

EPISODE 636

[INTRODUCTION]

[00:00:00] ANNOUNCER: Welcome to The Real Estate Syndication Show. Whether you are a seasoned investor or building a new real estate business, this is the show for you. Whitney Sewell talks to top experts in the business. Our goal is to help you master real estate syndication.

And now your host, Whitney Sewell.

[INTERVIEW]

[00:00:23] WS: This is your daily Real Estate Syndication Show. I'm your host, Whitney Sewell. Today our guest is Brian Briscoe. Thanks for being on the show, Brian.

[00:00:32] BB: Hey, thanks Whitney. Appreciate you having me on.

[00:00:34] WS: Yes. Honored to have you on the show. Just getting to know you a little bit over the last what, year or two? Has it been two years now? I can't –

[00:00:40] BB: We met at Michael Blank's Deal Maker Live, I want to say November 2018. Almost two years.

[00:00:48] WS: Wow. Lots happened since then for both of us. A little about Brian, in case you haven't heard of him before. He's the Co-Founder and Principal at Four Oaks Capital; was just closed on its fourth acquisition in the last nine months. That's impressive. Brian is a lieutenant colonel in the US Marines, which is also impressive. Thank you for your service, Brian. Always grateful for those that are serving. He's been in active duty since September 11th and will retire next summer with 20 years of honorable service.

Brian is co-host of the exciting new podcast, Diary of an Apartment Investor, which can be found on iTunes and all major podcast apps. Brian, fill in the gaps a little bit. Tell us a little bit about

your syndication journey getting to that first deal is always the hardest. Tell us a little bit about your background. Why real estate and why this business?

[00:01:40] BB: It sounds cliché, but the first thing that really keep me on was *Rich Dad Poor Dad*. It was probably early 2000s that I read the book. That one and then *Cashflow Quadrant*. I really liked the idea of passive income. At the time, I was I was mid 20s and had never been exposed to anything like this. My dad was a W-2 blue-collar worker his whole life. The only thing I could really wrap my head around was single-family.

I was in Okinawa at the time and stationed at Marine Corps Air Station Futenma, moved to San Diego and I thought, "You know what? I'm going to buy a house. Start my passive income, start this whole *Rich Dad Poor Dad* way to wealth." San Diego at the time, prices were ridiculous. Fortunately, I was smart enough to realize that there was such a big imbalance between purchase price and rentals that I bought in Salt Lake City instead.

Over the course of several years, 10, 12 years or so, I had accumulated a handful of small single-family. It hit a pause button, because I had deployed a couple of times, you lived overseas a couple of times. Then one day, one deployment actually where I had a lot of extra time on my hands, I was able to really sit back and think about the future. I realized, I've got only a couple years until I retire. I need to do something. Started reading more and more books on real estate, formulating a plan. Finally, pulled one up that talked about multifamily and it just immediately clicked. The ability to scale is there. It wasn't one or two houses a year like I thought I could do. It was buy one, get 50.

Started really focusing my education on exactly that, multifamily. This would have been early 2017 timeframe. I knew the Marine Corps had moved me in summer 2018, so I decided to wait. Looking back, I wish I would have just done something then to take action, but I decided to wait to figure out where I was going to be. The whole time, I'm reading books, I'm listening to podcasts and I'm just getting as much knowledge as I can.

Fast forward summer of 2018, I moved to DC area. I'm working at the Pentagon right now and will be for the next year, but started jumping in and just jumped in with both feet into it. I bought Michael Blank's online course. Went to Deal Maker Live as I mentioned. That event for me, I

mean, it just opened my eyes to the possibility. I walked out of there with so much excitement and confidence that I'd be able to make something work.

From there, I decided just to get coaching. I knew it was something I wanted to do. I figured coaching would help accelerate my trajectory. Bought into the coaching program. Not only did it accelerate, but I think it helped me to avoid a lot of mistakes that new investors do. Along the way, I picked up some great partners, or I could really say they picked me up. We formed Four Oaks Capital and there's four of us, hence Four Oaks, and ended up closing so far, four deals. We closed let's see, today's four days ago on our fourth deal.

The first deal was really a fun one and a huge learning process. I was going very slow in the process. I mean, I was pushing hard. I was calling a bunch of people, calling brokers, cold calling a lot of them. I had a goal every week. I'm like, "All right. If I don't get this many offerings in my inbox, I'm going to start calling more and more and more brokers." I was cold calling brokers left and right without a whole lot of success.

