EPISODE 789

[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 Charles Seaman. Welcome back to the show, Charles.

[00:00:33] CS: Whitney, thank you very much for having me back. It's great to be on.

[00:00:35] WS: Yeah, Charles was a guest on show WS363. Seems like forever ago now, but grateful to have you back, Charles. A lot's happened since then in Charles's business, and he's got tons of insight that he's going to share with us today. But a little about him in case you didn't hear that show. Prior to going the multi-family syndication route, Charles had 14 years of experience working for a commercial real estate investor in New York City.

He currently resides in Charlotte, North Carolina and serves as Senior Acquisitions Manager and Asset Manager of Three Oaks Management LLC, in which he actively works to locate high performing multi-family real estate bills throughout the southeast region of the United States. His portfolio currently includes two properties, totaling 140 units and he's actively searching for new deals to add to his portfolio.

Charles, welcome the show. Why don't you give us an update a little bit? I know that's going to help us to get us started into our discussion today. Give us an update about what you've been up to since our last show.

[00:01:30] CS: Yes, absolutely, Whitney. It's a pleasure. So when we recorded that first episode last year, it was actually just a few days after I closed my first deal. So it was fresh off the first one, which is always nice. And at that point I was hungry to get the second one. I had set a goal for myself personally that I wanted to find this second one to have at least on the contract by the end of 2019. And I felt a little bit short on that. I had to wait until like mid-February 2020, ironically just a little bit before the pandemic started. And it made it a bumpy ride, but it certainly gave us a good story to tell and some tenacity that we had to really have to be able to overcome some of the obstacles in front of us.

So we closed on that deal on September 2020, and now we have two other deals that we were recently awarded, one of which we just signed the contract for, and the second which we're negotiating. So we had a lot of excitement and a lot of good things. And overall 2020 has had a couple of rough patches, I think for me personally it's been pretty good. And I hope I can convey some of that to the listeners and give them some encouragement to do the same with their own lives.

[00:02:29] WS: Yeah. No. That’s awesome. Why don't we jump into that deal a little bit and give us some of the background about that so we can learn from that and learn from your experience?

[00:02:38] CS: Absolutely. So that one there is a 48 unit deal and it's located in a tertiary market in South Carolina. With that particular deal, I sum it up by telling people, I say three lenders and seven and a half months. It was probably the longest amount of time it ever took to close a 48 unit deal. But nonetheless I’m glad that we did it. So we signed the contract on February 13th, and at that point the world was still largely normal and pre-pandemic. And all of a sudden things changed in the next couple of weeks.

Now this was a deal that's located in a tertiary market in South Carolina. When we initially got it, what happened is we underwrote it. It made sense, but we knew it was a deal that was going to require bridge financing because it wasn't stabilized. And out of 48 units they had 12 vacant units when we first started looking at it, which is a pretty substantial amount. That's 25% of the property.

My first concern was, “Okay, is it the area?” And we drove the area. We went through the comps. We checked things out and we said, “You know what?” I live in Charlotte, so Charlotte's a pretty big city, and this particular deal is located in Sumter, for anybody who might be familiar with that. So it's about a two-hour drive. And as we're driving down, my partner and I are in the car and it's literally about an hour and a half of nothing but trees and just about trees. So trees and a couple of cows on the side of the road, limited cellphone service and not too much going on. So then as we get closer to it, about 10 to 15 minutes away from the property, it opens up and we see a nice little city. I said, “Okay, well this is encouraging,” because initially I was concerned that we’re square in the middle of nowhere and that's why they were vacant.

And as we see the immediate area surrounding the property, it looked good. The area had a decent demographic and it seemed to be able to support 48 units. So I didn't see any issue with that. So then we went there and we toured the property with both the seller and the property manager, and we could see that the issue right away was a management issue. The woman who was managing was an older woman. Nice woman, but she was nearing retirement, and it certainly wasn't the priority to make this property really shine. So they were doing their marketing through the print version of the newspaper, which for anybody that owns a property in 2020 or anywhere recent, the print version of the newspaper is probably not the best choice to go out and find new tenants.

