

EPISODE 809

[INTRODUCTION]

[0:00:00.0] ANNOUNCER Welcome to the Real Estate Syndication Show. Whether you are a seasoned investor or building a new real estate business, this is the show for you. Whitney Sewell talks to top experts in the business. Our goal is to help you master real estate syndication.

And now your host, Whitney Sewell.

[INTERVIEW]

[0:00:24.4] WS: This is your daily Real Estate Syndication Show. I'm your host, Whitney Sewell. Today, our guest is Anthony Metzger. Thanks for being on the show, Anthony.

[0:00:32.0] AM: Thanks, Whitney. I appreciate being on your podcast and thanks for everything you're doing, you know, your podcast is adding a lot of value to me and other people in the industry. So, as an industry, we appreciate what you're doing.

[0:00:42.6] WS: Well, thank you for those kind words, and I'm grateful to meet you and to have you on the show. Especially as a listener as well. But, also, Anthony's first deal was a 218-unit apartment complex, located 800 miles from him and his home state.

Today, we're going to dive in into his story and learn how other people can start off by doing big deals, just like Anthony did. There's so many thought processes against that, right? Most people will try to discourage you from jumping into that large apartment community. I know they did me, and we'll get into that, but Anthony, give us a little more about who you are, your background and let's figure out how you got to a 218-unit complex for your first deal?

[0:01:23.7] AM: Sure thing. So, actually, throughout my 20s, right out of high school, I was in the wine industry. I actually went over to France, worked as a sommelier, studied, and became a sommelier over there. Then, I went around the world and made wine as a traveling winemaker,

which is really fun because it allowed me to travel the world and have a good excuse while doing it, because I got to make some money while doing it, so it kind of supported that.

But, a lot of fun in the wine industry toward my late 20s – I'm 31 now, but towards my late 20s, I came home after all my adventures and kind of sat back and realized, you know, I need to go in a different direction, a direction that will allow me to pursue – I have always wanted to be really rich and so being in the wine industry, I couldn't.

Getting a job, it didn't allow for that. Started to think, and started to kind of reflect on what it is I wanted to do moving forward, and I started listening to the podcast, business podcast and audio books, *Rich Dad Poor Dad* obviously, and that led me to some real estate podcasts similar to yours.

Just listening to what people were saying about syndicating, it really opened my mind and said, "You know, this could be an avenue I could pursue and go down." So, that's essentially – you know, that's exactly what I ended up doing. Just by listening to podcasts, it kind of led me towards doing my first syndication deal.

[0:02:43.5] WS: Nice. So, let's go early in that process a little bit. I would imagine, you've done all this work, you've gone to another country. I mean, you're going all over the world, you know? In this other career path essentially, right? Now, all of a sudden, you're telling your family, I don't know if you're married at the time or parents or whatever, but you're sharing with them, "Well, I'm going to take this other path."

Can you elaborate on – did that happen like that or what was their thoughts or were they encouraging or not, and how did you handle that?

[0:03:12.3] AM: Right, you know, I've always been an entrepreneur, I've got entrepreneur blood in me. So, that really helped. The one thing I will say that helped convince people, especially like my mom, is that I didn't quit my day job and just go full-time into a career path in which I wasn't making any income. So, that definitely helps. But, no, they were very supportive, I do this, this was my side hustle after work. I'd clock out of work, I'd go home and I'd work on this.

Very supportive in that aspect and, especially after I end up closing my first deal, it kind of goes from this vision to now, you own real estate. It's real. So, that also helped. But no, yeah. Very supportive in that transition. So, yeah, very lucky for that.

[0:03:55.7] WS: Nice, let's talk about that first deal a little bit and how did you really get to the point where you felt confident enough to do the deal? What were some of the first things that started to happen to get to that deal and, obviously, you had to find the deal, you had to fund the deal, you know, all these things. What were some things that initially happened that helped you to get to that deal?

[0:04:15.0] AM: Sure. So, the way I got into this business was, again, listening to podcasts, and I was listening to a certain podcast and the gentleman hosting the podcast sold a program, it was an educational program that teaches you how to underwrite deals and how to syndicate multifamily deals.

I bought that program, it was a thousand dollars, and I went through the course, it was a video course, just went through the course from beginning to end, and then, reached out to the individual and said, you know, "I know you guys are looking for deals. Deals right now are very hard to come by. If I can find a deal that matches your criteria, can I bring it to you and would you be interested?" And they said "Yes".

So, that's a very powerful thing with syndicating, is it's more of a team sport. Everybody has a role to play on the team, and the value I could add was to be a deal finder. I'm going home after work every day and I'm putting in my own time, I'm not on anybody's clock, and I'm just analyzing deals, talking to brokers, and just looking for deals. That's how it really happened.

