

**EPISODE 772**

[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]

**[00:00:24] WS:** This is your daily Real Estate Syndication Show. I'm your host, Whitney Sewell. Today our guest is Vinney Chopra. Thanks for being on the show again, Vinney.

**[00:00:34] VC:** Oh! Thank you, Whitney. It's such a pleasure to be with you in The Miracle Morning in the early morning over here near San Francisco.

**[00:00:42] WS:** Vinney is just an amazing individual. I've known him for a few years now, and I don't think I've ever had anyone on the show — I catch them during their Miracle Morning while exercising. Vinney is at it right now in the middle of his exercise and still doing a podcast. He is on fire this morning. In case you haven't heard of him, you should go back and search him on even our website. We've done numerous shows together about the syndication business and many topics related within the business specifically. But just in case you haven't heard of him, a mechanical engineer, MBA, author of two top number one Amazon bestsellers, host of two podcasts and two weekly live shows and founder of five companies. He came to the US from India with \$7 in his pocket. And as a multi-family syndication expert, he has facilitated over 30 successful syndication deals. There's not many in the industry who can say that alone. He's acquired and manages a very successful real estate investment portfolio worth over 400 million dollars, more than 4300 doors. But in 2020 his passion increased in developing new businesses in luxury assisted senior living ground ups, and hospitality spaces along with multifamily like

before. He likes to make everyone feel very special and believes that we are entrusted to do good in life for the people we come in contact with each and every day.

Vinney, it's always a pleasure to have you on the show. I know today we're taking a different focus in talking about different asset classes that you and I haven't discussed together before, and it's going to be interesting to get your take on that. You're so successful at multi-family, but now you're bringing in another asset class. But why don't you give us an update and tell us a little about what's new with Vinney, and let's jump into this new asset class and this new passion that you have.

**[00:02:28] VC:** Thank you. Thank you, Whitney. It's such a pleasure to be on your show again. Actually we just purchased 35 million dollar deal in Austin in multifamily just about two weeks back. So that was a very good closing — 56 days it took us from the contract to the ending stage. So I'm still in multi-family big time and I'm looking at a lot of great opportunities coming up in 2021, because there'll be quite a few great opportunities coming.

But at the same token, you're right. I've been very much focused lately for about nine months, first, into senior living. Because, as you know, 10,000 baby boomers are turning 65 every day, every single day, and I'm a senior myself. I'm 68, right? So it's been in my mind. How can I make a difference in the lives of seniors who are in the 80, 85 to 90 years of age in their golden years and also help the seniors who have retirement money, and other things, which they can get great returns if they ever invested with me, right? So two-fold mission, and that's what I believe in law of attraction, law of manifestation as some of you all know. I've been thinking about it for about two years — how to get into it. And with the grace of God, I found a partner who has built this luxury senior assisted living and memory care for the last nine years.

Hold on. So he's been doing it and proven the model. I don't know much about construction to be truthful. I've been just managing 28 assets particularly in our companies. So that's where it all came about. And now we are so excited to build maybe four to six every year all through USA. And actually in the last five months or so, I raised almost 60 million already for four projects. So that's very exciting! Yeah.

**[00:04:49] WS:** That says a lot about you and just your track record, all those things. But 160 million for four projects for ground up that's still to come, right?

**[00:04:59] VC:** Yes. Yes. Yes. Yeah, we just finished the buildings in Cape Coral, which came out really good. We are building 26 miles away in Punta Gorda, then Virginia, then coming back to Florida again, because the demographical shift is that the seniors are moving to the warmer states and retiring. And the good part is, Whitney, that what I find is I've been chasing jobs, jobs, jobs with multi-family, which I will. But in this community, they are retired people. They have made it, right? And they are ready to enjoy their fruits of labor when they are turning into this level of assisted living. And that's what our motto is, to spoil the generation that has spoiled us. That's my partner's logo.

**[00:05:52] WS:** Wow! Love that. Is senior living, Vinney, something I mean you're just adding on or is it something you think is going to have the better returns in the near future than even multi-family?

**[00:06:04] VC:** Yes, totally. I would definitely explain it right now to all the audiences. Oh! It's kind of warm. I should get my fan going. But it's good though, good sweating. But what did you say, Whitney? I would say assisted senior living, which is the niche we are in, we are not in nursing homes, we are not in rehab centers, we are not in independent living, not at all. So only that niche we are serving our seniors who are needing some help, right? That's the only thing assistance, with three meals a day, with enjoying their life and everything, like that, right?