So we realized right away there were a couple issues. One was marketing. Two was that they had offsite management, which we also have, but they had three other properties that they managed in the area and the other three properties were also owned by the property manager. So this one here was the only third party one they were managing. So it was somewhat the red-headed step child. We said, “Okay.” We felt confident. We can go in there and correct that. So we knew we’d need bridge financing. We go to our mortgage broker and he puts us in touch with the lender. And then at that point we're able to start moving forward. And this is early March.

So then all of a sudden I think somewhere around March 11th, the pandemic became an official thing and that became part of our vocabulary. And then just a few days later on March 17th, St. Patrick's Day, in the afternoon I get a call from our mortgage broker and he says, “Charles, I’m sorry, but the lender shut down their entire bridge program.” I said, “Okay. Well, I guess what we're going to do? It had nothing to do with our application. Nothing to do with us as a borrower.” But it had to do with just a byproduct of the overall market. So we said, “Okay. Well, what can we do?”

So we had two options. Our EMD money hadn't went hard yet. So we could have terminated the contract. Or if we still thought it made sense to go through with the deal, we could have worked something out with the seller. So we reviewed it carefully and we said, “You know what? I think we're still buying at a good price. We have a property where rents are undervalued in comparison to the comps. And I think it's something that we can go and still make happen. We just need to have the right market conditions.”

So we went back and negotiated an extension of the due diligence period with the seller, and that seemed to be fairly common in that period for anybody that didn't terminate contracts. I was hearing that happening pretty frequently. So we got 60 days. Even though our due diligence was really completed, the main purpose was just to see if market conditions turned around and if we'd be able to get a loan for it. The reason the seller probably agreed to it is because they realized that it wasn't so much due to us, but that they probably have a similar problem with any other buyer unless they were coming in buying all cash. So we extended the due diligence period 60 days. And even with that, we literally came down to the last day or two before we really gave a decision that we wanted to move forward. We wanted to be certain that market conditions had loosened up enough that we'd be able to actually get a loan.

Now here's the good news. So for anybody who was following the multi-family market during that time, you might remember that even though most bridge lenders shut their lending programs down temporarily, Fannie Mae and Freddie Mac was still lending. Initially this property couldn't qualify for those loans because it wasn't stabilized. But miraculously, through the pandemic, they got the property stabilized. And yeah that can mean a couple different things. Did they just let anybody in there that can fog a mirror? That's always the first concern. But we went through the applications, and as part of the contract, we made it where we basically had the right to approve anybody that was coming in because we didn't have a lot of faith in their property management. So we made sure that they were good quality tenants coming in. So that was a good thing. And then we were able to qualify for agency debt.

So now here we are in late May. We submit a formal application to a Fannie Mae lender and we wind up giving them all the information that actually they do the third party reports. And surprisingly, the appraisal came in for more than any of us had anticipated, myself included. And I said, "Well, that was refreshingly good news." So appraisal came in strong. They didn't find any red flags with the property. They didn't find any red flags with the borrower. So initially when they gave us their term sheet, they were proposing 75% the LTD. And when they came back and we're ready to issue the commitment, they already to commit 65%. And we said, "Wait. What happened yet? How do we go from 75 to 65? I mean you didn't tell us there was anything wrong."

And truthfully to this day I still don't know what was wrong because they never really told us. But if I had to guess, I would say it's probably just uncertainty in the overall market conditions and that probably led to a lot of squeamish behavior on many lenders' parts. So we worked something out the seller again, got another extension. This one we had to put some more EMD money down for it and we said we're going to try again and go to a third one, because if we go for 65% LTD, it's just not going to make our returns nearly as sexy as they want. So now we go to a different Fannie Mae lender. We start the process and we tell them, "Listen, we really need an expedited time frame."

Thankfully they were willing to reuse the appraisal from the previous lender. So that worked out. And we got everything to them pretty timely and then finally a month and a half after that we closed. So it took some back and forth, some negotiation with the seller. Different loan applications and a global pandemic, but we finally got that deal closed on September 21st.

