EPISODE 792

[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 Bill Manassero. Thanks for being on the show, Bill.

[00:00:32] BM: Hey, it's great being here, Whitney.

[00:00:34] WS: Yeah, awesome to have you on. And I was telling Bill before we got started, I've heard so many great things about him over the last couple years and couldn't believe we've never met face to face. So I'm just glad to welcome him on the show. But a little about Bill, he's a real estate investor and the top dog at the Old Dawg's REI Network, a website, blog and podcast for people 50 years of age and older who are using real estate investing to fund their retirement years and create legacy for their families.

Prior to forming the Old Dawg's REI Network, Bill and his family were missionaries in Haiti. Prior to Haiti, he was a professional musician, entrepreneur, corporate executive and in business for 20 plus years. Bill, thank you again for your time this morning and being willing to share your expertise with the listeners and myself. Give us a little background about who you are and what you're doing in real estate right now, and let's jump into your super power.

[00:01:29] BM: Oh, you bet. Well, basically I started late in real estate, which is kind of the focus as you mentioned of our website, blog and podcast. And that was – As you mentioned, I was in Haiti. We were missionaries serving there for about 12 years. Yes, we were getting near the end of the time that we felt we should be going home. I was looking at what I could do when I go back. Yeah, I thought, "Well –" yeah, because I'm not the kind of guy who's just going to retire, just going to sit down and just kind of collect seashells or something down at Laguna Beach. So I'm kind of like looking at all these different options. And actually I got this check in the mail, unexpected check, an inheritance amount. And I had been pretty heavily vested in the stock market. So I didn't feel comfortable going in the stock market at that time. It was kind of all time. I was thinking of diversifying. I started looking at different options. And on our non-profit organization that runs our activities in Haiti, I have a lot of real estate guys. I have a real estate investor. I have a construction guy that has a construction firm, another guy that's a lease syndicator.

So I thought well maybe I could invest in real estate and that'd be a way to diversify. And that's kind of how it started. I was still in Haiti. I started researching and looking at what I could do. There are a lot of different options. I was thinking of flipping at one point. I was thinking of just every kind of different strategy in real estate. Ended up buying a couple of turnkey properties. I hopped on a plane out of Port-au-Prince, Haiti. Flew into Atlanta. I bought a house there. I flew to Memphis, bought a duplex and a house there. And came back about four days later with these properties. And the next month I'm getting checks in the mail. But this is pretty sweet. This is nice. And looking at that, I think, "Well, maybe when I go back to the States I can continue to invest in real estate." Because we still have our non-profit in Haiti and I thought, "Well, maybe that could be a way I could help to fund some of our activities there." And that's kind of how I got started.

And early on I had these three properties. Paid about the same amount for each one, but the duplex just stood out because I was getting twice as much rent from it, but I paid the same that I did for those single family homes. And I only had one mortgage payment, one roof to deal, one property tax payment. But I had basically two rentals there. And I thought well – So the whole economies of scale hit me real hard at that point. I go, “Gee! Why am I messing with these single family homes? Why don't I start buying multis?” And that's kind of how I got started.

And as I realized, “Hey, this could be something I could do while I’m in –” It's kind of like a job or whatever when we move back to the States. And that's where I got kind of this goal I set in mind of reaching a thousand units in six years. And that kind of spurred – It got me motivated to get to move forward in real estate.

[00:04:36] WS: Nice. Yeah, you need a goal, right? We all need a goal. Need somewhere – Think about where we're going and how to get there, or else we will go somewhere else we don't want to go. But let's focus on like your specialty and like investing after 50. Let's help that investor that's listening right now that's saying just like you talked about, “I’m getting started late in life, or I’m wanting to leave that legacy, but I haven't thought about this before now and I’m almost 50 or I’m looking at retiring. What can I do now? It seems so late to start looking at building that legacy or funding my retirement through real estate.” How do you help people do that, Bill? Let's walk through some of that.