I finally found one or two in one of my target areas, which was South Carolina that were answering my e-mails and sending me stuff. I figured, "You know what? I'm just going to take a week off. I'm going to drive down to South Carolina and I'm going to see – I'm going to meet with these guys, meet with as many brokers as I can tour many properties as I can." I get down there and you meet with one of the brokerages and they walk me through a 72-unit apartment complex, which we put an LOI in, but didn't get.

While we were walking through there they said, "Hey, we just had an owner sign with us on 55 units that's about 10 miles from here. Do you want to go see it?" I was thinking, "Yeah, I want to go see it." We toured the property and it ended up being the one that we ended up getting under contract. A lot of that had to do with had I not driven down to South Carolina and took the effort to do it. It's about an eight hour drive from here to there. Had I not done that, I don't know if I would have been in that spot. I don't know if they would have immediately given me that information. Yeah, we got that under contract. Then from there, was just a lot of work to get over the finish line.

[00:06:39] WS: Yeah. Let's jump into that a little bit. It's so interesting how many people's lives have been changed by real estate, as far as their real estate career is by that *Rich Dad Poor Dad* book. Just getting that bug, understanding the need for passive income and that it is possible. Then it's so interesting too that then you learned about multifamily and it's like, "Okay. Now we can scale. We can get there faster." And you did that. Coaching, finding a coach is something I get questions at least once, maybe twice some weeks about hiring a coach. Give us one or two quick things about what was important to you and how you selected the coach that you did.

[00:07:22] BB: How I selected the coach is at that Deal Maker event, everybody had a nametag on, everybody's nametag that had little colored flags talking about, "Hey, I'm a coach, or I'm a coaching student." Lots of different categories. I just went around and everybody who was a coaching student, I would ask them. "Hey, how is your coaching going out? Who's your coach? What do you think?" I walked into that event not knowing what to expect. After a couple of hours, I started realizing coaching is probably the way to go. I was hyper-focused on that one aspect.

I was talking to every single one of students and every one of the coaches that were there. I was I was impressed with every single one of the coaches in the Michael Blank Network. Basically, that was the bulk of my betting. I set up a couple of calls with some of the people who were coaching and said, "Hey, now we're away from the event. Tell me the truth. Is that really how you feel, or do you have a different opinion that you don't express in public?"

Every single one of them had really positive things to say about it. Yeah, so I joined the coaching program and they assigned me to a coach that I had not met before. I thought, "Okay, I'm going to meet him. See what he's like. If I like him, go with it." His name is Josh and just a great guy. Lightyears ahead of where I am right now. We got along very well and it just ended up working out pretty well.

[00:08:53] WS: He's a great guy, by the way. I know him also. Yeah, I hear that question also about working under a team of coaches, or being under – being able to speak with the main person himself, whoever that may be. In this situation, did that work out for you as far as you had a team of coaches, or somebody that you were assigned to under the main guy?

[00:09:15] BB: Yeah, it did. It did. I mean, I think everybody – Michael Blank is the face of the business, the Michael Blank Company and I think everybody wants access to him. I realized that he's at a level where he can't personally coach everybody. From the beginning, I realized that he wasn't going to be my coach. There were various points where we had direct access to him. Over the course of the years, I feel very confident, just picked up my phone and sending him a text right now.

Back then, I think I had the realization going in that it wasn't going to be Michael Blank. There's exposure to a lot of the different coaches and every coach has a slightly different style and a slightly different focus. I think they did a pretty good job matching me with who they matched me with. There was a questionnaire upfront that they had me fill out on what I wanted, what I needed and which direction I felt I wanted to go and Josh was also active in the exact same markets that I was in.

When I brought him a deal in Spartanburg, he was like, "Oh, yeah. I really love Spartanburg." When I brought him a deal that we were looking at in Columbia, he was just like, "Hey, so what neighborhood is that in?" He had a very in-depth knowledge of the exact same cities that I was in. It ended up working great, regardless of whether it was Michael Blank or one of the coaches that worked for Michael Blank.

[00:10:45] WS: Right. What about getting to that first deal and we all know listeners who have their first deal done, the second deal happens faster and you already have some systems in place, you have a so much greater understanding than you did just probably two months before, especially six months before. Getting to that first syndication, getting that across the finish line, what are a couple things that you contribute to getting there? The coaching, the partnership, maybe part of all that, but help us to understand some of the key things that the listener needs to have in place that helped you to get to that.

[00:11:19] BB: Obviously, an understanding of how all the pieces fall coming in the process. My coach gave me this this elaborate spreadsheet of A to Z, here's how you close. There were a lot of times in there where it just took a whole lot of effort. I think one thing that was key to me is I have a very defined date in mind, where I have very specific financial goals. I mean, I want to

retire on October 31st, 2021. That date was regardless of whether I've officially applied for it or not, which I haven't yet, but that date was set in stone two years ago.