I listened to the podcast, I got educated through their program, reached out, and found out how I could add value, got that answer, and I began working towards it, and that was to analyze deals and find them a deal. After a year and a half, from the moment I bought that program to the day we ended up closing on the deal, I was just analyzing deals all the time, and it took a year and a half to find this one and close on it.

[0:05:44.5] WS: Wow. Well, a couple of things I want to highlight there that you said and that you did because I think it's just incredible. You found a way that you could add value. But before that, you know, you took this course and already, that gave you a connection to this coach or mentor, right?

I mean, you already took his course, right? There's already this connection, he already feels an obligation, a little bit there, you know, just to at least take your email or call or something, right? But then, you found a way that you could add value. You didn't have the network yet, you probably couldn't raise capital at that point. You were brand new to this industry, but, you said, "You know what? I can hustle and I can find a deal," and he said, "Well, of course, you find us a deal." I mean, who is going to say, "No, we don't want to see it, if you find a deal." But you took that step to reach out, and I just want to highlight too, a year and a half.

A year and a half. Most people are not going to keep hustling for that long, I just want to congratulate you for hustling and making that happen, but can you go through that process a little bit? I mean, a year and a half later, through that process, you're probably discouraged at some point, you're probably thinking, "Man, you know, this just never going to happen".

What kept you encouraged, what kept you going, did you take deals to him that didn't happen before this one, what did that look like?

[0:06:51.1] AM: Yeah, and I appreciate what you said but, yeah, a year and a half, the toughest thing is you sit there, you analyze a deal, you dive into it, you get excited about it, and then it doesn't work out. That can be, you know, there's that high, and then it's a real quick low.

A year and a half, the toughest thing I would say was that, for me, in my position, at that time, it was a lonely sport, because I'm going home, I'm just analyzing these deals and I didn't really have anybody to communicate with, to bounce these deals off of. Because when you're bringing a deal to a sponsor, you don't want to be bugging them every day, no one will waste their time. When you bring them something, you want to make sure it's foolproof and that you've done all your due diligence and invested your time into it, so that it's as easy as possible to bring it to them and transition it to them.

It was a lonely sport during that year and a half. That was definitely a challenge. I did get close on a couple of deals before landing this one, but again, they died, which made it even tougher because again, it's that nice high. I went to walk the property, which was out of state, and the whole time, I'm really excited about it, but then, at the end, we couldn't get the deal.

That was definitely discouraging. What I did is I looked at my other options as an entrepreneur and I said, "You know, this is tough, but what else am I going to do? I'm not going to quit, if I'm going to not do this, I'm going to go try something else." But at the time, this still made sense. This isn't going out and inventing the next wheel. This is a proven system that if, over time, you're consistent at it and you work towards it, eventually, it seems like, it feels like, you will land one. From there, the momentum grows and you can finally fulfill all those dreams of being a multi-family syndicator.

[0:08:29.9] WS: Tell me about finding the deal? Were you working with a broker? Did you find a seller that wanted to sell, how did you build that relationship with no experience?

[0:08:39.9] AM: Right, and also, great question because, before this deal, I had no deals, no experience. So, I just got actually on some national e-mail lists, brokerage e-mail lists. So, Newmark, Knight Frank, Marcus & Millichap, you know, you can go to their websites, you can ask to join their mailing list.

I get deals sent to me every single day from these national mail lists. One of the issues with that is that, everybody's seeing these deals, so they're very competitive. But, at the time, I had no other option. I wasn't getting off market deals because I had no credibility, but this deal was unique because it came to me as a portfolio, actually. It came to me as a 350-unit portfolio, it was a two-property portfolio in the same market. I analyzed the deal as a whole, and it didn't make sense, but then, what I did is I took a knife to it and I dissected it and I analyzed each deal separately.

One of the deals made absolutely no sense for us. The other deal did make sense. So, it was kind of a hidden gem within this portfolio. I reached out to the brokers and said, "Hey, look, this deal, I can offer this much, I'm landing around this price, what do you think? Are they willing to sell each property individually?" And he came back, he said, "Yes, they are willing to do that.

They've got multiple offers on the other property, they got a couple on the property you're looking at." So, at that point, once I know that I've got a real shot at this deal, I start analyzing and diving deeper, I start reaching out to multiple property managers to get their perspective. I started reaching out to lenders so I can get a little more accurate in my underwriting.

Once I had everything lined up, at that point, that's when I brought it to my sponsors. I said, "Here, I got this deal, I've done all these due diligence on it, we're within the striking range with the price." And that was the point in which I brought it to them and then, they came in and really finalized the negotiations with all their experience. You know, they had over a thousand units at this time. They had another property manager that was very reputable. From that point, we got on to it, it was a buyer's interview. It was really nice having this experience sponsored, being on this interview with the seller.

Because, you know, it's funny, having a buyer and everything, you really got to be interviewed as a buyer because, the seller wants –

[0:10:45.1] WS: Yeah, we can do that.

