

**EPISODE 854**

[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]

**[0:00:24.0] WS:** This is your daily Real Estate Syndication Show. I'm your host, Whitney Sewell. Today, our guest is Tim Ryan. Thanks for being on the show, Tim.

**[0:00:31.7] TR:** Thank you, Whitney. Thanks for having me. Appreciate it.

**[0:00:36.4] WS:** Tim went from crawling under houses doing manual construction to now owning over 300 rental units in three states. Over the past 21 years, he's built a successful construction and development company that now focuses on helping private investors obtain financial freedom and emerging market investing through syndications and partnerships. Tim, thank you again for your time. Give us a little more about your business and your focus right now and let's dive in to your unique ability that can help all of us.

**[0:01:07.6] TR:** Sure. Yeah. Right now, I'm in my second out-of-state emerging market. I live in California and I own zero rental real estate in California. It's very tough here. I bought in Georgia, Tennessee and now, Wisconsin. Everything from single-family, to small multis, large multi-families and now commercial property. I'm doing some mixed-use type buildings now in the downtown setting, which is kind of unique and different. Pretty diversified. We also are running four Airbnbs, which is very interesting and fun. It's something else we can talk about maybe.

**[0:01:46.4] WS:** Awesome! Yeah, go right ahead.

**[0:01:49.0] TR:** I was just going to say, I'm a contractor. I've been a contractor for 20 years and so I guess I did tell you my story. In 2008, I found myself twiddling my thumbs and it was a not a good year for construction. It was at that time I realized I've got to do something for my future that the next downturn I've got positive cash flow. So that was my big push, 2008 to '09, '10, '11, '12, I was just crazy about getting rentals and I didn't want to find myself in that position yet. That was kind of how I got driven to it.

**[0:02:25.0] WS:** What were some of the first deals that you did to get to that 300-unit mark?

**[0:02:29.6] TR:** Well, so for me, because I'm in Southern California, it's so expensive here, I had to learn some strategies about investing out of state in my area, which I did and finding some good growth markets. My first market was Chattanooga, Tennessee, which Volkswagen announced their building, manufacturing plant there. I got there early, like 2009, nobody was out there yet. Got in early. Let's see, I bought a three-unit and then my second purchase was my first real like multi-family, a 16-unit, which was really exciting.

I'll tell you what's so amazing about that property and I still think it's one of my best and I've owned bigger properties. It gave me so much clout in that area. Once I got a 16, I would talk to brokers, I'd talk to other sellers and they asked me about myself and especially being out of state, they're little you know standoffish. I said, well, I bought the 16 over in this area and everything changes, right? You get that deal, people are like, "Oh, this guy can close on deals. He's a multi-family investor." So sometimes people think you got to buy these big properties to look impressive and not necessarily. But 16 is not bad, right?

**[0:03:45.6] WS:** No.

**[0:03:47.4] TR:** Yeah, right? Yeah, it's exciting. [inaudible]

**[0:03:51.0] WS:** No, that's awesome. I mean, it's just neat how the credibility piece changes once you have a deal or two, especially once they get some size to them. It does make things

so much easier in having those conversations with brokers, or lenders, or anyone really in the business. But ultimately, there are so many tire kickers, right? There are so many people who want to get started and they never actually do, so I understand why that changes things when you're having those conversations.

But you know, I know one thing that you're really good at too is just seeing the opportunity and being able to act on it. That's what I'm talking about. There are so many people, they may even see the opportunity, but the man of fear just really holds them back or keeps them from pushing forward. Why don't you just speak to that a little bit? Let's dive in there and help the listener also that maybe has not pulled that trigger yet to move forward. Maybe they've been educating, right? We're always continually educating, but a lot of people educate themselves to death and never actually act on it. Tell us how you're better at that, how you improved that skill and also can help others.

**[0:04:53.0] TR:** Yeah, for sure. I would say and I have story about how that's kind of came about out there. I bought a 104-unit in that area. It's was a fantastic buy, but I'll tell you what happened in the beginning. I had done a lot of study, I knew that market, I knew pretty much most of the properties around. I got a call one day and this broker said, "Hey! This property called Savanna, I just heard, I just walked by my colleague's office, I heard he just got the listing."