I mean, yeah, we got the template, the do A, then B, then C, which simplifies things enormously. End of the day, I look at that date on the calendar every morning and say, "We need to get this done, we need to get this across the finish line." Every day, I look at the what are the next couple of things I need to do to make this happen. Really, it was a combination of the mentorship. It was combination of the partners who are all hustling and doing their part and just the coordination between it. End of the day, it was that big why that I have.

[00:12:28] WS: I love that. Yeah, you got to have a place that you're headed to, right, or see a vision of where you want to go. Otherwise, if you don't have the map, how do you going to know which direction to turn, right? It definitely speeds up the process as well, having a coach, having a mentor. I could not agree more. It helps you to not make as many mistakes that sets you back. Give us some details about that deal and maybe what your role was in making that deal happen.

[00:12:55] BB: It was a 55-unit in Spartanburg, South Carolina. Very old building. It's about an eight-year-old building, which I know a lot of people shy away from. My role in that is – If you rewind when that came under contract, it was still just me working for me. I had an agreement with Eric Shirley, who's one of my partners now that we would partner with that one. At the time, I was actually quite selfish with that deal. I didn't want it to be taken away from me or anything like that. I basically did 80% of the work on that one for purely selfish reasons.

It wasn't until two months into that, where I realized that I could trust my partners. I liked them and I could trust them and had gotten to know them very well, where I really started at opening back up. My portion, I was the one that negotiated the contract. Then I'd reached back to my partners and say, "Hey, this is what we're doing. Are you guys all okay with that?" I was the one calling the lender. I was the one getting the insurance lined up, talking with the broker.

I did about 90% of the work that needed to be done. I just asked them, "Hey, just make sure the capital is there. Make sure the capital is there." I brought in a couple investors and they brought in the lion's share of the investors. Now the way we do business is completely different. We're

much more of a team than we were first time getting across the finish line. That really started out as a bunch of individuals. After the four months that we were in the contract was over, we ended up – we were a team. That was our first taste of how things worked.

[00:14:43] WS: Maybe you can elaborate on that a little bit. That's another – such a common question about partnerships and different roles, or how do you do that? Because it's difficult figuring that out in the beginning. You got to have some tough conversations as well and just be very upfront. How did you all say – if you can elaborate on the structure, your partnership, or how maybe it even changed after you did the first. You talked about you do things differently now. What changed and maybe a little bit on the structure, if you can?

[00:15:14] BB: Well, what we did is we looked at everybody's strengths and also, availability. Because of my – I'd to call it 9-to-5 job, but I'm at work long before 9:00. Because of the lack of flexibility, my schedule gave me, we basically looked at what our strengths were. Eric ended up saying, "Hey, I want to be our acquisitions guy." Eric's very strong at underwriting. He's got a lot of very technical mindset. He also had a lot of time and his day job has been traveling all across the Carolinas. It naturally fit for him to be able to talk with the brokers. He'd get in the car and he had to drive two or three hours. He just called one broker after another one. That was a perfect fit for him.

Upfront, I started doing the asset management, because I knew the property – the first property we had under contract, I knew it extremely well. It was just natural for me to do the asset management. Brian and Todd, between them were doing all the investor relations. They're managing the portals, the websites, everything else. That's how we started. We've gradually shifted duties again to where Todd and Brian are actually doing most of the asset management.

Eric is still doing the acquisitions. Because my schedule at work changed, I'm doing most of the content, the outreach, which includes the podcast that we're about to launch. It's really been a dynamic situation. When something changes, we come to the table very quickly and say, "Hey, look. This is working. This isn't working. We need to make some adjustments."

[00:16:56] WS: Is there a specific way you all communicate, or a frequency, or a method, anything like that that's been useful or productive?

[00:17:04] BB: At a minimum, it's once a week over Zoom. That's the minimum. I'm calling them very frequently. We would have a text string. It's not something that we – besides the weekly call, we're still working on the internal systems. Every time we have a call with either a lender, or a property manager, we're taking notes. We've got a Google Drive account where we're sharing all that. We have a couple of Google Docs up on each property, where every conversation we have is documented on there.

Any one of us, if we weren't available for the call, any one of us can go to that document and just scroll down and say, "Okay. This is what we've done. This is what we've said. This is what was agreed to." That's one thing. We've got an investor portal. We use AppFolio for that, which also has a CRM in it. Same thing with investors. One thing that's worked well for us with investors is a handover.