[00:05:13] BM: Sure. I think there is a difference, and this is one of the reasons why how this podcast emerged and the blog and so forth, is that the people in that age group, especially if they're starting later, they've already sort of worked and served their time at a full-time job or maybe multiple jobs or maybe they had a business or whatever it may have been. But the focus was sort of building up. And by the time you reach your 50s, you're either approaching retirement or you're in retirement. And the focus is, “Okay, I’ve got this nest egg. Okay. Now that's going to sustain me through the rest of my life. Or is it?” And then you have the questions. What are the things that I might encounter? What if I have a major health issue where I just need more funds than I’ve set aside for that?”

And so there's a lot of concern that people have at that age as they're kind of moving toward retirement and whether they're going to have enough, whether they're going to be able to have the kind of retirement that they really wanted and whether or not it's going to sustain them. And then there's those two that have done the math and they've got what they really feel is going to be able to cover them. But they want to be able to maintain those funds. And to be able to get a good return wherever they invest those funds.

So the big difference is when you're younger and you're starting off, yeah, you can take a little more risk. You've got the years to learn and to make the mistakes and what have you. But when you're starting later especially when you worked all these years to build that nest egg, you don't want to take chances and you really –

[00:06:44] WS: You don't have the time to build it back up, right?

[00:06:47] BM: Exactly. And all those people in 2008 after the great depression, or recession, a lot of them just – They lost everything. And so those people even – It was even tougher. So I think that this is the group that wants to get involved but they're very, very cautious, very conservative in their investing. And so we try to address those issues so that they don't have to deal with such a learning curve that you would have maybe starting off younger.

[00:07:14] WS: Nice. Okay. Well maybe you can highlight the first few steps you help people with. They're in that spot. Obviously they want the least amount of risk, as we all do. But sometimes you have to take a little more risk for a bigger reward, right? But how do you guide that person if they're 50, mid 50s, whatever and they're having those thoughts that you did to invest that money obviously they've worked so hard for and they're counting on it to live on. I understand. I mean that's such a difficult decision. How do you help them walk through that?

[00:07:44] BM: Yeah. And just to clarify too. I don't coach. I don't have an educational program or anything of that nature. One of the reasons I did this on my own too is because when I started researching real estate investing, I kind of went into a lot of other people's programs. I have a whole bookshelf full of these programs that, "Oh, there's my flipping one. Here's my wholesaling one. Here's my –" All these. And so I wanted a safe place where people could come to learn where they're not going to be sold. They're not constantly being pitched. And that's the podcast, that's the blog and the website, is that people can go there and I just provide information. I have great folks on that have been doing this for many, many years that share their expertise. And we dig deep in our podcast like you do when you interview your guests to try to pull out the kind of information that give value to that age group.

And then we have also a lot of written articles and we have resources, all kinds of things that is available for them. But the main thing I do is I try to get a foundation for them so they're not wasting a lot of time. The key thing is to understand your why, the first thing, is why are you doing this? And I'm not just saying, "Well, we need to make extra money." That not a why. For myself, the thing that I see is – I have seven kids and I have some that that aren't married yet. I got four daughters, but three unmarried daughters. And I know they want to have that wedding of their dreams. I've got sons too. I've got some going to college and all this stuff. So you want them to be able to achieve their goals and their dreams and be a part of that helping them.

And so that's one of my whys. But because we're so plugged into Haiti, I also see the faces of those kids that were sleeping on the streets that I met when I first went to Haiti. And that to me is a big part of my why too, because we're trying to – I don't need a thousand units, but my goal is to generate enough that we can help those children as well as my own family. So that's the why that's really key.

And then the next thing is really getting in there and doing the research and find out exactly what type of investing you want to do. And there're so many different things. You can be active. You can be passive. You can own your own rental properties, or you can be a part of investing in somebody else's projects through syndication. But then where do you go? Do you go for multi-family? You go self-storage? Maybe you just want to do a REIT. It's understanding and doing your research and seeing what fits your needs and to available time as well, because some strategies take more investment of your time.

