

EPISODE 767

[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]

[0:00:24.3] WS: This is your daily Real Estate Syndication Show. I'm your host, Whitney Sewell. Today, our guest is Daisy Serrano. Thanks for being on the show, Daisy.

[0:00:32.5] DS: Hi, Whitney. Thank you so much for having me. Excited for today.

[0:00:35.8] WS: Daisy is a limited partner in 253 units in Texas totaling \$20.7 million in value and is a leader with the Women's Real Estate Network. Do you pronounce it WREN? Yes. She has over 10 year so experience in international relations, education management, and counseling. Her goals are to help more people, especially millennials to have opportunities to invest in real estate multifamily, uplift and empower her community through mentorship access, be a positive role model for her family and retire her parents.

Daisy, thank you again for your time this morning and looking forward to getting into this conversation. You have some superpowers that's so crucial in this business no matter where you're at in this business, connecting to people, networking, those things, learning about people, which you're really good at is so important. Give us a little more about who you are, your real estate background and what your focus on right now.

[0:01:29.3] DS: Yeah, for sure. Thank you, again, for having me on, Whitney. Excited to be here with you today. From Southern California originally, I actually was exposed to real estate through my husband, Luke. I've actually had 10 years of experience in international education, really a little bit of a different world compared to real estate. But the more I've sort of learned and transitioned into real estate, the more I've realized that there's a lot of overlap as well.

A lot of it is working with people with my counseling background is just great in terms of working with investors and really understanding what it is that they're looking for, and be able to sort of back into the solutions or the right investment opportunity for them.

For me, real estate just sort of happened by accident to be quite honest. I never expected to go into real estate. It was never even on my radar. My husband has been interested in real estate for a very long time, engineering background. So, just very, very good fit in terms of the underwriting and a lot of the numbers driven processes for real estate. He just started talking about it, started taking me to meetups that he would go to, and started going with him but wasn't quite interested myself to be quite honest. It was more to support him. The more I learned, the more I fell in love with the industry and with the opportunities in multifamily space specifically.

What we started seeing, especially going to a lot of this meetups is that, there aren't very many millennials that are investing, that even know that this is something that's possible. So we made it our mission to be able to help more millennials invest in multifamily and know that it's something that's available to them.

[0:03:03.5] WS: Nice. Well, let's jump in there just a little bit. I know you all are focused on helping those millennials. What is it about millennials that there's a big hurdle there, a road block or issue about investing in real estate, and what are you all helping them with? Help us understand that a little better.

[0:03:20.4] DS: Yeah, certainly happy to. What we've noticed and what we've seen is, especially with a lot of our friends and millennials that are our age, is that there's a very big gap compared to our parent's generation when it comes to education, right? When it comes to paying for education specifically. A lot of people in our age range have loans, right from undergrad. These different reasons that have prevented a lot of us from being able to buy

homes at a younger age like our parents or plan for retirement or a lot of things that I think are very crucial to be able to set yourself up well financially and be able to make the life choices that you want later in life have been obstacles.

What we've realized is that, within real estate, there's the opportunity to invest while you're going to school, while you're working, while you're building your life. So by the time that you do come to retire, then you have the ability to either pay for yourself, for you family, for your parents, right?

There's just so much impacts that you can create by making the right choices earlier in life versus later in life. We've noticed that gap in having conversations with friends, with other people that are in our similar age group, so that was really the reason why we decided to be able to help millennials understand the opportunities that are available. And that it's not something that's just available for a banker, a high net worth individual, but you are able to make the right steps to put money away to save, and to be able to start investing little by little and long terms, reap the benefits of that.