If I need somebody who is interested, eventually I'll talk to them one or two, or sometimes three times, but eventually, I'll hand them off to Todd or Eric, who will also talk with them. Our goal is to get them comfortable with the whole team. Not just me or not just Eric, but get them comfortable the whole team. Like I said, once I'm done talking with somebody and they're interested in investing, you let them on the call with Eric and then Todd and then push them over to Brian Mallin for onboarding into the investor portal. Every investor who comes in talks to three of – at least three of the Four Oaks.

[00:18:37] WS: Nice. I love that name too. Brian, what's been the hardest part of your syndication journey getting to where you are right now?

[00:18:46] BB: Hardest part, I think just been the time aspect. I've got a full-time job. Right now I'm doing four days on, four days off. But my four ons, I'm spending 13 hours inside the Pentagon. When you look at commuting time and how much time it takes me to shower in the morning and whatnot, I'm essentially coming home, I got maybe a half hour before I'm going to bed.

We've had to adjust a lot to my work schedule more than anything else. I think that's probably been the most difficult piece, which that part is going to correct itself in about a year. Like I said, we've definitely changed how we do things because of that.

[00:19:29] WS: That's convenient that you all can do that a little bit, change it up if somebody's schedule changes, or somebody can't do whatever their task was anymore. Is there any tips as far as scheduling that time around a schedule like that? Because I've had a very similar path that it's like it was working two full-time jobs for a very long time. I get that question often. It goes like, "Well, how do I have the time? I can't get those things done. How have you done that?"

[00:19:55] BB: It's just being a deliberate on your scheduling. My wife knows. We have a shared calendar between me and my wife. I know what my schedule is in advance. I have four days where I basically disappear from the world and four days where I know I'm going to have plenty of time.

Unfortunately, I can't do an every Monday thing like we need for some of our property managers, or every Wednesday thing. With the four days off, I'm able to schedule just about everything we need to do. I've done, I think four podcasts, five podcasts now in the last two days that I've been off. Yeah, really it's just realizing what time I have available and making the best use of it.

[00:20:35] WS: What's the number one thing that you've recently done to improve your business that we could apply to ours?

[00:20:41] BB: I think just starting the podcast and something that you've meshed to me before is how much you learn from interviewing people. We started recording a podcast where we're not quite to the point to where we launched it yet. It'll be launched by the time this show airs. I've interviewed half a dozen people. Just learning from them and seeing how they do things differently has been absolutely eye-opening. Every time I sit down and talk with somebody – I'm still fairly new to this game. Every time I talk to somebody, I'm writing down notes saying, "Hey, this is a great idea. I'm going to steal that, or borrow that."

So, for me, it's just been getting around people who are further down the line than I am and listening to them, talking with them and going through – yeah, going through that process.

[00:21:32] WS: What's the top thing that's contributed to your success?

[00:21:35] BB: I'd have to say my drive is part of it. I've got a big burning why. I've got five kids that – I've got a Marine Corps career that's coming to an end here real soon and I've got five kids that I'll still have to support on November 1st of 2021. Yeah. I see them every day and it's just a matter of I got to make sure that they're fed and there's a roof over their head.

[00:21:59] WS: What's your best source for meeting investors right now or for your team?

[00:22:03] BB: Right now, I say a combination of LinkedIn, Facebook and BiggerPockets. Those are the three forms that I'm on the most. I say in the average week, I'm setting up probably somewhere between a half a dozen and a dozen calls with people who are either interested in investing or interested in doing what we do.

[00:22:21] WS: How do you like to give back?

[00:22:23] BB: Something I've done since I was very young that my parents taught me is I give 10% to a charitable organization. The one that I like the best is my church. They do a lot internationally, even nationally and internationally, to help the people who are less fortunate.

[00:22:38] WS: Wow. Thank you for sharing that, Brian. Grateful for your time on the show today and sharing us really your path to that first deal and then just congratulations on your success of doing four deals in a short period of time. You all have definitely created some processes and learned a lot in that amount of time. So grateful for your time. Tell the listeners how they can get in touch with you and learn more about you and your podcast?

[00:22:59] BB: The podcast is called Diary of an Apartment Investor. As mentioned upfront, it's going to be available on Apple Podcasts and all major podcasts. Our website is fouroakscapital.com. You can you can contact us through there. If you fill out the form, one of us

will set up an appointment with you. My e-mail address is just brianbriscoe@fouroakscapital.com.

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[00:23:21] 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. Subscribe too, so you can get the latest episodes.

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[OUTRO]

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