[00:09:31] WS: Congratulations to you. I appreciate you walking through so many details there. I think that's very helpful. I was taking a few notes. I have a few questions for you. Why were they selling in the first place?

[00:09:40] CS: So there was already a family who lived about an hour away. They were in Florence, South Carolina, and this was the only property they owned outside of Florence. And because of that I think the performance suffered because they really didn't have a hands-on approach. They were very hands-off. They really had no clue what was going on.

[00:09:55] WS: For sure.

[00:09:56] CS: So did a brand new development project in Florence, South Carolina. So they wanted to do a 1031 exchange and take the sale proceeds from this property and put it into their new development project.

[00:10:06] WS: So I know you mentioned like the property became stabilized during that time. Did the seller make that happen because they were trying to sell and to help with the debt? Or what was their motivation to work that much harder? I mean why didn't they do it six months before? What was their motivation to make that happen and how did they do that?

[00:10:24] CS: It's a great question actually. I'd like to say that that was the case, but I really don't think that it was. If anything, what it may have been is when we were there for the initial tour, we were there with the seller and the property manager and we'd asked the property manager a couple of questions that she couldn't answer.

So if anything, perhaps they may have realized they didn't look great in front of the seller and maybe they decided to put a better reference to make sure that they kept that relationship intact, because even though this property wasn't running so great, they actually managed all of the sellers other properties in Florence. So they wanted to make sure that they kept the relationship intact, and that would be kind of my guess that being they looked bad they wanted to make up for it.

[00:11:01] WS: Yeah. Yeah, maybe they realized. The property value was affected by so many vacant units. What about your underwriting? You put a contract on the property. Had it signed? What? February 14th I think you said. So obviously before the country shut down. And then what about through that process, how did the underwriting change, or did it have to change?

[00:11:23] CS: You know what? It actually changed favorably, because as the property shows stronger and stronger occupancy, we initially underwrote with 75% and 75% occupancy. We said, “Okay. The numbers made sense here.” There was a couple reasons. So there were two big value ads, both of which were operational. And for me personally, I love operational value. I always say I would take those over physical value ads any day of the week. So the two value ads here, one was getting the property stabilized. And two, even the units that were rented, they were very below market.

So when we first started looking at the property, all the rents were between 575 and 650. And based on the research we did in the comps and the local market, we were very confident that we can get 750 for those same units without even doing any upgrades. That's leaving the units the way they are and just doing a standard term looking at similar vintage properties with similar vintage units. We felt very confident we can get 750.

So lo and behold we wind up updating our underwriting, because as the financials are showing better and better occupancy, we want our underwriting to reflect that. So we said it kind of worked out with the delay, because one of our true value ads was largely complete by the time we took it over. So I said, “That worked out well.” We got the benefit of the property stabilizing. We didn't even have to do anything for it. A stronger starting position than we thought.

[00:12:38] WS: How did you initially find the property? How were you made aware of this opportunity?

[00:12:43] CS: So most of our deals come from broker relationships. This was an off-market deal that was brought to us by a broker from Cushman & Wakefield. And we had lunch with the broker a few days before, and then about three days later he sent it to us and initially we underwrote it. And I said, “You know what? From a number’s standpoint, it makes sense.” My only concern was just the area to make sure that it wasn't too small. We submitted an offer because we had to do that to get a tour of the property, and it was a little bit lower than the seller would have liked it first. But I said, “Okay, why don't you let us tour it. And then let's see what condition the property is in and let's survey the area and let's see. Maybe we can do better on the partnership.”

So we got in there. We toured the property. And at least in this case, this was an instance where in my opinion seeing was believing. And seeing that the area was solid and seeing that the property was in good condition, and it was really just the management play made me say, “Okay. You know what? I feel good about offering a little more.”

And I said, “We can go up to the number the seller wanted.” There was one other group that was competing for it, but the advantage we had is that we were local, because we were only two hours away by driving and they were somewhere on the other side of the country. So we just had the ability to mobilize faster and to be able to tour the property faster and to take the advantages that come with being local to a market, as opposed to being further away.