So essentially, it's multi-family. Hold on, what I just said. Because it's multi-family, we are building 80 units, 92 units, 100 units from ground up, one level, no elevators, with four to six courtyards, with waterfalls, with putting green. And in that senior living we're building movie theater, spas, salons, libraries, dining halls and living area, pianos. I mean it's a lifestyle of its own, which we never did, I never did in my multi-family.

In multifamily, it's an individual resident using their own space, in the units. But in senior living, it's a community. It's a community which you really need for the seniors when a spouse passes away. So then the life starts going down, or they cannot cook, or they had a slip and fall. So it's multi-family at its core, but the one thing I like about it, Whitney, is there's no different

maintenance. So we have hardly any cap-ex budgets, we have hardly any different maintenance, no value adds in this market, no delinquency, no concessions. Holy cow!

**[00:08:12] WS:** Oh wow!

**[00:08:13] VC:** So this is the best of the best preservation of capital in multifamily is in this niche, senior living, yeah.

**[00:08:24] WS:** So what's the risk, Vinney? What's the risk that you're concerned about with senior living specifically?

**[00:08:29] VC:** Okay. I would say the risks do come always in real estate, right? But we like to mitigate the risk. So what that means is we start from feasibility studies, looking at different demographical data and then we analyze what's product out there comparing what we'll be building. And then we hire outside company to do thorough feasibility study. Pay thousands of dollars and they come up with a capture rate. Capture rate is like what will be the demand in two years, because it takes us 12 to 14 months to build it, right? Because from ground up. So we find location first. Get the contract to LOI actually for six-month closing, six to nine month-closing. We never buy the land first, because if the land does not get accomplished or approved for senior living, it's dirt. It's not worth for us, right? So that's how we do it. And we get architectural drawings. We do the ordinance changes, everything.

So my partner and I really pay for all that. We never raise money until we are ready to put shovel in the ground. So when we get all the permits, that's when we do it. So we mitigate risk that way. We have all the insurances from our general contractors, subcontractors, which have done this for us so many years now, right? So that way we do have full fire hazard or any kind of slip and fall during construction, things like that. And then we manage all our assets ourselves.

So we have 700 employees, 700 full-time, team members I should say. Yeah. So each facility, I would say probably 55 to 60 people in just 80 units. Just 80 units, because caregiving is given. There are nurses. No doctors. We don't need any doctors. We are only state-regulated, not federal-regulated at all. So that way it's a much, much easy and very easy to operate, because

we know how to hire the right people. We train them for six to eight weeks even before they start working at our sites.

And we start marketing about when the building is about 75% complete, 70 to 75, we start advertising; television, print media, everything. So that by the time we open the doors, we had about 40% to 50% occupied.

**[00:11:21] WS:** Nice. One question I was going to have, Vinney, is how long? You start raising capital when you're ready to start digging. How long until, say, the property's cash flowing and you start making distributions to investors?

**[00:11:33] VC:** Very good question. For the last 14 years, Whiney, I've been giving my investors' money, cash flow, the day after we close, right? Because they were fully occupied and stabilized properties. So I had to really think through my whole approach. And I did communicate and a lot of my investors have come into these deals now because first year is dirt. That's how I say. First year, no returns for investors, no returns for us, nothing. Second year we start promising the returns. So we built these buildings in about 12 to 14 months so that when we start getting the increasing occupancy, Whitney, these communities start making money.

Because the reason is the same space which I used to rent for thirteen hundred dollars rents for thirty eight hundred dollars. So because we are giving more services and food and linen and laundry, I mean all the facilities, right? So that's a common thing, which increases the revenue quite high. But at the same token, there are more expenses too. But if we operate correctly like we've been doing it, we start ramping up so the cash flow is there from the middle of second year up to 3rd and we sell it. So we are able to stabilize it. And my partner was selling it to the REITs, to hedge funds, to REITs, because he built so many of them.

So now, my partner and I, have decided to form a company to make our own REIT. So we will be buying all these buildings that we have put sweat and blood into it. We'll be purchasing it at the end of third year. And our investors can do 1031 and not pay any taxes to go into the next purchase also. So they get cost segregation in the second year, third year after we start operating it. Then they get double cost segregation, because now it's sold. So in the second phase of it, they get cost segregation again.

**[00:13:54] WS:** Wow! So you have your own REIT. If you're going to purchase the property, then it will be sold to your REIT. Is that right? So you'll be able to do a cost seg the first time. Hold it for – Will the first hold be like five to seven years or –

**[00:14:07] VC:** First hold is only three years.

**[00:14:08] WS:** Three years. Okay.

**[00:14:09] VC:** Yeah. Three years hold, and this way at the end of third year like we were selling to REITs, we'll sell to our new entity, new business and new investors. But the investors from the previous one can opt into 1031 also into the new entity and save the taxes. And they can do it every three years, every four or five years and never have to pay tax.

