

EPISODE 825

[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 Camilla Jeffs, thanks for being on the show this morning Camilla.

[0:00:32.9] CJ: Thank you Whitney, so excited to be here.

[0:00:35.5] WS: Yeah, Camilla is a purposeful investor, seeking to create impact by bringing like-minded investors together to provide safe, clean, affordable housing for tenants through apartments and assisted living communities. She's a mother of five beautiful children and enjoys physical activities.

Camilla, thanks for being on the show. I like getting into this topic and impact investing or you know, just things like that. It's kind of a new concept it seems but it's something I think we should all be thinking about. You know, let's jump into your focus in real estate and just what this means to you and let's dive in.

[0:01:08.1] CJ: Sure, yeah. My focus currently in real estate is in apartment buildings and assisted living. Those are the two things that I'm really excited about and one of the reasons is because I am a purposeful investor. Now, what's a purposeful investor? Well, it's someone that invests not just for profit but for people and the planet as well.

We have those three P's. I call it the investing trifecta and I think that it's a really great way to be able to invest. When I first started exploring this type of investing, I wondered, can you really get a good financial gain if you're investing in things that are good, right?

As I was exploring this, I was talking to a friend of mine who has been in the nonprofit sector for a long time. She said, "You know what's happening Camilla? People are not investing or are not donating to charities nearly as much as they used to." She said, "One of the reasons why is because they are a bit skeptical of charities using the money in the right way, right?" There's been trust that has been lost with some charities. She said, "Instead, what's happening is there's a new concept called impact investing."

I just heard about this about four or five years ago and she said, "When you invest, you're actually investing in a company that's doing good in the world, but you're also getting a financial return." I thought, "Wow, that is brilliant," because we've been living in this era of conscious consumers and the conscious consumer is someone who wants to buy organic, who is interested in investing in companies that are doing good and not creating bad things in the world, right? Creating a better environment for us, some kind of social impact, etcetera. That is starting to evolve into the era of the conscious investor.

I love that this is coming along and it's pretty amazing what's happening.

[0:03:07.2] WS: Awesome. Well, yeah, it is kind of a new concept for many I think, or to think about this. But I know, even before I got into real estate, I was thinking about okay, "How do I invest, how do I grow a retirement fund or what does that look like, many years ago." But even then, you know, I was made aware of well, you don't know where those funds are really being invested, you know? You don't have control over, really, what you're supporting.

I struggled with that, I'm like, "Wait a minute, I want to know what I'm investing in and ultimately, what I'm promoting with my dollars," right? I mean, I love that you know, how we can do that in real estate just like you're talking about. Let's jump into that, being a purposeful investor and as far as the people and the planet, what that looks like and maybe you can give us some examples?

[0:03:49.1] CJ: Yeah. What that looks like, let's take multi-family for an example. About 15 years ago, when I started investing in real estate, I focused on single-family homes. With my single-family homes, we allowed section eight tenants to live there. What's a section eight tenant? Well, it's someone who needs some government assistance in order to make their rent.

We loved the idea of being able to invest in a home and provide a basic necessity of life for someone who needed that, right? Single mom, three kids, couldn't quite make rent on her own but the government was able to help.

We felt good about being able to provide housing like that. Now, as we were doing that, I wondered, "How can I create even bigger impact," right? I can do that one single-family house at a time. But then, when I started learning about how to actually acquire apartment buildings and get involved with multi-family I realized the impact we could have is a hundred X, right?

If we buy one apartment complex that has a hundred units in it and we focus on the people, we focus on keeping that rent affordable so people can afford it in the market, not trying to be at the highest rent of the whole neighborhood.

Then, creating a community feel so that people drive up to flowers when they get there instead of garbage, right? There's some really interesting things that we can do for social impact to create those neighborhoods and communities.

Now, for environmental impact, this is also another one that's really exciting because we can go into an apartment complex and we can replace all of the faucets and fixtures and toilets and put in low-flow ones so we are saving water.

The cool thing about it, you know, back to that, "Can you really get a financial gain if you're doing good for the environment?" Well, you absolutely can because when we install things like that, it reduces the amount of water that is consumed, helping the environment and then also, it reduces your utility bill, helping your profit.

Those are some of the things that you can do in the multi-family space and I love that about creating impact in all three of those areas.

[0:06:04.3] WS: Yeah, I mean, just replacing all the water receptacles like you're talking about, yeah, it's either going to save you money or your tenant, most likely, right? One or the other, whoever is paying that bill. Is there maybe an example recently where you all have been able to apply some of these things or maybe some things that have come out of that, you know, as far as you seeing tenants that have been helped or investors who love investing in this way?

[0:06:25.5] CJ: Yeah, in fact, I was talking to an investor just last night and she was telling me that she's in the medical field and she was asking, "How can I invest and have more purpose?" We started talking about assisted living and things I'm working on in the assisted living space.

She was so excited about that because she says, you know, "This is exactly what I want to do, I want to put my money into something that's going to help out in the medical field and be able to invest in the medical field." As I talk to different investors, they're ecstatic about the ability to invest with purpose and to see those social returns as they are investing.