[00:13:58] WS: So talk us through a little bit about negotiating the extensions. In the very beginning, how much money did you have down for the earnest money in the very beginning? And was that hard from day one?

[00:14:09] CS: So we put down 1% of the purchase price, which generally on most of the deals seems to be acceptable. So the purchase price on this deal was two million five fifty, and we had twenty five thousand five hundred down. And I’m personally not a big fan of doing hard money on day one. I know it's become more and more common especially we're in a seller's market. I generally try to stay away from that as much as possible. So being this resource – Yeah. And it was a small amount of pop shell. We did not include that in the offer and they were fine with that.

[00:14:34] WS: Okay. So then you were moving forward. The lender backed out. You negotiated for the extension. Walk us through that a little bit. You had to put more money down, right?

[00:14:42] CS: So with the first extension, no, because it was right after the pandemic was announced and everybody could see the financial markets were in this already. So we gave the seller the ash, we said, “Listen, if you want we can terminate the contract. We don't want to hold you up indefinitely.” But I think they realized unless they found somebody who was going to go ahead and pay that same price a little cash, they were going to experience a similar problem with anybody else.

So it worked with us and we said, “Okay.” The broker told them, “Listen, a lot of other deals are having this happen if the deals are still going through.” In most cases the sellers are giving 30 or 60 days extra so that way the money doesn't go hard. And we can see what happens with the market. Maybe in 30 or 60 days the market will be in a different place and there may be more lending options. The broker really helped facilitate that, and we went through him and he explained to the seller that he was seeing the same thing and other deals straight across the board.

[00:15:31] WS: Okay. Did you have to put more money down for the earnest money eventually or –

[00:15:36] CS: Actually, yes, but not initially. So there were actually two times we had to put more money down. So one thing I always build into our letters of intent and then subsequently our contracts is we always include an extension, and that's in the normal circumstances, not just COVID-19. Because I'd rather negotiate the extension upfront and just have to put down more EMD money and have to go back and fight for it at the 11th hour, because then typically as opposed to just putting down more EMD, then you're also getting it tacked on to the purchase price. So I'd normally rather have that in advance. So we had a 30-day extension built in and we said, “If we did that, we would put down $50, 000 EMD additional deposit and that would be hard right away.”

So we did wind up using that extension. And then we ultimately wound up negotiating one more extension after that, which we had to go back to after that second one they came with less proceeds than we expected. And we wound up positioning them, “Listen, we're reapplying one more time. And regardless of what happens with this one even if it's 65%, we’ll still close.” They worked it out. They didn't add anything additional onto the purchase price. We gave them 1%, which was $25,500.

Now one good thing also that I didn't mention. So for anybody that had deals in the contract pre-COVID that actually went through and closed them, most buyers got a credit to the purchase price. Normally I’m not a big fan of free trading. But when I was hearing everybody tell me this from mortgage brokers, to real estate brokers, to just about everybody in between, I said, “Boy! I'd be stupid if I didn't go back and negotiate some type of credit. Because if everybody else is doing this and I'm not, then shame on me." We went back and we requested a credit also simply due to the pandemic, which I think was understandable for a lot of people. So we wound up getting a $75,000 discount on that also.

[00:17:22] WS: Good for you. No. That's awesome. As far as getting this deal to the closing table, give us like one or two things that that were like, "Man! I learned this from this deal and I'm going to do this in the future as well."

[00:17:36] CS: So the biggest thing I would say is be persistent and don't quit. And I think that's an important lesson in any business in any industry. But from this particular deal, I think that just further stuck in my head and said, "Okay. You know what? We could have terminated the contract and watch and not have the deal, but we still got a decent deal at a good price in my opinion." So I said, "Let's stick it out." And there were some times where it got a little bit stressful, because there were points I thought we were going to lose the EMD money. And I said this might not quite work out the way that I thought it did.