So once you kind of narrow that down, then I recommend next is developing a strategic plan. Putting a plan together where you outline, "These are my goals. Here's my mission, my vision, my objectives, my goals," and you look at strategies to try to achieve those goals. And in that process, you're learning each year. It should be like a living document. Literally a notebook that's on your desk that you turn to every day and you say, “What am I going to do today? What's my most important thing I’m going to focus on?” And then you put your day together and you put your week together, a month, a year and so forth. And that'll be your governing document to get you where you want to be. And then after you start doing it, I mean the toughest thing is taking the step and actually investing the very first step, whether it's buying your first property or getting involved and you're becoming an LP in your first syndication deal.

[00:11:22] WS: Nice. I like it obviously, you talk about finding your why. Why are you doing this? I like how you mentioned. Even seeing those kids in Haiti and just spending so much time there. And that just keeps you driven, right? That keeps you driven and thinking, “Okay, these kids are depending on me to make this happen.” I love just that, just the goal of giving back as well and thinking about those children that are depending on Bill to make this happen in real estate and these investments. But I also like to ask the question to people, where are you going to be if you don't invest? If you don't do this, where are you going to be? And just thinking through that where you could be by investing. So I think you have to take some risk there.

Where did you start to do the research? I know we talked about podcasting, your website, which is a great resource. But it's still hard to know, right? Or maybe they can find a mentor or find somebody that's already investing, what do you suggest?

[00:12:19] BM: Yeah, and that's another step I say is really key too. I forgot to mention that too, is finding a mentor. I think that's really – Especially when you're starting later, because to be directed by somebody or at least coached by somebody who's been there and done that and made the mistakes so that you, again, can reduce your risk and make hopefully less mistakes. We're all going to make mistakes. I don't care how much experience you have or how great your mentor is. You're still going to make mistakes. But you can avoid a lot of the big ones if you have that kind of assistance there. But to answer your question, I think the key thing is just, again, having the direction where you know where you want to be.

And I believe also the motivation, because you're going to be discouraged. There're times where you are going to be discouraged. I remember some of my first rentals, it was nuts. I mean you get these tenants from – the tenants from hell. Just the hardest thing in the world to deal with. But that's part of that learning process. So you go through that. And I've known people that said, "I'm out of here. I'm selling everything. I'm done with real estate investing." But I think that persistence is really key if you're really serious about what you're doing and that why motivates you, okay? You're not going to give up. Like you said, you think of those kids being dependent on you. You want to be able to move forward and not be distracted by the little things that sometimes seem like the biggest thing in the world when you're in the middle of it. But you keep moving forward and you'll see the progress that you'll make.

[00:13:50] WS: I picture most individuals, say 50 or over, that are wanting to invest in real estate or more times than not want to be passive. Not go down the active role, while there're many that will want to be active as well. Do you encourage even a mentor, say, for a passive investor on that side as well?

[00:14:07] BM: Yeah, that's a great question, Whitney, because I don't even know of any – I mean I know a lot of guys who syndicate. But I don't know any that just coach on syndicating and how to find the right sponsor. How to vet a sponsor? How to analyze a deal? I think that's a great idea. And I think for the passive side, we have a lot of information that we provide. And as we were talking about, where do you get your education from? I think that there're tons of great books that we do. We've had some great guests on who have been syndicating for 50 years that are just great resources. And there's also just a lot of great podcasts, YouTube and so forth that you can go to to find that kind of information. But I think the research part of it is really key too. You really need to dig in and understand. It can be overwhelming, and I think a lot of people are kind of scared of syndication because it is – Well, it's a legal thing I'm involved into. And there is risk. There's always risk involved. So you have to have somebody you can talk to — I think that can help you through that. Sometimes it's a fellow investor or it could be a coach type individual as well.