[0:07:07.3] WS: How do you see the best way to even share with those investors the things you're doing or just the ways that their investments are benefiting others and the planet?

[0:07:17.1] CJ: Yeah, we hold that as one of our metrics, I mean, one of our KPI's in the business. Yes, we want to go back to our investors and tell them about the profits that we've earned and how we're doing on those profits. But we also make sure that they know what kind of social impact that we're creating and so we'll measure things like that and then of course the environmental impact as well.

We have those measurements in the business and the other thing I do is I just make sure that I partner with other people who have the same vision in what they want to build. Because, we know in the multi-family, commercial real estate world, it's not a "One person does it all," and so, my job is to educate investors on what we're doing and then I partner with very strong established operators who have the same type of vision and purpose that they want to achieve.

[0:08:08.6] WS: Partnerships are so important, right? In most businesses, especially in the syndication business. But I can imagine in this way too, you know, I've met tons of people in the business who are very successful but their goal is not to give back at all.

While I've met many others who are ultra-successful who have given more than they've made in most cases, in one way or another, even if it's just time of themselves now, but financially, in big ways. Or, just having the focus like you're talking about alone where you know what? Instead of just being focused on raising these rents, you know, we can really add value to the people that live here and their quality of life as well.

Is there an example of how you have shown that to your investors? Do you like email photos, do you show some type of statistics? I was just thinking through that, how we could show that to our investors, you know? Because I know they would love that.

[0:08:57.6] CJ: Yeah, I mean, it's definitely communication so in the corner of my reports, do we want to put in there what we are doing? Really, you just have a section in there where you say figures for financials and now here is the social impact and then here's the environmental impact.

Definitely photos are very helpful for the passive investors to see what's going on. As well as, we like to have testimonials or we like to go and talk to the tenants and find out from them, "What can we do to help you this year?"

A good friend of mine, she just posted on Facebook just this morning about her multi-family investment and how they're giving out turkeys to everybody in the community and I love that. I love that what we're doing can create that happiness and joy in where you live.

[0:09:45.5] WS: What are – any other ways other than a couple of things that we've talked about and just ways you've been creative to give back?

[0:09:52.1] CJ: Yeah, there's another one that I haven't tried yet but I would like to try it where at Christmas time, there's a woman I know who has an apartment complex and she has

everyone in the apartment complex nominate someone else in the apartment complex, that they feel is deserving of free rent for Christmas.

It's a really cool concept because it gets the entire apartment community involved and thinking about others, rather than thinking about yourself. I love the concept and it's something that I want to implement and so that one family gets free rent for Christmas as sort of a gift from the entire apartment community.

[0:10:33.0] WS: Wow, that's interesting. I have not heard that before and so I don't know, I'll bring that up to my property management group and our team a little bit and just see, I don't know, that's so interesting, I love that just encouraging them to think about other people in the community that they know and live with.

Camilla, anything else as far as around, before we move to a few final questions, anything else around impact investing that you'd like to share with the listener?

[0:10:55.3] CJ: Yeah, I just wanted, make sure that we all understand that yes, profits are absolutely important. You know, when you get into impact investing, it's not that you're going to get a lower return on your investments. In fact, those things are not mutually exclusive, right? Doing good and having a good profit are not mutually exclusive and so profits are very important but so is society and you know, if our quest for greater profits leaves our world worse off than before, then all we really taught our children is the power of greed, right?

It's important that we combine those and we hold hands with those and move forward within our purposeful investing.

[0:11:33.5] WS: Camilla, what's been the hardest part of this real estate syndication business for you?

[0:11:37.9] CJ: Yeah, the hardest part for me has really been changing my mindset. You know, I invested alone. Well, not alone, my husband and I invested just on our own for 18 years and we just kind of figured it all out ourselves. I mean with our five children, we did lots of DIY and we

thought that was a really important part of our business too because it taught the children all of the construction skills they needed to know and do that.

But then when I started thinking about, “Wow do we really scale and how do we get into earning an apartment complex?” That’s when the mindset had to really shift to playing not a solo-game but a team game and that was hard. That was a hard switch for me because I can’t control what’s going on and so as I moved into more of the team player aspect, it was hard at first but I’m actually finding it very rewarding right now and I love that I can rely on other partners.

I love that it is not just me having to do everything for the business to grow it and I love that we can all work together and grow together and then we can also bring in a lot of people who maybe even don’t know much about real estate. I mean one of my specialties is educating first time passive investors on how they can invest into their first real estate investment so they don’t have to do all the DIY that we did over the last 18 years. Those have been kind of the challenges but through those challenges come really great rewards.

[0:13:05.5] WS: What do you predict to happen over the next six to 12 months in the real estate market?

[0:13:09.5] CJ: Oh, you think I have a crystal ball. What do I predict? I like to study trends, I like to study data and I like to look at the data so I understand what’s going on. A lot of the time, a lot of that is looking at the markets and looking at trends that are happening.

