

**EPISODE 675**

[INTRODUCTION]

**[0:00:00.0] 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]

**[0:00:24.4] WS:** This is your daily real estate syndication show. I'm your host Whitney Sewell. Today, our guest is Tim Lyons. Thanks for being on the show Tim.

**[0:00:32.6] TL:** Thanks for having me Whitney, pleasure to be here.

**[0:00:35.2] WS:** Tim has an incredible story that I know you're going to be inspired by today. I've heard many stories over the last few years that have helped you inspire me and get us where we're at and just keep me motivated and focused and on track and I think this is going to be one of those for you as the listener.

A little about Tim, he's a principal and managing partner at City Side Capital LLC. Tim's currently a lieutenant in the New York City fire department until recently, he also worked part time as an emergency room RN at a level one trauma center for eight years. He brings years of real world management and leadership experience to his real estate investment career.

Tim's initial goal with real estate was to create passive income and, in turn, be able to spend more time with his wife and three girls. Congratulations on the family and just even the goal and being able to spend more time with them Tim. Looking forward to this conversation and just — I came from a similar line of work, which you know Tim. And I was a first responder type and looking for a way to be at home more.

And so give us a little more about who you are Tim and background and let's jump in because I just think your story is — I hope the listeners will listen to just your commitment and just that decision that had to be made. And let's get into some action steps that you took but let's go back and learn a little more about you.

**[0:01:51.0] TL:** Great, thanks for that introduction Whitney, I appreciate that. Yeah, I'm 38 years old, I'm married with three girls, right? Until recently, I had two or three jobs and you get time. I'm a 15 year veteran of the New York City Fire Department and that has been the pleasure of a lifetime to work for the FDNY.

You know, I come from the school, like a lot of people that I was taught to get good grades, go to college, get better grades, figure out what you want to do. Contribute as much as you can to your 401(k), and then some day, you will be able to retire. And someday, you'll be able to get into real estate and enjoy your life. You know, until maybe a year, a year and a half ago, that's the trajectory that I was going on. And I found myself working 70, 80, 90 hour weeks trying to work more overtime in the firehouse.

Working in the level one trauma center ER. You know, I'm working 12 hour shifts and I get up early and leave before the girls got up and I come home and it's witching hour at the house because everybody's tired, ready to go to bed and then the next day, go for 24. It wasn't really bad until they got to be, right? Because when they're young, they don't know which end is up. But when they got older and I'm starting to coach sports and you know, they said, "Dad, you just left, you're leaving again for another 24." And I'm like, "Oh my god," you know, it dawned on me Whitney that I need to make a change.

This is going to sound kind of cliché because you hear this on a ton of real estate podcasts but there is one book in particular that changed everything for me and you like to take a guess at what that book might be?

**[0:03:23.6] WS:** Is it purple?

**[0:03:27.1] TL:** It's *Rich Dad Poor Dad*, right? Everybody, a lot of people say, *Rich Dad Poor Dad*, right? I'm on vacation with my family last summer and I can't put this book down and at the time, I was going through some mindset shift and some personal development and that book fell into my lap — at just the right time. So right then and there, last July, I made a commitment to get into real estate, to make a difference. And three, four months later, I purchased my first three family property.

But until, from the summer of '19 till November of '19, when I purchased that property, I turned off the news, I turned off Pandora, I turned off radio, I turned off everything. And all I did Whitney was consume content. Audio books, podcasts like yours, BiggerPockets, I mean, I can go on and on about podcasts, right?

You know, I had a pretty significant commute to work, you know, at the firehouse, so I just turned my car into the university on wheels and that's all I did. You know, four months later, I have a three family property. A lot of what I think about now and what I do is mindset. I committed to real estate and I took action. I had no idea how to be a landlord, I had no idea how to get financing, I had no idea how I was going to pay for the down payment.

You know, one of the guys who I love to read is his name is John Aseras and he talks about being interested in something or being committed. And if you're interested in real estate, yeah, it's something that I want to get into but then you know what? It's too hard, I don't get it. I don't have any money, how am I going to be a landlord, I don't know anything about it. I'm just going to go back to the couch, get my bowl of Doritos and watch Netflix. And, I'm never going to change. Or, you can be committed and say, all right, I'm going to figure it out, I'm going to figure out how I do this. I'm going to surround myself with the successful people around my inner circle and I'm going to — what I like to call, RND, rip off and duplicate. Because if you want to collapse timeframes, if you want to get to where you want to be then you know, there's no time to reinvent the wheel. Especially at the end of my late 30s, there was no time for me to kind of do that. I just went out there and I figured it out.