[0:10:45.9] AM: The seller wants to know that you can close on the deal. So, it was nice having them there and then we got under contract and from there, due diligence to close.

[0:10:52.5] WS: Nice. Well, give us some details of the deal why it worked. You know, you were underwriting the deal, what made this one worked and the other ones not?

[0:11:00.8] AM: Sure, so deals are different for everybody, everybody underwrites them differently. We look for certain returns. So, we look for a certain percentage of cash-on-cash or a certain percentage of IRR, so it is quite simple. We just – I enter in the numbers, I look at what we could achieve after renovations and, through the calculator I used to analyze deals, if we can hit those numbers that our investors expect, then the deal works.

It is that simple but there's a lot of due diligence behind those numbers to make sure that it does end up working.

[0:11:35.8] WS: Sure, you know a couple of things that I hear, just from your story, I mean, one, you found a coach and, two, you're willing to hustle and just hard work and not willing to give up. I mean I just it every day on the show and from other people and I see it so often, even in myself, it just pays off. You have to be willing to just keep going, that's what I see here. Do you have any tips, as far as finding that coach and just the willingness to keep hustling before we move to a few final questions?

[0:12:02.7] AM: Sure, yeah. Yeah, so going back to my challenges in that year and a half was, like I said, it was a lonely sport at that time. What I would do or recommend so that it is not so lonely is hire a coach. Now to get a coach you'll have to pay for that. So, I would hire a coach. Also, I would attend the more real estate investing seminars and try and find a mastermind group to join.

It would grow your network while you are doing it, continue your education, and get a coach, where you can, at least once a month for an hour or twice a month for an hour, you can talk to them and bounce ideas off of them, ask them questions on why certain things work and why certain things don't. So, that's what I would really recommend, moving forward, and you know, for the hustle, it's more about mind-setting.

It is about reading the right books, getting motivated, figuring out your why, why do you want to do this? Figuring yourself out, more than anything, is what's going to allow you to push forward with that hustle and not give up.

[0:12:56.8] WS: Anthony, how do you prepare for a potential downturn or another downturn?

[0:13:00.7] AM: Right, so what I'm doing right now is, okay, so right now it's very difficult to find deals, but money is not difficult to find. People are raising money all the time, lenders are willing to give money, all that low rates. So, what I'm starting to do now is build my investor list. I am preparing for when all of a sudden there will be more deals, maybe back like it was in 2010. When that time does come, I want to make sure I have a list of investors and capital that I can access to take advantage of that opportunity.

So, to prepare for the next downturn, for me, it's very simple. I am growing my network and I am raising private money.

[0:13:40.3] WS: You know Anthony, I believe anyone that's successful in business has a high level of self-discipline. How did you gain such a high level of self-discipline?

[0:13:47.5] AM: I would say it is based off of motivation. I just really, like I said before, I really want to become rich, financially rich, because I think that will lead to a lot of other things. I don't just say that so I could say, "Oh, so I can go buy a Ferrari." No, it's so, I can own my life, so I can own my time, which will lead to me pursuing other things that are very meaningful to me.

I've just always had this really grand vision of how I want to live out life, and so staying motivated is really what got me through it and keeps me going.

[0:14:15.0] WS: Do you have any daily habits that you are disciplined about doing that have helped you achieve success?

[0:14:20.4] AM: Yeah, you know, I'm always learning new tactics. I listen to books or audio books. There is one by Darren Hardy called *The Compound Effect*. I highly recommend it. That will teach you – you got that one back there?

[0:14:32.9] WS: I think so somewhere, yes.

[0:14:34.6] AM: Okay, yeah, that one really lays it out how to create good habits but, for me, it was going, after work, I'd go home and then I would sit at my computer and analyze deals. You've just got to figure out goal-setting and how to make what I call success to-do lists. I used to make to-do list all the time and then I looked at my to-do lists, thinking I was getting a lot of things done, but a lot of them were miscellaneous things that weren't taking me a step forward towards my goals.

figure out my goals and then I make a success to-do list, which is the priorities of the day, and that would take me a step closer to my goals, and then all the miscellaneous I do whenever there's a little extra time at the end of the day.

[0:15:12.1] WS: Are you still partnering with that same coach? Are you all still looking for deals together?

[0:15:16.1] AM: Yeah, so I am looking for deals with the same group. I also got other groups. Since then, it's called the magic of the first deal. Now, I've got other people I can bring deals to. I am starting to get interest from private investors. I am getting off market deals. So, definitely, after doing that first deal, my network has grown a lot. I was on the management call yesterday with the group, about a deal down there in Little Rock. So, yeah, so I'm looking for a deal to bring to them. Looking for deals to bring other partners that have a little bit different criteria. So, it's nice, you know, if one deal doesn't work for somebody, it may work for another, so it is nice having a wider net to bring deals to –

[0:15:51.3] WS: Sure.

