that you get some investors and I hope your investors do well. I know you don't make any money on that.

I am at the legacy stage, where I am trying to engage in situations where I don't sit in front of a camera and yammer for no good. But I hope that I am using whatever time and gifts that I got and help others. Once upon a time, the story goes that there is a guy out in the middle of the dessert and the creator of the universe came to him and said, "Abraham." "Here I am Lord." "Abraham, I am going to bless all the nations of the world through you including people that you consider dogs, gentiles. I am going to bless them though you."

He didn't say, "Abraham, more and more for you and yours." But He said, "All the world is going to be benefited through you." Well, the way it applies to me is, I think whatever gifts and talents and skills I got they are only important the extent that they help others and I am trying to live that out for clients, occasionally for competitors and other people in life. And so, that is how I am choosing to give back and hopefully some of it will do some good.

[0:25:51.4] WS: Well, I am grateful. I am grateful for your time Terry and you being willing to share your experience and knowledge with the listeners and myself. I know that legacy wealth is something that we all need to be thinking about now and not thinking, "Well, you know I will think about that 10 more years from now or 20 more years from now." It is something that we need to be thinking about now. I appreciate you even writing a book about it. But tell the listeners how they can get in touch with you and learn more about you and the book?

[0:26:16.3] TM: There's no guarantee of mortal life tomorrow. So, the book is *Building Legacy Wealth*, it's available on Amazon and they can find me through sandiegoapartmentbroker.com. If we had an hour-long interview, I would have maybe have talked about how to separate the great markets from the mediocre markets and how to use some urban economics to sort out which neighborhoods are not worth doing because lots of places have higher income than San Diego but we are out of time.

If you look up *Building Legacy Wealth* on Amazon that will find the book and my website is sandiegoapartmentbroker.com. Thank you, a pleasure to be with you.

[0:27:02.0] WS: Awesome. Thank you, Terry. That's a wrap.

[END OF INTERVIEW]

[0:27:05.4] 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]

[0:27:45.8] 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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