So for anybody, I would tell you, you're going to have moments of doubt, and it could be doubt in yourself. It could be doubt in the deal. It could be doubt in anything. But the key is to see your way through the doubt and look at the bigger picture and say, "What am I hoping to get out of this? Is it realistic? And what do I need to do to achieve that result?" And when you do those things and you come up with clear concise answers to those questions, figure out what's going to help you get to the finish line and just do.

[00:18:35] WS: Charles, what's been the hardest part of just the syndication process or business for you?

[00:18:39] CS: So for me personally I would say the capital raising side. My role in the business is more the acquisitions and asset management, but I do play a small role in capital raising also. And so I would say, from the first time that we did it last year in 2019, it's one of those things that people tell you how stressful capital raising can be, but you don't realize it until you start doing it for the first time. And initially my partners and I thought, "Oh! We should be able to do this fine, because we have good networks of people with money."

But the people with money we know are generally real estate people. So they're people that are out there doing their own deals. So they're probably not the most likely ones that are passively invested in your deals. In hindsight, that makes a lot of sense, but for some reason we hadn't thought of that sooner. So as we're raising capital our first time, we literally went back to everybody we knew from high school yearbooks and said, "Okay, somebody had to become successful here." So we said, "Okay, let's literally tap into just about every relationship we ever had."

And we got it done, but it was more stressful than we had anticipated. So it made us a little smarter going forward because we realized a few things. One, that we needed to be better organized with our business. Initially at that time we didn't have clear defined roles. It was after we closed the first deal that we said, "Okay. You know what? I'm already doing the underwriting in the broker relations. So I'm going to be the acquisitions guy." And I said my partner is a better salesman than I am. So I said, "You know what? We'll make you the investor relations guy. That'll be your role."

And that way we knew we had to start building out better systems to say, "Okay, let's constantly attract investors," because what most people don't realize when they start out is how long it takes to build confidence in somebody where they'll actually invest with you. And it's one thing, if you have known them for 30 years. But even if you have, they may know you in a different light and they may not see you as Charles the real estate investor. They may see you as Charles the friend I've known for 30 years and they're going to say, "Do I want to give this guy my hard-earned money?"

[00:20:27] WS: That's right. They may know and like you and even trust you as a friend, but not trust you as somebody they're going to hand $50,000 to invest in something, right?

[00:20:35] CS: Bingo! Absolutely right. So that's been the biggest challenge, because that takes time. And from the time that you start marketing for new leads and then you start reaching out to new people, you're probably going to have generally a two year cycle before you really get people to invest with you. A lot of people want to get to know you. They want to watch you and they want to see – they want to see you buy and sell some deals because they want to make sure that you run all the way through the cycle, that you know what you're doing and that you've actually returned some money to your investors they feel confident in.

[00:21:02] WS: I think that's accurate. The two-year cycle that you mentioned. No doubt. It takes some time for people to see what you're doing and seeing that – see some success and that you're doing what you're saying you're going to do.

Charles, knowing what you know now, what would you have done different?

[00:21:15] CS: You know what? On this deal I don't think I would have done anything different. I think that overall it went smooth. I think the biggest hiccups we had were just due to the pandemic, which provided good learning experiences. They helped me develop a deeper resiliency, for lack of a better term. But I think overall the deal itself went smooth. Pandemic aside was smooth. I would say I wouldn't really do much different on that.

[00:21:34] WS: How do you prepare for a potential downturn now?

[00:21:37] CS: I would say a few things. What I would say is for anybody looking at new deals, the best way to prepare is conservative underwriting and have realistic projections. Assume that you will have some rent growth in the future, but assume that it's going to be conservative rent growth.

[00:21:53] WS: Can you give us an example of that? Everybody says conservative underwriting, but what does that mean to you?

[00:21:58] CS: Absolutely. So one thing I've done, in the past in most markets I would have used 3% annual ranked escalations, and it was a really strong market like it was right in the heart of the city like Charlotte or Atlanta. Maybe it go a little more than that based on past performance. But most markets now I generally do 2%. And sometimes I experiment back and forth. I may do 0% year one, 2% percent year two and then maybe 2% or 3% on depending on the section of town it's in. But I would say keep your rent escalations. Reduce what they would have been in the past.