**[0:05:37.2] WS:** Yeah, congratulations. It's incredible. I do hear — I don't hear enough stories like this, I do hear, you know, I hear people get motivated, they get committed or they get interested. I thought that was interesting, you know, you're talking about that author and he

says, are you interested or are you committed and I think it's important to ask ourselves that, right?

You think you're going to start this new thing but you know, are you really committed to it? It's obvious, you know, you were committed too, he's had four months, you had your first multi-family property but I like to even back up just a little bit, you read *Rich Dad, Poor Dad* and obviously, that's been such a game changer for so many people in this industry or just real estate altogether. You know, is there one massive or one major thing that you took out of that. That was like, just turn the lightbulb on for you?

**[0:06:22.0] TL:** Well, you know, it was the overarching theme of the book that the middle-class work for their money and the rich have their money. And the rich have their money work for them. It does sound cliché, right? That makes sense but when you read his book and it's one of those books that just flows so eloquently.

You can honestly just see right away that there's a whole other level of personal finance that is not taught to you. You either have to be told it or you need to grab and seek that information and you know, after reading that book, I just went down a ton of different rabbit holes, right? I mean, all of a sudden, I'm reading books on taxes and you know, things where I thought I was never going to even touch upon.

It was that overarching theme that you needed to have that velocity and money, you needed to, you can't save your way to wealth. I mean, that was pretty much my main takeaway from that.

**[0:07:16.8] WS:** Nice, yeah, you can't save your way to wealth. I like that a lot. Okay, then you read that book and then you know, you started probably expressing these things to your wife or your family. What were some responses and what were your — how did you develop an action plan and how did that go over with the family?

**[0:07:35.6] TL:** I wish you could see the look on my wife's face when I'm like babe, I'm getting into real estate. All right Tim, whatever man. But you know —

**[0:07:42.1] WS:** — You already got two jobs, right? And then you're going to do something else.

**[0:07:47.1] TL:** Exactly, right? She knew that I always had an interest in real estate. I used to talk about it all the time but you know, she told me — when I was working full-time as a fireman, and my wife's a brand-new married and she's pregnant with our first child, I'm going back to nursing school at night, studying. Getting good grades and you know, getting my degree while I'm working full-time. She knows that once I commit to something, I'm going to make it happen.

When I kind of formulated the plan, you know, she was like, "Tim, go for it." I think we both kind of needed that proof of concept with that first three family house that we bought. You know, we needed to see, what is it like to put the sweat equity in? What is it like to be a landlord, getting phone calls, taking care of stuff? What are the expenses? What's the income? How does it affect our taxes? Do we do an LLC or not an LLC? How do we finance it? All these questions, the whole process that went through.

I felt really prepared for it because of listening to the podcast, BiggerPockets, reading different books and then you know, everyone talks about scalability. I remember coming home from the closing of the three family and then I said to my wife, I said, "Babe, I'm going to buy 30 of these things and we're going to be in easy street." And all of a sudden, I'm putting a new roof on and I'm gutting the first floor apartment and I'm like, "This is not scalable at all."

Which led me down the path towards you know, where I am today as a real estate syndicator. And you know, I very quickly had to decide — which route am I going to go? Am I going to go three families and duplexes and quads or am I going to go to multi-family? I don't know the first things about multi-family, so what did I do? I went out and I figured out, "Who are the leaders in the space." Guys like yourself and started listening to the podcast and I decided to check out some of the mentorship programs so I started making phone calls.

Talking to some of the people who I reached out to on BiggerPockets or LinkedIn or Facebook and I would take those conversations offline and say, "Hey, I saw that you're a part of that program, tell me all about it." I ended up going with the mentorship program. Jake and Gino and it's probably been one of the best decisions I've ever made in my entire life.

The community is second to none, I mean, you hear these things and when you're on the outside looking in, you never really know what it's like. Because you're going to come out of pocket and people, I think, get stuck saying, "I can't afford that," or "that's too much money." But I cannot even begin to describe the level of confidence, the caliber of people that you surround yourself, when you decide to take that action. And view that price tag as an investment in your education, as an investment in yourself. And there is no better investment you can make and an investment in yourself.