What that looks like now, we actually started a podcast called Make It Rain: Investing for Millennials. That was actually even really fun. Just coming up with the name, we actually did a survey of millennials, a lot of friends, a lot of people that we knew on LinkedIn, on Instagram, and got feedback in terms of the name of the podcast. So people were very involved I think and to saw the work that we were doing. It really came from having a lot of conversations with people that we already knew, and wanting to create more access, and share that information with more people

It started with just us wanting to talk about, what is multifamily, what are the benefits of investing in multifamily? From there, it's just expanded and it's been a beautiful transition to being able to bring on guest that focus on different aspects and just expanding our network and our relationships has been amazing. So now that we're jumping from the LP side to the GP side in terms of networking, in terms of making our team together, right now we're in the period of our careers where we're putting our team together for syndication.

So just making the connections that we've made has been amazing and it wasn't something that we expected to happen. It just sort of organically transitioned in that direction. It's been building upon each other, right? Where it started as something very different and just wanting to educate, and provide resources and it's turned into this amazing project that now we're really passionate about.

[0:06:25.9] WS: Yeah, that's awesome. I could relate to that in my younger self, just not understanding or knowing the possibility of real estate and not even knowing that that thing is out there, that that's a possibility. Once I learned that, I got exposed to real estate, it's like, wow. Of all these people who have built wealth in real estate, I can do it too. That doesn't mean it's been easy or that we're there yet, but it's just eye-opening initially so I can relate to that, to what you're talking about there. The big difference, if I could have started this 10 years ago or 10 years earlier, actually this syndication business specifically, man, just would have made such a big difference in getting started earlier like you're talking about.

But where would you start? It's interesting, you're talking about steps. What's the biggest holdup and I know you talked about a little bit, but when you're thinking about a millennial, are most rated that you speak where they found you all are most ready to make this happen, or most hesitate about real estate investing, are they scared of real estate, want to invest in stock market? What's their thought process?

[0:07:33.3] DS: Yeah. That's a really good question. I think a lot of us are more so exposed to the stock market and that's something that I don't know that we fully understand, right, the complexities of it. But it's something that with having a 401k or retirement account that it's more something that we're more aware of. So I think just having those conversations, it starts with learning more about what is multifamily and what is real estate in general, right?

What we've seen is that a lot of people that we've been speaking to, it really starts with learning what it is, understanding what the benefits are and being able to make a plan, right? Most people that we're speaking to because there isn't a lot of access and a lot of opportunity to invest for millennials that we've seen, it's more so of figuring out what this opportunity is, let me get educated, right? So listen to podcast like yourself, like our, like BiggerPockets. There's just so

many, right? There's a lot of information out. It's learning what it is and really staying engaged with us through that process.

Luke and I actually love to hop onto to calls with people that are just starting, or that maybe have listened to a few episodes and just have a 15 to 20-minute conversation about what it is that you're learning, can we answer any questions. I think at that point, it's really just encouraging people to continue on, and then people are ready to invest, right?

I think that's really important. It's not jumping to investing right way, because being on the other side, on the GP side, you want to work with investors that understand the risk. There's also risk like with everything else, so it's the entire process. It's not just, there's tax benefits and so many benefits, right, to investing. But it's also, there are risks, there are downsides and so it's working with somebody that is educated, so then they understand why you are making certain business decisions once that time comes as well.

[0:09:27.6] WS: Let's pivot just a little bit. I know you have your super powers like connecting with people, learning about people. Let's talk about that a little bit because it's so important in this business. It's a skill that I had to work on, and read books about and practice, just to learn how to connect with people and learn about them, right? I'd love for you to just elaborate on that a little bit, and maybe we can talk through some example or anything like that.

[0:09:52.5] DS: Yeah, definitely happy to. Even in thinking, what is my super power? I thought, "Oh, what should I say?" I was thinking, I need to say something that's more business related, right? Because it is a business essentially.

The more I thought about it, the more I said, "No, I know who I am and you know who I am as a person is someone who loves connecting with people, and somebody who loves learning people's stories." The best way to sort of faith it is, one time a friend told me, "You're a great networker," and I said, "Oh, I never thought of myself as a networker." But now, thinking back it's yeah, somebody who networks is somebody who loves learning about people and creating a genuine relationship.