**[00:14:36] WS:** Wow. It's a neat business model, and I don't think I've heard anyone else talk about it like that or have their own REIT where they can do that and offer the 1031 really in-house. I mean, you can control that. There're so many timelines to that process and you can control it that way.

**[00:14:52] VC:** You're so right. Because we are committed to build four to six every year. Every year. So we'll have so many coming on the line that we can actually do that 90-day closing or in the 1031. The biggest thing is the time schedules. And if you're able to close into another transaction at your limited time, right? So that's what is positive in our case, yes.

**[00:15:18] WS:** What's been your investor feedback as far as moving from multi-family to a different asset class and then like even the transition for your investor-based thinking, “Okay. Well, I'm not going to get returns for a year.” How is that going?

**[00:15:32] VC:** That's a good thing. Most of the investors, about 202 now or something, are high-net-worth people, very high-net-worth people, and they have been playing ball with me for the last 12 years. I've doubled their money, tripled their money, and they'd love to come. So they really did not feel any bad at all. They said, “Vinney, as long as we see the updates,” which I

always provide quarterly and to hold meetings and everything, they have no problem not getting cash flow for first year.

But second year and third year, they may get preferred returns and then my partner and I, Shaheen, we're also giving preferred returns for the equity gain. So we are committing ourselves that we'll give to the investors so much percentage upfront. So that kind of package, which syndicators really advice against it. He says, "Vinney, you mean that you will not make a dime if things go bad?" I said, "That's okay." But we have done it so many times that we can take that risk so.

So our investors are well-cared for. And to be truthful, for the deal a couple of weeks back, multi-family in Austin, we raised nine million. Nine million. One of my partner is four million. We raised five million. Before that I raised 8.2 million before. And last week for another two senior livings, I raised eight million in day and a half. So people are just loving — there's so much dry powder out there, right?

**[00:17:12] WS:** Vinney, what's a way that you prepare for, say, a downturn when we're focused on senior living or like you're focused on?

**[00:17:20] VC:** I'm so glad you said it. I know that has been one of the objections is the COVID, COVID-effect, right? Which we have been very pragmatic about it, read a lot of research, and we have had zero deaths at our 14 centers we are managing. Zero positive COVID effect because we locked down at the right time and we didn't even let the family come and visit their folks. They had to meet from outside the window, videos, private rooms we have now. We were in the news in Florida. Actually, governor even recognized our whole mechanism, and now we are doing in Michigan also. So I would say definitely we are making people aware most of the deaths have come in nursing homes and rehab centers. People going in and out of the hospital. But in our case, by us locking down and having the strictest rules, it has really helped us a lot.

But the senior living is very, very much need for next 40 years. We have graphs — if we even continue what we've been doing, we still have a deficit, a big demand deficit of supply. Demand is so high because 54.6 million people who are 65 plus now, they'll be about 100 million in 40 years from 54 to 100. But 6.4 million 85 plus will become 20 million. Oh my gosh!

And I can only get in my facilities about 88 to 92 people. That's all. So there is a huge, huge demand and we only built in the areas where capture rate is low. In other words, like if we can – in two years, the area can ask for, let's say, 1500 units, we only build eight or ten percent of that, eight percent even. So this way we are mitigating the risk. Yeah.

**[00:19:26] WS:** Well, on that line of thought, and maybe outside of just senior living, but just the real estate industry as a whole, Vinney, what do you see happening you know in the next 6 to 12 months or maybe things we should be prepared for?

**[00:19:38] VC:** Totally, Whitney. I really believe with the moratorium on evictions, with the forbearance, not forgiven, forbearance of mortgages. Some of the owners are in trouble. You know, they really are. And now they have extended it up to December 31st as you know. So it's going to be showing up as the moratorium gets out. If it's lifted — when it's lifted, we'll see a lot of rent rules going way down. The occupancy is going to be reduced, and that's going to reduce the revenue and the NOI. So I really think that in 2021, '22, we're going to see some big fall, big fall. We need to be very conservative. Whatever we buy, like we bought two weeks back, 65% percent LTD. 65%. Not 80% anymore. Long-term debt, we got it for 2.59%.

**[00:20:37] WS:** That's incredible.

**[00:20:38] VC:** Incredible. Ten-year fixed and three to five year interest only to thirty-year amortize, mission-driven units, all that stuff. And Fannie and Freddie were fighting over it to give us the loan.