I'd say still expect some growth, but be moderate with the growth. And what I would also say, probably the biggest difference is going to be reversion cap rate. So more than anything, being that the syndication business is so heavily focused on the sale or the refinance of the property, the reversion cap rate plays a big part in it. And for anybody that doesn't know what that is, that's the cap rate when you sell the property. So depending on different extras that you listen to, some people tell you that you should have your reversion cap rate half a point higher than where you bought it.

Some would say I've heard a point in a half high, which makes it really high. Now, generally, in most markets I've been using reversion cap rates that are north of six. And if you're in markets like Charlotte and like Atlanta and areas like that, generally, six cap rates are pretty high. The last couple of years' cap rates have been very compressed. But for anybody that's brand new, what I would tell you is go out there and just play with the reversion cap rate and see what it comes out to at five, six, seven and eight and look at the difference it makes in price.

[00:23:26] WS: For the listener who's not familiar with that, Charles, just quickly, so we can get to a few final questions. What does that do to that final sale price if it goes up a half a point or a whole point? How does that work with that sales price or the final sales price you're hoping for?

[00:23:42] CS: So most people say the cap rate's one of the real benefits to the magic of multi-family, because it allows you to add value to the property and have it grow exponentially. So let's just use a high level example and I'm going to do a simple example to keep the numbers straight. Let's say if you add $10,000 in value and you're at a 10 cap. Then all of a sudden that $10,000 that you added to the net operating income of the property will have added a $100,000 value to that property.

Now, what I would tell you is that for anybody active in the markets, you're probably not finding deals at a 10 cap right now in most markets, even in tertiary markets. There're very select areas you might, but not many. So if you're using a five or six cap, which is probably more realistic in most of the major markets, then all of a sudden you've added that much more value to it. So if you're using a five cap in that example, you would have made $200,000. And if you're using a bigger deal with bigger numbers, just multiply those numbers across.

[00:24:38] WS: So your version cap is higher, or you make it the higher, the more conservative, I guess. Right?

[00:24:42] CS: Right. Yup.

[00:24:43] WS: Yeah. Cap rates are hard to understand when you're first getting into this business, I feel like, a lot of questions about those. Charles, what do you see happening over the next 6 to 12 months in the real estate market? And are you buying, selling on hold? What's your plan?

[00:24:55] CS: If you had asked me this question six months ago, I would have been very bearish on it. As a buyer, that kind of made me happy. I have to admit because I said, “Boy, things are going to go on sale.” But looking at where things have been and the market has stabilized a bit in that time, I think that the real estate market as a whole is probably going to take a hit.

I can see the residential and traditional commercial sectors probably taking a downward hit. I see multi-family largely staying strong. And part of it disappoints me, because I was hoping to be able to pick up things at deep discounts. But the reason for that is that there're a lot of new buyers that have entered the space. And when I say new buyers, I mean strong buyers, like institutions and equity groups. Groups that focused on traditional commercial assets like retail and office that have shifted away from that during the pandemic and now entered the multi-family space.

So from a buying standpoint what I would say is I would expect prices to stay similar, maybe even increase, and we'll see cap rates continue to compress a bit. And from a selling standpoint, it's probably a really good time to say, “Okay, you know what? With all these new buyers coming in and a lot of them having very deep pockets, if you have any properties that you've been in for a bit and you've executed your business plan, it may be a good time to say, “Let's consider selling.” So definitely buying, but I would tell people be cautious and just be selective of the opportunities that you pursue.

[00:26:08] WS: Charles, I believe anyone that's successful in business and especially in this one has a high level of self-discipline. How have you gained such a high level of self-discipline?

[00:26:18] CS: You know what? It was really hanging around people that beat it into me. The guy that I used to work for in New York, he probably beat a lot of things with me, but I learned a lot of good habits from him. So for better or worse, I probably spent more time working than I should. And one of the things he always beat into me was never leave for tomorrow what you can do today. So that's something I've carried over into my syndication business also, because it creates somewhat of a sense of urgency. The last thing you want to do is become complacent, because that allows you to remain stagnant. And by having that sense of urgency, it allows you to keep your feet to the fire and say, "Okay, what do I need to do to stay focused?"