Because I was prepared, because I had already been doing my due diligence in the area, I immediately said, "Okay. Walk in there and tell him I'll buy it." Because I knew this was a deal and if that thing goes on the market, I didn't want it to actually go on the market, I want to go. Any he kind of laughed and said, "Okay. Yeah, I'll do that." And hang up. I said, "No! I want you to do it right now. Like walk into his office" and I said, "I want to be on the phone and hear you when you walk in the office." I knew this is how important it was. He just kind of laughed, I said, "Go do it, please, Robert right now."

He walked and he said to this guy, Stewart, he goes, "I got Tim Ryan on the phone. I overheard you, he said he'll buy it." He said, "Okay. Write it up. Let's do it." It didn't go on the market, no competition. Long story short, this was an amazing property for us. I held it six years and bought at \$4.1 million and sold it for \$6.8. We can go into a little more of that if you want. But really the

point of all that was, I think I have an entrepreneurial ability that really sees something and I'll act on it quickly. You said it a minute ago, it's like a lot of times, it's that fear and what if and well, what if the numbers are not this or that. I had time in due diligence. I didn't actually buy it that moment, right? I locked it up, I got under contract but I also didn't waste their time. I don't get a bad reputation in town. You got to be careful with that too, right? You lock everything up and you never close on anything. Nobody wants to talk to you again.

I think to answer kind of what you're bringing up — I think there's an entrepreneurial side that I have and I think that's extremely important for real estate investors. I like to tell some people, do a self-assessment test. If you don't really have that and you're constantly questioning and in fear, partner with someone the does, because you think kind of that extra, that other person in your life that can say, "Let's do this. This is a deal."

**[0:07:19.0] WS:** Yeah. You need someone on your team that's pushing you, right? Let's move forward with something so that you can, fear can just keep you in your tracks. I've seen it happen so often. I know that deal, that's a great example. What gave you just the lack of fear or just the confidence. Did you have somebody on your team, maybe earlier on that helped you to build that level of confidence or what was it for you?

**[0:07:41.5] TR:** I guess I could say, it started with my dad. I kind of had a unique story about my dad. I had thought about it myself and it's a good question, I said, "Where do I kind of have this?" My dad, he was a salesman in insurance and he used to come home and — I'll never forget this because he would say, "I had the greatest day ever, greatest day." All of us, me and my brothers and sisters are like, "Wow! This is great. Can't wait to hear about the sales? How many sales did you have, Dad? This is amazing." He said, "I did not have one sale today." We're all like, "What? This is a great day." He goes, "That means I'm that much closer. That means tomorrow and the next day, I'm going to nail it."

He just ingrained that in us. It's almost like I'm saying, "Wait, that's a failure, dad." He's like, "That's not a failure." Kind of like I have this saying where and I'm telling my kids now, were lucky as you Ryans because we never lose. People who've heard this kind of a little bit of a cliché. We never lose because we either win or we learn. That came out. I think that's the essence of entrepreneurial ability, right? You don't look at failure as failure. It's a stepping stone.

**[0:08:52.0] WS:** That's neat how you bring up your father would express that and that stuck with you and how that transformed your business many, many years later, I assume. But just attitude or that positive attitude to say, "I had the greatest day ever," and just knowing that, hey, we're working towards something, right? We're working towards that deal and we are getting there. Could you elaborate too on, we are kind of stuck in that fear mindset, finding that individual, finding that person that — you recommend finding somebody who has that ability to push you forward or any thoughts there.

**[0:09:27.6] TR:** Yeah. I think the education is super important, right? We all need to educate, and read and listen to podcasts and there's so much learning. It's so fantastic to learn so much. I was a sponge. In 2008, '09, '10, I couldn't get enough and everybody needs to do that. But I found that, it's like I said earlier, the self-assessment. There are some people that really got to look at, even though they have time to do some of this business. It depends on how you do it. Some people are like, "I'm going to need to invest out of state," like me, but they're married with three kids under five years old, have a 9:00 to 5:00 job. How do you do that? What I'd like to try to tell people, I say, "You could do this business, you can get involved. You just may not be the one who owns 100% and drive the whole business by yourself and that's okay. Partnerships, and connections, and these all kinds of place, meet up groups and people you know.

I'm partial to connecting with people that have some experiences like construction. I'm a general contractor and so I think that's a huge thing. I feel that's where I've seen — I like to help people to think this through and say, "How do you fill up your team? Where is your team? Fill it with people that aren't like you. Have different skillsets."