[00:15:17] WS: What's been the hardest part of the syndication business or just real estate investing for you, Bill? I think – Because I have both. I have my own properties that are not syndicated. And I still maintain those. And then I have a syndication side. Syndication to me, which is very kind of ominous. And I used to do IPOs. I was in financial PR and would launch new public companies and stuff. So I had some experience working with the SEC and the requirements, and it is kind of ominous. You're thinking, “Oh gee! I want to do this right. I want to make sure that all my i’s are dotted, my t's are crossed.

So it can seem that it's a big endeavor. But as you do it a few times and as you get involved, you realize it's really very easy and it is very passive. I think the key element is screening your sponsor, picking the right deal. And that's really, really important. Because you're putting a lot of faith in the people that are actually operating that deal.

[00:16:18] WS: Knowing what you know now, what would you have done differently on your first few deals or the first one itself?

[00:16:24] BM: Early, I would say on the real estate investing side, I got really excited because I found all these cheap properties, okay? Because I invest mainly in sort of the Midwest and the south and in the US. So I was kind of – And these are great. Look at the cap rate. It's like so high. But the reason it is, is because you've got a higher risk involved. And I kind of learned the hard way that C properties can be very time consuming, very expensive. And now I don't touch the C's, but I focus primarily on B properties, and we're actually doing A properties in some of our syndication deals right now.

[00:17:07] WS: How do you prepare for a downturn?

[00:17:10] BM: I think it's always going into the deal. You have to look at – A lot of people say you're not going to be able to find under market value properties. And I beg to differ. I think you can find under market properties. That's your buffer. You go into a deal buying a property that's under market value and you already had that buffer, granted you're going to have your buffer from your down payment, of course, that's going to have that equity in there. But this is additional equity that's going to be there to kind of cover you if things get tight. It allows you, one, to be able to lower rents if you have to, if it were really a tough economy. You've got to build that into your plan when you're analyzing these properties, is you have to have that exit plan as well as that sort of long-term outlook. What if there's a major crash? How bad could it be? What would it be? And if it was really bad, would you survive it? What's your lending parameters? Can I survive this with the kind of loan that I've got for this property? Agency loan or whatever funding you may have. And those are all factors that you have to look at in that assessment. It's not just looking at the T12s and the rent rolls. You need to look beyond that. And I think that to me is going into it very conservatively. And you got to think too, if you're syndicating, you've got to look at your investors too as you want to have a great reputation. You want these people to come back to your next deal and your next deal and your next deal. So I just have a very conservative approach.

[00:18:42] WS: What do you predict is going to happen in the real estate market over the next six to 12 months? And are you buying, selling or sitting back and watching?

[00:18:50] BM: Yeah. I am one of those right now that's kind of waiting until November, waiting to see what happens here with the election. So that could be a major indicator. And I got to talk to the people that are asking me for my advice. I'd say, "It's your choice. There's some great deals out there right now actually," because some people are maybe due to forbearance or whatever it may be, or unloading properties at pretty good prices. But I'm kind of have a wait and see approach right now to see what the new year is going to be like. In the meantime I'm focusing on the projects that I have and trying to do the best work I can to make those maximize in terms of their return.

[00:19:31] WS: Bill, I believe anyone that has success in business must have a high-level of self-discipline. And how did you gain such a high-level of self-discipline?

[00:19:39] BM: I think, for me, I started off having my own businesses way back. I mean we're 30 years back. And in that, I would get up super early in the morning. And that is something that stuck with me today. I'm up at four o'clock in the morning, sometimes earlier, but usually around four or five in the morning. And that's where I get my best work done. That's when I really can focus on the things before the emails start coming in and the phone calls and all the other stuff. It's having that time in the morning where I can really be focused and directed.

[00:20:13] WS: What about – Is there any other daily habits that you're very disciplined about that's helped you achieve success?