So many different doors have been opened, I've networked and met so many tremendous people. And I can honestly say that the reason why I'm closing on this 43 unit syndication on Monday August 10<sup>th</sup> is because of this community, you know?

**[0:10:39.0] WS:** Congratulations, that's incredible. You know, I like to tell people you know, like a mentor is just – it's such a game changer, it's so worthwhile but you do have to do some due diligence to find a good mentor, no doubt. There's some due diligence there, they're not all created equal, I'll definitely say that.

However, Jake and Gino I know both those guys personally, these amazing guys, some of the most genuine — I mean, the great community and this great guy. I know a lot of people in that program have been successful. So much about joining a mentorship program like that, you are buying into the community, right? I mean, you are, that's part of what you're getting and it is a big part of what you're getting because then also that mentor can introduce you to other people that you need on your team, right?

Saves you so much time in trying to find that individual, and you know, depending on what you're looking for or what teammate or really team members are missing. No doubt, that's incredible. And so mentorship, finding mentors, definitely something I find people ponder on way too long, like, get your due diligence done, do your research, no doubt, you got to do some. But pull the trigger, you know? Find that mentor, it's going to just save you so much time. What are maybe one or two things Tim, that because of that program, helped you to get this syndication, you're fixing to close.

**[0:11:58.2] TL:** Obviously, the person who I'm doing the joint-venture with is somebody in the community who gave me the opportunity of a lifetime to kind of get into this deal with them. And I mean, who would have thought 13 months, where I didn't own any units, and now I'm going to own 46 units. And then there's another deal, a 200 plus deal that's right behind that one coming down the pipes. You know, within maybe 18 months, I mean, I could potentially be at the 280 something unit mark. I mean, that's incredible, I mean, just think about that. Not only that.

Everybody talks about real estate as a team sport, right? So maybe not in single family rentals where you can do everything by yourself. With the 'I'm-a' mentality — I'm going to do this and I'm going to do that and I'm going to take care of everything. But you know, with commercial real estate, it's a team sport, right? You got due diligence, you got underwriting, you got property management, you got to walk those properties, you got to meet brokers, you got to meet lenders. I mean, really, there's a ton of stuff to get done and then that's just going to get it under contract. And you go to do the due diligence.

I mean the biggest learning curve I've had so far is that nobody can hold your hand to raise money, right? Because there are three things that you need in order to raise money. You have to have people that know you, like you, and trust you. And they don't even give a hoot so much about the deal itself as the fact that, you know, they are trusting you with their hard-earned capital.

So what I've found is that, you know, I am telling the same story over and over again to my friends and my family. So one of my goals for 2020, 2021, and going forward is to work on my platform and my education piece. I am trying to get blog posts out, articles written because I feel like multi-family real estate cash flowing assets is the way to go for investing. And it may not be the only way to go for many people but people don't, by and large, don't know about real estate syndication.

What does it mean? How do I get into it? But yeah, just the raising capital piece was a big learning curve but I actually enjoyed every minute of it. So I mean those are two things but you know what? Reaching out to the community. Somebody has a resource, somebody can help you. You know we got teamed up very quickly with another member in the community and we

have been working with him underwriting properties and you know nothing has come to fruition yet but I mean we have been close.

**[0:14:20.3] WS:** Speak a little bit to, you know, the managing the job, the real estate business, and the home life. I know it is difficult, you know we did it for a few years trying to make this happen. And to where we are at now and it has not been easy. I know it was not easy. It was extremely difficult but just like you, we had to commit and just had to keep taking action, keep pushing forward but you know, go elaborate a little bit on that aspect. It is not talked about enough.

You know when I speak, also I mention that it is not talked about enough, because you see all of the success in some people but you don't hear about the difficulty. And just speak to a little bit about how you managed that and are still managing that.

**[0:15:00.3] TL:** Yes, so I mean with real estate, you know it is a marathon and not a sprint. And when my wife and I were committed to this, the plan was to work while the girls were in school. And I joined the Jake and Gino community the first week of March and everybody knows, two weeks later, COVID hit. So now I am doing Google classroom and I am doing ABCs and 1-2-3s and it was insane. So because I am a New York City firefighter, I work in the borough of Queens, which was hit pretty hard by COVID.