For me in both multi-family and assisted living, I feel like they are two of the strongest asset classes in commercial real estate to be in and multi-family, there is, in the right markets, right, you have to make sure you’re in the right markets but there’s a very clear migration happening from north to south and I am invested here in Arizona markets and in the Carolinas. Those are my two favorite markets for multi-family and they’re going strong. I mean in Arizona, the rent growth in Arizona is leading the nation and it’s amazing how population growth, job growth, all of those factors are playing into a very strong market.

I think it’s going to be a strong market. I think there is no reason not to invest in multi-family and then in assisted living, there is a – some people call it a silver tsunami that’s coming, right? If

you think about baby boomers, they're starting to age and especially those that are suffering from memory care issues, something that's really also personal to me because I had a grandmother who suffered from it and it was definitely a very challenging disease.

We focus on building assisted living and the types that we do are more like neighborhoods and more like homes and so our elders feel like they're still living in a beautiful home and not in an institution and so we like to focus on that and the demand for assisted living is just going to continue to grow and grow and grow and so really, there's a really interesting thing happening. Have you heard of the great wealth transfer?

As baby boomers age, they have \$68 trillion that are going to be transferred to the Gen Z and millennials. Well, with that wealth transfer, I think one of the best things that Gen Z and millennials can do is invest in senior housing, right? To take care of those who are transferring that wealth so the wealth doesn't get lost because often, you know in generations wealth can get lost or, I mean lost sounds like you just dropped a million dollars off the side on the road.

That's not true, but loss in that it is not properly taken care of and not reinvested to continue to grow and so both of those asset classes definitely have very strong road ahead of them.

[0:15:39.3] WS: Do you have a couple of daily habits that you're very disciplined about that have helped you achieve success?

[0:15:44.7] CJ: Yes, so one of those is exercise. I make it a point to exercise every morning and exercise outside because I need fresh air to clear my mind. Exercise is really important to me.

[0:15:58.7] WS: You're in Texas so you can do that year-round, right?

[0:16:01.7] CJ: Yes but you know, even when I lived in Northern Utah and it was negative 10 degrees, I still, every morning, went out and I wore my ski coat and I would go out and run even in the frigid morning air. It just clears your lungs, it clears your mind, it's amazing. And then you know, another daily habit that we have is actually a fairly personal one with our family, where we have a prayer every evening together and then right after the prayer, we do a giant family hug

where we all circle our arms around each other, have this giant family hug and that is a beautiful piece of heaven right there.

[0:16:40.2] WS: Love that, that's incredible. Tell me the best source for meeting new investors right now?

[0:16:45.7] CJ: The best source, so I really enjoy online marketing. I like talking to folks, I'm on LinkedIn, I post on LinkedIn pretty regularly, just lots of educational materials and I also love going to meet-ups and talking to investors and networking and I love to give speeches at meet-ups as well. I like to speak at them and educate. I am pretty passionate about financial education and investing with purpose and especially for women.

I love to educate women on how to invest and how to really grow their wealth and so I think those are some of the great ways to meet investors.

[0:17:24.7] WS: What's the number one thing that's contributed to your success?

[0:17:27.5] CJ: Discipline. Some people think that people who are successful are just motivated all the time but the secret is they're not, nobody is motivated all the time. You have to have the discipline to work through the times that you're not motivated and I think that has really contributed to my success and will continue to contribute as I just put one foot in front of the other and it's always a journey and for me, my journey just looks slow and methodical.

You know, just a nice simple graph going up, right? There's no exponential ups or downs. It's just continuous progress.

[0:18:02.8] WS: I like that. Yeah, it's so true or well said, there's just no one that's just motivated all the time but those that are successful have learned how to keep pushing forward, right? Even when you're knocked down or you feel unmotivated. How do you like to give back?

[0:18:15.2] CJ: Oh so several ways. One, I do tithe in my church and we tithe, you know, 10% of our income and then the other things that we like to do is I like to focus on financial education and then I am actually working on training my children in entrepreneurship and so we are

working on building businesses together and ways that we can start giving back. My oldest daughter just started college and she's pretty passionate about not getting into student debt and teaching other college students how to not do that as well.

She and I are developing ways to be able to teach and help college students so that they can graduate debt-free, so they don't have to graduate with the shackles on them and they can just live their lives in a free way.

[0:19:00.9] WS: Awesome. Camilla, well I am grateful to have met you and get to know you a little bit and just making us all more aware of just how we can be more purposeful as we invest, not just thinking about the returns, whether I'm a passive investor or the operator, or you know both. I can be thinking about ways that I can be purposeful in how I use my investment and no doubt about it. I just thank you for bringing that to the forefront where, you know, people and planet.

Like you said, on either side of that coin, the passive or the operator on the active side. Tell the listeners how they can get in touch with you and learn more about you.

[0:19:33.6] CJ: Sure, yeah. I've created a free course on passive investing, so if you'd like to grab that off my website. The name of my business is Steady Stream Investments, so you can go to steadystreaminvestments.com or you can connect with me on LinkedIn, Facebook just my name, Camilla Jeffs. That's a very simple, easy way to get a hold of me. I'd love to have a conversation with any of you who are also passionate about purposeful investing and that would be great.

[END OF INTERVIEW]

[0:19:59.9] 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]

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