As you mentioned, Whitney, in this industry, it's all about people, right? Whether it is your clients, the tenants, the residents that lived in the properties, in multifamily or whether it's the partners that you're working with, whether it's the investors. It's all about people. For me, it's was really, once I realized that, it is a business of people and it is those connections that get you the furthest. Then I fully jump in because I felt like there was a gap in my experience, coming from a very different world.

What I realized is that, my experience fit so well into multifamily because of that love for genuine connection with people. What that looks like now is webinars, events, meetups. For me, it's very easy to walk into a room and go up to a stranger and talk and ask questions. In a way, that's very genuine.

[0:11:24.4] WS: So many people are so fearful. I mean, so many people are so fearful of that, just walking and talking to somebody they don't know. I would say, that's something — I mean, I've had a lot of it practiced with over many years now. But initially, it's not easy, right?

[0:11:38.5] DS: Yeah. A good example to your point, Whitney, is, when I decided and I committed to taking real estate seriously, I joined the Women's Real Estate Network that you mentioned. I'm on the leadership team for now. I didn't know anybody there, right? My industry was completely different, so I found this group on meetup and I just showed up. It was such an amazing experience, because I showed up and I was there to learn, and I was just so excited to be there. So, it was a very easy transition, right, to be able to walk into a room and not knowing a lot about — not being able to talk about cap rate or NOI or like not having the terminology down at that point, but understanding that I was interested in being there and being able to have those conversations.

I walked away from that meeting with about four phone numbers. I signed up for the membership right then and there, and I signed up to volunteer with the organization. That really led me in this trajectory where I just became so involved with the organization that now I'm on the leadership team, but it really started with just showing up, being very comfortable with walking up to people, and asking questions, and just chatting and wanting to know them better. That's really — that was where it started for me.

[0:12:54.2] WS: Wanting to know them better. If you just think like that, there's a lot of questions that come to mind or conversation starters, right, that you can ask someone. I think that's hard initially because you don't know what you're going to say, or if you have — when people are so nervous about that, you may fumble over your words quite a bit or something. You're worried about that, but if you are focused on learning about the, it's a lot easier, isn't it?

[0:13:16.0] DS: It is and it's beautiful. I mean, I think my approach to life is that everybody has a very unique story, everybody's gone through something different, and everybody has such lived experiences and wisdom, and truths that have come from those experiences.

For me, it's really whether I'm out of Metro Station in LA and just sit next to a stranger, it's just really learning who they are. I think that's really my approach too to life and to real estate. It's just wanting to learn who people are. Sometimes there are better connections, and sometimes there isn't as good connections, right? I mean, we're very different and so you don't connect with everybody necessarily. But I think once you build your tribe and the people that you resonate with and your values aligned, then there's so much power in that, and you might lose that opportunity if you don't start that conversation.

[0:14:07.9] WS: You lose the opportunity if you don't start the conversation, I like that. That's good. They think about it like that. You do not know what the opportunity is going to be, but it's not going to be there if you don't start the conversation. Daisy, what's been the hardest part of this syndication journey or process for you?

[0:14:23.4] DS: Oh, that's a good question. I think the biggest hurdle has really been mental, to be quite honest. I think so many people have done it and there are so many resources out there that once I decided to commit and that I was ready to learn and to make it happen, finding the resources was a lot easier. It was really that mental shift for me of going from — I come from a very different industry. Who am I to go into real estate? Who am I to be talking about multifamily? Who am I to start a podcast?

For me, it was really that mental shift, that was the biggest hurdle. It was very much so internal. For me, the biggest thing is, the more I surrounded myself with like-minded people and I met people like yourself, Whitney that were doing it, right? And I said, "Oh, these are normal people."

You hear sometimes or seen YouTube videos and it seems like them, right? It's them and I'm here. Then you go to meetups and you meet people that are doing these wonderful, amazing things and you think, "Oh, it's a normal person. They have lived experiences the same way that I do. They've gone through certain struggle the same way that I do."