[0:15:51.7] AM: And raising money.

[0:15:52.6] WS: Sure, what's a way you've recently improved your business that we could apply to our business?

[0:15:56.5] AM: Being very diligent with the asset managing right now, just because of everything with COVID and everything. So, it takes a little bit more focus from our part to make sure everything is working out, certain tenants seeking out unemployment if they don't know how we help them get there. So, just a little more attention to the asset management side of things is what we're kind of looking at right now, and then trying to figure out more creative ways to get deals. That's a big thing right now, is trying to get more creative to get these deals.

[0:16:24.8] WS: You mentioned also growing your investor base right now, what's been your best source for meeting new investors right now?

[0:16:29.8] AM: Right now, I'm starting from my inner circle and growing out, friends and family, but then asking for leads. So, if I talk to a family friend and they're interested in investing, then I will ask them if they've got anybody else that maybe interested in investing and, if they do, then

they create an introduction and then, from there, I reach out to them and kind of walk them through exactly what it is we're doing.

Doing podcasts like yours and other podcasts and posting them on my website, they give great credibility. They allow me to share my story and let people know what it is we're doing.

Networking as well is a big one, so a little bit of everything there.

[0:17:05.5] WS: What's the number one thing that's contributed to your success?

[0:17:08.5] AM: I would say my drive, my willingness to succeed, and then also, going back to these audio books. I just love – you know, I listen to a great audio book, like *The Compound Effect*, and I just get absolutely motivated. It just pumps me up and, yeah, really helps drive me forward. So, just very motivated, knowing my why, knowing my purpose, knowing my end goal, and every day taking a step towards those bigger pictures.

[0:17:34.4] WS: Do you mind to share about the photos behind you on the wall?

[0:17:38.0] AM: Sure, yeah. I got some great minds back there, we've got Benjamin Franklin, Abraham Lincoln, George Washington, Alexander Hamilton –

[0:17:45.8] WS: Awesome.

[0:17:47.0] AM: And over here, I've got one of Leonardo da Vinci's Jesus, I've got Napoleon Bonaparte. So, I've kind of created my office with all of these masters that have great stories, that's why I hang them up there. These guys have incredible stories that are very motivating and so, seeing them, you know, they're always keeping an eye on me and it helps me drive forward.

[0:18:05.9] WS: Well, that's awesome, thanks for sharing that. Tell us how you like to give back?

[0:18:10.0] AM: So, giving back, I'll talk about this deal, it is the 218-unit. You know, when we close on that deal, we get an acquisition fee and what I did with my acquisition fee, a part of it, was there's this group called Heifer International, and what you can do through them is you can

actually purchase animals. So, you can purchase a cow, like an actual cow, and donate it to a family in a third world country.

What I did is I bought two cows and donated them to two separate families and, through that organization, you can actually buy stuffed animal of a cow that represents that cow that's been donated. So, I bought two stuffed animals as well and I mailed each stuffed animal to each of my partners on this deal as a thank you, with a card saying, "Thank you for doing this deal with me. As a thank you, in your name, I donated a cow to a family in this country." That was kind of a fun little give back after doing that deal, was buying those two cows.

But then the fun factor of sending my partners these stuffed animals, which they now have in their offices that they look at, which is kind of cool.

[0:19:11.3] WS: That is cool. Well, thanks for sharing that also Anthony and I appreciate you just sharing your story of getting to – I mean 218-units for the first deal. I know there's tons of listeners who are thinking, "Man, I would like to do that." Well, there you go. You've heard somebody that has done it and how he did it, finding that coach and just being willing to hustle goes such a long ways. Just appreciate you sharing that Anthony.

How can the listeners get in touch with you and learn more about you? And, also, just congratulations on making it happen. I know that is not easy. I was there at one-time and that's just a ton of hustle and it is kind of a lonely space for a while, but tell the listeners how they can get in touch with you?

[0:19:45.1] AM: Well, I really appreciate that and yeah, you know right now I am putting my website together, which is going to be bluecloudequity.com. So, you can visit my website, you can get in touch with me through that. My direct personal e-mail right now is anthony.metzger@yahoo.com. So, yeah, if you have any more questions, feel free to reach out to me. I'm happy to help and answer anything that I can.

[END OF INTERVIEW]

[0:20:07.3] 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 are 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.

[OUTRO]

[0:20:48.0] ANNOUNCER: Thank you for listening to the Real Estate Syndication Show, brought to you by Life Bridge Capital. Life Bridge Capital works with investors nationwide to invest in real estate while also donating 50% of its profits to assist parents who are committing to adoption. Life Bridge Capital, making a difference one investor and one child at a time. Connect online at www.LifeBridgeCapital.com for free material and videos to further your success.

[END]