[00:20:19] BM: Yeah. Well, I kind of really believe in, *The ONE Thing*, the Keller book that to me is really key, is knowing what your one thing is for that year, maybe for the next five, ten years as well. But that breaks down the one thing for the month, for the week, for the day. And so when I plot out my day, I look at that one thing that I've got to accomplish that's going to make a difference for the one thing for the year. And I think staying focused on that really does make a difference.

[00:20:49] WS: What's the way you've recently improved your business that we could apply to ours?

[00:20:52] BM: I think it's smart to be conservative in your investing, whether you're young or old, because I'm an old dog here. I'm more focused on being very conservative and not making a move unless I really feel that I've checked everything, I've done my extensive analysis, I've done my homework, I've talked to the people I need to talk to. And I make a move only if I really feel that comfortable with it. And I've had a lot of things I've walked away from, things that have been under contract that I've walked away from because it just didn't line up right. And I think that approach is going to help you whether you're young or old. It's just being concerned. That nest egg, whether it's 5 million you've got the bank or whether it's 5,000, I think you need to treat it like it's gold you've got to look at that's going to be 6,000, that's going to be 10,000, and you got to look at what it can be if you really make the right decisions.

[00:21:48] WS: What's your best source for meeting new investors right now?

[00:21:52] BM: Well, I think probably the thing that really has kind of propelled me and helped me to get very close to achieving my goal now it's my podcast and also my blog as well. But I've met so many great people through my podcast, and in that process I have folks that are listening to me on the show all the time that get to know me. It's like we're friends. And sometimes I get on the phone with these folks and it's like, "Yeah, we can talk about all the guests and the things that have happened." And there's already a rapport even though I've never talked to them before. That's where I feel that some of the best quality investors I've made contact with.

[00:22:34] WS: Awesome. I can definitely relate to that as well. Just how the listeners feel like they already know you. And it's great. I love that. We can have that. I think we can build that trust before we ever even talk. And they can. They know so much about you because they listen so often. So what's the number one thing that's contributed to your success, Bill?

[00:22:52] BM: Persistence. It's just persistence. Being an old dog, I don't really care. I mean I don't know if I should say I care, but I've got a focus where I'm not – I don't know. I think when you're kind of in the working world and when I was in the corporate world as well as an entrepreneur, you're so worried about what everybody else thinks. And I try to do the right thing, and that's what's important to me, and I don't care what everybody thinks about it. So as long as I'm a little bulldog there kind of moving forward, I think that's what's helped me, it's just not giving up, not getting discouraged and trying to not let the little things get to you.

[00:23:28] WS: And how do you like to give back?

[00:23:29] BM: Well, I think I kind of touched on that. I think our non-profit. Child Hope International is the name of the organization. And uh we work with abandoned orphaned and at-risk children in Haiti living on the streets of Haiti. And we've been doing that now for quite a while. And that's my favorite charity, favorite way to give back.

[00:23:52] WS: Nice. Well, Bill, it's been a pleasure to get to know you. And I know the listeners and I both learned a lot. And I just appreciate you going through just investing after 50. Just the concerns and risks, and that can be scary sometimes, right? Or is it worth taking that risk and doing the research to learn how we need to do that? But just appreciate you helping us think through like having that why and that thing that's encouraging us to keep pushing forward, and so grateful for that. Tell the listeners how they can get in touch with you and learn more about you.

[00:24:20] BM: Sure. Well, I think the website is probably the best place, and that's olddawgsreinetwork.com. That's Old Dawg's, is spelled D-A-W-G-S, and REI stands for real estate investing, and then network.com. And yeah, they can come there if they want to write to me or just feel free. I try to get to every email I get. And you can go into the contact page there. And plus there're just tons of resources there that you can access for free that are available for anybody trying to figure out where they want to invest and how.

[00:24:54] WS: Awesome, Bill. That's a wrap. Thank you very much.

[OUTRO]

[00:24:57] 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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