For me, it was really just surrounding myself with the right people and getting over that mental limitation of who am I to be in real estate, and embracing that my experience is as valuable. If not, even more than a lot of people that are in the space.

[0:15:51.2] WS: Yeah. If you wait until you think you're ready, you'll never get started.

[0:15:53.9] DS: Exactly.

[0:15:55.2] WS: Even as a limited partner, as a general partner, how do you prepare for a downturn or what are you looking for?

[0:16:02.2] DS: Yeah, that's a great question. I think the biggest — as an LP, I'll say that I think one of the biggest things is investing with the right group, right, with the right sponsor. So that goes back to vetting the person that you're working with or the group that you're working with well. I know that for Luke and myself, my husband and myself when we were looking to invest as LPs, we really did our homework, right? To understand who the people were behind the business plan, right? Who was running the show?

We live in California and we invest in Texas. We flew out to Texas to check out the market, to check out San Antonio, to secret shop the property. We pretended like we were moving into town, and secret shop the property, and check out management, did a tour. We also got to know the city better. When we were out in San Antonio, we were Ubering, right? We're doing Lyfts to get around town. We were talking to people that were in the car with us and asking why they liked to live there, what they didn't like about the city.

We were asking so many questions that people would actually go out of their way. One driver specifically showed us where she lived, and she told us about why she chose that area as a resident. We were still on the Uber, right, and she went out of her way. We made sure that we

understood the sponsor as well, but also, we flew out to the market and saw for ourselves that there was growth, that there was employment, that there was rent increases, that there were all these markers that they talked about, that they were actually happening.

I think the best way to prepare as much in advance for a downturn is to understand who you're investing with, and understand the market that you're investing in. Because for the properties that we invested in, there was the first quarter after the COVID hit, they stopped distributions to have reserves, right, on hand in case it was needed. But Q2, it started right up again and it hasn't stopped since. I think that's indicative of the strength of the business plan and the execution, the team that's behind it as well.

[0:18:07.7] WS: So important and I appreciate you elaborating on how you – you all flew to the market and you secret shop. There was some expense there, there was some due diligence, there was time spent. It wasn't just this quick decision, knowing that operator that well in the market is so important. I appreciate you sharing that.

I believe, Daisy that, almost anyone in business that's successful must have a high-level of self-discipline somehow, right. I don't think we're all born with that, but there's a way that that's developed, or taught, or something. How did you gain such a high-level of self-discipline?

[0:18:42.2] DS: Yeah. I think I came over time. I wasn't always so self-disciplined. When I was younger, I certainly was not. But I think, it's really, once I got very clear on what my goals were and where my husband and I wanted to be both as a couple and as business partners because we do work together, so we do balance those two different roles that we play in our relationship.

Once we got very clear on what those goals were, then it was a lot easier because then, things either aligned with our values and our goals or they didn't. If they aligned, then it was a heck yes. If they didn't align, then it was a heck no, right? That made it very easy for us to differentiate between events to go to or how to spend our time.

The how to was really about making a schedule and being very clear with our schedule, with our expectation. The joke for us is, if it's not on our calendar, it's not happening. Whether it's a

family event, a family gathering, or a business meeting, it has to be in the calendar. I think just being very aligned and having that support at home for us made all the difference.

So waking up, and doing our morning meditation, and writing down our goals, and just — with both of us still working full-time and doing real estate as well, we have to be very disciplined. In the evenings, a lot of times we're recording for the podcast or underwriting or we have meetings on part of a couple organizations as well on the leadership team, so there's meetings for that.

On the weekend, it's very similar. I think it's just understanding where we're committing our time and being intentional, not letting commitments slip in if they're not aligned with our values and with our goals.

[0:20:29.6] WS: What's the way you've recently improved your business that we can apply to ours?