**[00:20:52] WS:** Yeah. That's incredible debt right there. And that's preparing for long term. That's a great risk mitigation. Vinney, anything else about senior living specifically you want to share with us before we move to a few final questions?

**[00:21:04] VC:** Oh, sure! Whitney, I would say that one should really look into it, as a matter of fact we do a show on Thursday night at 4:00 PM Pacific — we bring the specialists in that show and they talk about senior living. I also am writing a book which should be coming out very



quickly as to educate lots and lots of people about senior living housing market and how to invest passively. So that's my new book coming up, third book.

And then of course the big thing is please look into some statistics, because this is a market that needs a lot of people like us, my partner and I, and John. So we are doing our best to bring the luxury senior living, which we are a little bit different than a lot of other people, because usually the senior livings are two-story, four-story with elevators or they are residential. There are lots of residential senior living as you know, assisted living with the houses is converted into — but we don't convert. We just build it from scratch. So that's where our product is little bit different, but the demand is going to be different for the next 30, 40 years. There's no question about it, yeah. It's a very safe investment if I may say to anybody who's listening. It's the safest of the safest investment in multifamily, in a special niche where we are not going after jobs and we are not going after any — Yeah, like I said in the early part. No delinquency, no concessions.

Money is on the first coming from the revocable trust or long-term care insurance or if they have sold their home. So it's the money coming in. And usually the residents who come into our facilities, they have three years of rent already put together, because average day of our resident is 2.4 years, 2.4 years, and we build assisted living. And right next to that is the Alzheimer's memory care also in the same building. So some of the residents as they're getting more and more, they can move there or go back to hospital or something like that, right? Yeah.

**[00:23:22] WS:** No. That's incredible. That's incredible. You can provide all those services, and really, I mean just care for those individuals in a great way. And building that community is just a neat thing and I needed to be a part of and providing that space for them. But Vinney, I believe that anyone that's successful in business has a high level of self-discipline, and I see that in you, have known that about you for a long time, but how would you say you've gained that high level of self-discipline?

**[00:23:50] VC:** To be truthful, when I came from India, a lot of people ask me, “Vinney, were you like this?” I would say no. I was just a young guy, 22 years of age or something, and I came here with little money, \$7. But when you make up your mind that you want to do good for everybody around you, a lot of things happen in your life. And you have to work. Nothing comes without work. You got to prioritize. You got to delegate. That's how I can run five companies and

things like that. And I have a lot of time. I play bridge online, but I already have to do hours every day during the day by the way and enjoy life and so forth.

But the thing is you have to have the passion. You have to have the vision and you have to have goals, written down goals. If anything, anybody can get out of this one, please write down your – Not the dreams. A lot of us have a lot of dreams, but we're going to put the deadline to the goals and then just go for three goals. Don't go for 10, 15, 20. Nobody's going to accomplish those. Get to the top three and work at it.

**[00:25:01] WS:** Nice. Vinney, what are a couple daily habits that you're so disciplined about that have helped you achieve success?

**[00:25:07] VC:** Whitney, I'm glad you said that. I'm a very positive person, and that has really led me to a lot of things in my life. I've always been a dreamer, of course, but I always look at everything even it's the worst of the worst of the worst what's best in it, and that's a great quality which I wrote in my second book, *Positivity Brings Profitability*, and a lot of people are liking it. The key thing is mind. It's all here. Everybody says that, and that's the real truth. In between the years, what we are manifesting, thinking and believing, that's what we're going to achieve. No more, no less.

So we need to always be focused and keep ourselves totally one direction, I say, focused in one direction in accomplishing the big goals in life. You cannot go after small, small goals. You've got to just find out the wise and then just hunker down and live the dream, which you will be really happy about. And that's what I see for the next 20 years. Hopefully, I'm alive and like this and kicking so that we can accomplish. A lot more things have to be done. Life does not stop at 60 or 65. Like I said, I'm 68 and I'll be 78. I want to be just in this machine right here.

**[00:26:31] WS:** Yeah, I hope it doesn't stop at 60 or 65. Vinney, what's the way you've recently improved your business that we could apply to our business?

**[00:26:38] VC:** The big thing is branding. As some of you might know, if you Google me, Vinney Chopra, I delegate. I have a branding company which I partnered with in Pune, India, and they are doing all the work for me. I don't lift a finger. And then having the vice president of my

academy, Jon Roosen, he's been a great addition. My other vice presidents and everything is really becoming big, big businesses. And my partners in hospitality, we've got that Hilton currently in. We are ready to buy comfort in. And also Marriott Courtyard.