And I work in a poor neighborhood and people are on top of each other. So we were doing CPR in COVID patients, eight to 10 times on a 24 hour shift and nobody was making it. I mean, it was insane. So I ended up quarantining my family for six weeks. I moved into a family member's house and they moved into mine to help my wife out. And I just, you know that was a period for me where I just worked. I worked from 5 AM until 11:00 at night.

That is where I got the majority of my learning done, my phone calls, my networking, and I think it kind of catapults me a little bit. But talking about that process, you were just talking about it now is — I am up at 5 AM each morning because I need to get my work done before my girls wake up. So from five to 7:30, 8:00 in the morning I actually get a tremendous amount of work done. Then I got to be during the day for a little bit and then I scheduled my calls around them pretty much.



Hoping and praying that school starts in September, right Whitney? But yeah, it is hard. I mean it is just hard so I had to walk away from my hospital job, which was ultimately the goal. But there is no way that you can just get into real estate and just do it a little bit or dip your toe in and touch. So I did have to commit and I walked away from that comfort of the paycheck every two weeks, in order to grow both personally and grow my business to the next level. So it is a balancing act, there is no doubt about it.

**[0:16:51.5] WS:** Is there a way that you communicate with the family, to let them know just like what you are working on or just so that you are not just, like, leaving and not at the house. It's helpful if they can see the bigger picture I like to say, is there any way that you found to do that?

**[0:17:09.9] TL:** Yes, so you know I brought my two older girls, the nine year old and the six year old, I brought them to my three family house on a number of different engagements, when the first floor was torn apart. And then just brought them back to see the finished product, you know when I mow the lawn, and shovel the snow, they come along with me. So you know, I think they're too young really to really grasp the whole idea but I like to show them what daddy is doing.

And then this new deal, the 43 unit I just basically told them that, "Look, I mean daddy has three units here but then the next building has 43 in them." And they're like, "Whoa!" you know? So it is kind of fun to keep them somewhat engaged because I do, I want them to know all the things that I am figuring out in my mid to late 30s. I want them to know that kind of early on.

**[0:17:52.9] WS:** So congratulations again on this first syndication. Tell me the hardest part of the syndication process or journey for you so far.

**[0:18:01.1] TL:** Yeah, the hardest part is to get a property on the contract, right? I mean that is one of the hardest pieces. And then, I would say capital raising and then getting your investors over the finish line has been quite the process. I mean yes, so capital raising for sure. But I do love capital raising. Talking about real estate is something that I just love. But you know we analyze a ton of deals and what I love about commercial real estate is that it has to make sense on your spreadsheet, right?

I mean, you can underwrite a deal or you can do a back of a napkin in 10 minutes with the spreadsheet. And that something seems to make sense or you're hovering over a sweet spot, you can really dig in and it doesn't make sense. You don't waste any more time on it, you know. It could be the sexiest property on the block but it doesn't make sense on the spreadsheet, you just move right on. So that is the challenging piece because you got to go through a lot of no-s before you get to a yes.

**[0:18:52.0] WS:** Especially the first time, it is difficult.

**[0:18:55.1] TL:** Especially the first time.

**[0:18:56.5] WS:** It gets easier though. It gets easier.

**[0:18:59.8] TL:** I hope so.

**[0:19:00.6] WS:** Yeah, you build systems, you learn so much from the first time you are doing a capital raise. And what is the number one way that you have recently improved your business that we could apply to ours?

**[0:19:09.2] TL:** Improving the business would be — my brother is my business partner. So I get to talk to him every day. But we recently, we decided that we need to have a strategy call, like, on Mondays, and we need to plan out. "All right, what are we doing, what am I doing?" and then hold each other accountable, "Hey did you get this? Hey, this is what I did." You know that has been a huge piece because on a certain level he's my brother.

So I can just talk to him very frankly about a lot of stuff and then, now that we are doing the business together, the relationship has changed and it is growing, right? And so we're just trying to get those systems in place. So that's been one thing. And then just leveraging other people, you know, it is a team sport. So getting those networks, getting those conversations done, that's been a huge piece for us so far.