[0:20:33.4] DS: A way that we've recently improved, I would say Calendly to be quite honest, in terms of the technical side. It's just saved us so much more time to be able to schedule, especially with the podcast with booking missed appointments. And everything being virtual, right, so there's so many Zoom calls and appointments now. More so the technical side, I would say, Calendly has been a huge, huge life saver.

More so on the maybe professional side, I would say the podcast because it has given us exposure and access to individuals that we wouldn't otherwise have. It's different, right? Reaching out to someone and saying, "Hey, I'd love to pick your brain, right?" And provide no value versus, "Hey, I'd love to get you exposed to our audience and for people to learn your story and be inspired and learn more about what you're doing," and for you to be able to showcase what it is that you are doing, right, and put the word out.

I think just having that difference in conversation has been really crucial for the business plan as well. Because as we said, Whitney, it is about people, right? It is business, but it is about people. So having the podcast and the platform to give people the opportunity to showcase who they are in what they're doing has been amazing.

[0:21:51.2] WS: What's your best source right now for finding investors?

[0:21:56.8] DS: Our best source, it's definitely been through the podcast as a funnel for investors for sure. But also, we're constantly having conversations with people on LinkedIn.

So, I would say, social media has been really great for us. We're pretty active both on Instagram and or LinkedIn, so reaching out to people through there and just putting word out about what we're doing. I think the more people learn about what you're doing when you are doing the right things and being ethical, and being true to who you are and to your word, people want to work with you. It's really been putting the word out about what we're doing, and we've seen that people are interested and want to work with us in that way.

[0:22:37.4] WS: What's the number one thing that's contributed to your success?

[0:22:41.7] DS: The number one thing is committing. Somebody recently shared that commitment is an active word. You can't commit and be passive. You have to be active. Once I made the commitment and took action, that completely changed everything for me.

[0:22:59.3] WS: Love that answer. I could not agree more. You have to commit. Before you think you know it all or you know enough, you got to commit and have some courage, right, to step out. Grateful for your answer there. How do you like to give back?

[0:23:12.6] DS: Oh, in so many ways, Whitney. I'm very community-oriented and so, one of the big first steps for me is with my family, whether it's with my immediate family or with my bigger community in general. It's giving back in the form of mentorship has been really important for me for years and years. Creating more access for younger people in my community to understand that there are a lot of other career opportunities, that it's not just being a doctor, being a lawyer, these traditional rules and taking on a very active, — taking on a very active role in mentorship and guiding the younger generation is really, really important for me. That's really where it starts.

[0:23:55.9] WS: Daisy, I'm grateful for your time today and just sharing with us. I mean, going back to even just the millennials and that really mental block, right, that a lot of them have. Or

just not having the education or being exposed to the difference investing early and the difference that can make in their entire life and just knowing those steps right now.

But then also just your ability to connect with people, the importance of being interested and learning about them. It's just going to just help that conversation, whether it's tenants, or partners, or investors, or thinking through — it's so many different types of people, right? It's just not investors, then just how to create that genuine relationship. Then just different ways that you've been self-disciplined and getting that self-discipline and how you give back. We're just grateful for your time. Tell the listeners how they can get in touch with you, to learn more about you and your podcast?

[0:24:43.6] DS: Yeah. Well, thank you so much for having me, Whitney. This has been really fun and I love that work that you're doing. I just get so much value from your podcast and from everything that you do, so thank you for having me on.

To reach us, you can find us on the Make It Rain podcast, so makeittrain.com or @makeittrainpodcast on Instagram as well. And LinkedIn, Daisy Serrano, you can find me there. I'm very active on there as well, so always happy to jump on a call and connect and meet new people.

[0:25:11.6] WS: Awesome. That's a wrap, Daisy. Thank you very much.

[0:25:14.5] DS: Thank you so much, Whitney. This is was awesome.

[END OF INTERVIEW]

[0:25:17.5] 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]

[0:25:58.4] 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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