So I have different, different things coming along. But branding is the big thing. I would say the click funnels, I mean the active campaign integration, MailChimp, just like other people are doing, but you've got to put some money into those things to get the benefits. I'm getting doctors, attorneys, IT people clicking. We had like 45 appointments just last two weeks, and they are finding what content I'm putting out there. And they are trying to come in to invest 200, 500 like the, big high-net-worth people.

**[00:27:58] WS:** Nice. Vinney, what's the number one thing that's contributed to your success?

**[00:28:02] VC:** I would say just me being very humble. I don't know if I'm humble. But I just don't think that I'm that successful. I'm just a regular person and God has given me certain traits and I'm trying to utilize them. And I want everybody to be very happy around me and really get lot from every conversation they do with me or from me, with me. They should really benefit from it. So I just want to be the most helpful person I think in the world. I don't know. But there are lots of great, great leaders.

I think leadership comes when you lift people up around you, all around you, above, below, sideways, everything. We need to be totally passionate to really have a win-win-win situation in life, because if we have that attitude, a lot of people will be attracted to us. And that's maybe one or two things; my positivity, my enthusiasm. I mean a lot of people say, "Vinney, you got so much enthusiasm," because you move people with enthusiasm. You really do. I mean a lot of people do need that, selling of your ideas or who you are trying to communicate. We could have the same thing, but people won't get moved at all. But a lot of time people can move with little bit more enthusiasm.

**[00:29:31] WS:** Yes. You are one of the most probably energetic people that I know and one of the most generous as well, no doubt about it. And one of the last questions I like to ask is how people like to give back. And you've shared numerous ways already you like to give back, but I

want to ask anyway, how do you like to give back, Vinney, so you can share that with the audience?

**[00:29:49] VC:** Totally. I like to teach. I want a lot of people in the world to be better than me. I mean that's my big passion. I can give them my traits of the trade and everything, contribute more to the societies, to the funds. We have two – My wife and I have two funds, charitable funds we are funding in and then helping schools and different organizations across the world. And love to pay like in during COVID, we are paying every month certain monies to our food and hunger organizations. My wife and I both have very common goals. I think wealth is wealth, but we need to really distribute and give it to the right places, because there are a lot of people who could really use them, yeah.

**[00:30:36] WS:** Wow! Well, Vinney, I'm grateful for your time. In case the listener didn't know, he has been on the elliptical machine this entire interview. Just so full of energy, smiling the entire time, so enthusiastic and just sharing and being so generous with us during the whole time. So we have to step up our game, folks, to get online with – up to Vinney's speed here. Vinney, always a pleasure. I'm grateful to know you and have you back on the show and just really have a different discussion than we've had before and talking about senior living and just your passion now for that as well. Tell the listeners though how the best way to get in touch with you and learn more about you.

**[00:31:12] VC:** Oh, sure, sure, Whitney. Thanks again and congratulations on your so much successes that you're having. I'm so proud. You and I have known each other for four years or so. And what a spectacular podcast and following and you are purchasing and you just making big difference. I would say people can just reach me at [vinneychopra.com](http://vinneychopra.com) or you could go to Amazon. Just say Vinney Chopra, you'll come across two books. Well, three coming up soon. And then my podcast shows. I have Apartment Syndication Made Easy weekly show, and then Mr. Motivation Talk Show, and then I have Senior Living Investing Innovative show, and then I have Vinney and Beau Show on Thursday. Looks like I might be starting another one a million years in the playbook, a fifth show for the week.

**[00:32:13] WS:** Wow. You're going to be doing – Have a show a day pretty soon too Vinney.

**[00:32:19] VC:** But it's wonderful. It's wonderful. It's good to enjoy what you're doing. And my wife tells me sometimes I have 17-hour days, and my wife says, "Are you tired? Come on, lie down." I said, "No. I'm ready for another 17 hours." I think it's all mental. It's really, really, really mental. How you believe? What you think? So when I'm meetings and all these different things, they don't tire me at all, because I enjoy. I think enjoying what we do is the best thing.

**[00:32:50] WS:** All right, Vinney, that's a wrap. Thank you very much.

[END OF INTERVIEW]

**[00:32:54] 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]

**[00:33:33] ANNOUNCER:** Thank you for listening to The Real Estate Syndication Show, brought to you by Life Bridge Capital. Life Bridge Capital works with investors nationwide to invest in real estate while also donating 50% of its profits to assist parents who are committing to adoption. Life Bridge Capital, making a difference one investor and one child at a time. Connect online at [www.LifeBridgeCapital.com](http://www.LifeBridgeCapital.com) for free material and videos to further your success.

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