[00:26:56] WS: Nice. No. I like that a lot. Is there a way that you've recently improved your business that we could apply to ours?

[00:27:02] CS: Yes. So one thing that I've done, in the past I used to focus more so on larger multi-family deals. When I say large, I mean 100 plus units. And ultimately that's still where I want to wind up. But what I found is that I've had a lot more success in the 50 to 100 unit space, in the medium size. So what I did personally is I actually shifted my focus downward. And I was still looking for those large deals. We're focusing actually now on those medium-sized deals because there's a lot less competition. We have a successful track record already in that space, and it makes it that much easier for us to get deals.

So I would say for anybody starting out, that could probably benefit you because there's a lot less competition. Once you hit 100 units, generally, you're going to be going up against institutions and equity groups and other more experienced syndicators and just people with a lot of money. So you won't have nearly as much of that. And just about any broker in any market will tell you they have trouble moving deals that are less than 100 units, because you have a much smaller buyer pool. So some food for thought for everybody starting out you may want to consider jumping into that space.

[00:28:02] WS: Nice. No. I think that's smart to be open to that and creating that niche for yourself, right? It's something that you're very good at and can make that happen.

Congratulations on doing that and having that success. A few final questions. What's your best source for meeting new investors right now?

[00:28:17] CS: So right now, especially with the pandemic, it's really social media and online. So we're actually launching a Facebook Ad campaign. That's something we're starting up. So we're going to see how that works. But I know a lot of syndicators have had great success with that. I personally use LinkedIn and Bigger Pockets most frequently and I connect with people on there. And my partner uses LinkedIn and Instagram. Social media is really the biggest way I would say at this point.

[00:28:39] WS: What about the number one thing that's contributed to your success?

[00:28:43] CS: Staying in the course and not quitting. I would say more than anything else. That and work ethic. Being willing to do what others aren't willing to do.

[00:28:51] WS: Charles, how do you like to give back?

[00:28:53] CS: So I like to get back by helping people and by teaching them things that can help them grow their own businesses. So I work with a lot of people, not on like a paid coaching basis, but just on a free basis, that I give them some guidance on what they can do to build their own businesses. And obviously I can't do that all day long, because otherwise I'd be broke. But it's something I enjoy doing and something that I like giving people guidance because I think people can use that be in this business or anything else in life. And if there's something that I have expertise on that I can share, I do so.

[00:29:23] WS: That's awesome. Well I think if you're giving back like that, you'll never go broke. But obviously you do have to make a little money some time, right? So appreciate you giving back in that way, Charles. Also grateful for your time today and just walking through this 48 unit and the difficulties getting it closed through this pandemic. You're not alone, I don't think, as far as having a contract on a property. We did as well before the country shut down and we're still got it closed.

But anyway, just appreciate your time and walking through so many details there that I know the listeners can learn from moving forward. And also I love how you said just being willing to do what others are not willing to do. I think it's so important to like think through what that really means for you and your business so you can push forward and have the success that you have. How can the listeners get in touch with you and learn more about you?

[00:30:06] CS: Sure. So what I would tell anybody is every Saturday I host a free underwriting session on Zoom where we underwrite a live deal. So if anybody's interested in attending, you can text or email me and just say that you heard me on the Real Estate Syndication Show with Whitney, and you can text me at 347-306-3278 or you can email me, charles@threeoaksmanagement.com, and I believe that will be in the show notes, and just say that you want to join the underwriting session. I'll be glad to give you access to it.

[00:30:36] WS: Awesome. That's a wrap, Charles. Thank you so much.

[00:30:39] CS: Thank you, Whitney.

[OUTRO]

[00:30:41] 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. Lastly, I want to keep you updated. So head over to lifebridgecapital.com and sign up for the newsletter. If you're interested in partnering with me, sign up on the contact us page, so you can talk to me directly. Have a blessed day, and I will talk to you tomorrow.

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