**[0:19:54.2] WS:** What about your best source for meeting new investors right now?

**[0:19:58.1] TL:** So, I mean, I am putting in some, not a lot of content but I am putting at least one blog out a week. I am connecting with people and bringing — yeah I mean, that is my goal right? And my goal is one blog post per week. I am currently using an active campaign and building up a funnel and automation process as we speak to kind of help out with some of those systems. And also LinkedIn. I am going to be meeting a ton of people on LinkedIn and then taking those conversations offline.

And people are like, “Listen, I am a really successful doctor,” or “I am a successful engineer,” or “I am a successful business-owner entrepreneur — how come I don’t know about syndication? And why is Tim, the firefighter, nurse, telling me about how I should invest my capital?” So it’s a pretty cool conversation to have. And I get a lot of like, “Whoa that is incredible” I’m like, “Yeah.” So it is having those conversations. So if nothing else that is kind of taught me that I need to concentrate on content.

Getting content out there because people are willing and able to invest in real estate and they just need to know how it works.

**[0:21:04.1] WS:** What’s the number one thing that’s contributed to your success?

**[0:21:06.7] TL:** Mindset. Mindset, mindset. So in the beginning, I wasn’t ready to hear it. I guess I had that scarcity mindset that people talk about, you know? I would tune into a real estate podcast and I’d hear mindset all the time. I’m like, what are these people talking about? I just want to hear about the nuts and bolts about real estate, you know? Equity and this and that. And when I finally kind of caught it on and started to do some more personal development.

And reading and audio books and you know, having more of an abundance mindset. I feel like I may not be the most successful person right now as we speak at commercial real estate, I am no Whitney Sewell right now. But I feel like I have already won because I’ve had that mindset shift and I feel like I have already won the game. So that’s been huge for me.

**[0:21:51.1] WS:** No doubt, I mean getting to your first syndication, like, you are so far ahead of 98% of people that are interested, like you said before, you know? They think they're going to get into real estate but they are not truly committed yet. Tell us how you like to give back?

**[0:22:05.5] TL:** So how do I like to give back, I mean so —

**[0:22:08.4] WS:** You are already a firefighter, you were a nurse. I mean it is incredible how you have already given back but I always like to ask.

**[0:22:14.5] TL:** Yes, so that's a great question because that is something that I've been thinking a lot about, like, how can make more of an impact. And aside from just my personal, I've been, like, my girl's coaches for different sports and anything like that. But I am talking about impact, the way I am impacted by real estate. I want people to know that this is an avenue that is open to everybody and even if you don't think you don't have enough money.

Even if you don't think you can do it, I want to talk to you, and I want to tell you that it is possible. And starting that conversation of letting blue-collared people like firefighters, cops, first-responders, I mean that is one of the things I would love to do is to maybe start a podcast. And get the information out to my fellow brethren out there because a lot of us are like, "Oh, well we have a pension," or even a lot of departments have shied away from pensions and they're doing 401(k) and that is the goal.

That is what everybody talks about around the kitchen table at the firehouses. You know, pensions and retirements and you know it is never — well not never, but very rarely is it about real estate and how to invest. And I want to bring that more out to everybody, that everybody can get involved in one way or the other. So that is going to be my main thing is, "How do I make an impact?"

**[0:23:24.6] WS:** Nice, so Tim I am grateful for your time and just really hammering on just the commitment that it takes and that decision that has to be made and just taking action. Congratulations again to you for doing that and getting even to this first syndication. I'll look forward to hearing about that getting across the closing table and moving onto the next one. So congratulations for just having that mindset, making it happen, really making that decision.

Because I think we can all do it but the decision has to be made and you have to commit upfront like you have talked about but how can listeners get in touch with you and learn more about you?

**[0:23:58.1] TL:** Yes, so you can check out the website, it's [citysidecap.com](http://citysidecap.com) and then my email address is [tim@citysidecap.com](mailto:tim@citysidecap.com). I am also on Facebook and LinkedIn, Tim Lyons, just make sure you spell it as L-Y-O-N-S.

**[0:24:15.7] WS:** Awesome Tim, that's a wrap. Thank you very much.

**[0:24:18.5] TL:** All right Whitney, thanks for having me.

[END OF INTERVIEW]

**[0:24:20.9] 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]

**[0:25:01.2] 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.

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