**[0:10:45.5] WS:** For sure. Earlier too, you talked about growth markets, investing out of state. I think some of that just speaks to being able to overcome fear as well. You're in California and you're investing in the east coast, Tennessee, Georgia, long ways away. Most people can't get past investing in their backyard. I think that also speaks to that. What does that look like, growth markets to you? How did you find that opportunity to act on it in those markets? What was that that said, "Okay. We've got to hop on some deals in this market right now"?

**[0:11:16.2] TR:** Learning early on that we have to buy with positive cash flow, immediately taught me my backyard is not going to work. That was first. Secondly, through education. I read a lot of books and followed some people that said, "There's markets all around the place." What's unique is, there could be people say, "We're in a time where everything's too expensive and it's too hard to find deals," or, "Everything's a buyer's market," but there's always the other market somewhere.

There's always a deal. There's always something happening. You'd say even in the great recession, there were places that were booming. So that was the concept I've learned. To back up, the real crux of it is, following the job. If we learn to research and follow where jobs are being created, people are actually going to move into town. That's what happened in Tennessee. It was amazing to see how that worked and that's really the main point. Look for big job creation and everything else is going to build and follow.

**[0:12:15.0] WS:** The employers are kind of doing your advertising for you, aren't they? They're bringing the tendency in your clients as well. Any tips on that market research, so you know where jobs are, where they're coming.

**[0:12:28.4] TR:** Yeah. Google has this amazing thing called Google Alerts. You actually put in a Google alert. I put in 'new manufacturing'. I mean, that simple. Every day, you get all the news stories from around the country of something new. I could literally see something early on, it's one of the first stories that says, manufacturing companies coming to what cities here and there.

I think that to me is like one of the amazing finds I found someone told me about that. Then there's a lot of other ways to research and we're in an amazing time. We have the internet and if you've got kids like I do, I've got kids that are in their 20 to 24 years old and they can research for me and find me locations and that type of thing. It's not as scientific as some people think. I think anybody can do it. You just research different areas and find out what's happening and what's coming next kind of thing and being ahead of the curve.

**[0:13:25.8] WS:** What about some tips for investing out of state for that listener who's too fearful to make that jump and invest in states away like that?

**[0:13:35.3] TR:** I'll tell you. One of the things I did, I think is the biggest keys to my success in investing out of state. I've set — every place I've been, I set up my own property management. It's tough and it's one of the first questions that everybody asks like, "Whoa! How do you do the property management? I heard it could be a nightmare. I heard they can rip you off. You have to go through fire." I said, "Yeah. That's all true." It's the biggest fear and issue of going out of state.

We tend to buy enough properties in an area that we set up our own actual property management company that just manages our own. It could start with a part-time employee that lives in town [inaudible 0:14:14.7] property, so it could grow from there. I've had managers in each area that work directly for me. We only manage our own stuff. To me that's number one. That's a big deal. Even on a smaller scale, I think the little more you're involved with that manager directly — my job is to manage the manager and they manage properties. I found that's a big key.

Then secondly, there's another one is that being able to go there, and get to know people, and make friends and it's huge. I've talked to a lot of investors and I've warned them, I said earlier, the Internet is amazing. We can get on the internet, we can find properties, we could use our phone, talk to brokers. But until you get out there, and meet with them, and take them for coffee and find out what they're into. So that guy who called me about the 104 unit, I remember when I said, "Robert, we got to meet this broker" and I took him for coffee. I would not have got that call unless I saw him in person. He said he still admired that I bought him a coffee and we sat there and talked. It's like that was that simple. That is like probably the biggest point. Traveling to that market, get to know people, make friends, find some common ground. Then that's where the brokers open up, "Hey! I got an off-market deal."

**[0:15:33.0] WS:** I wanted to ask you also, I know you mentioned like setting up your own property management teams. Even that seems like a lot to overcome when getting started, but it's awesome. Tell me that first person you're hiring. You said maybe they're part-time. They have experience. What are you looking for in that person to help you manage that first property?

**[0:15:49.8] TR:** Yes. The first place I start is try to get word-of-mouth. I'll tell everybody I've become friends with authority in town. Do you know anybody who could take this? Because

somebody knows somebody, it's always best. Secondly, we'll put an ad in the paper and interview them, right? But I will look for some experience that they've ran, but I've had some that actually didn't do property management, that they once ran a business. So they did the accounting, they understood hiring themselves, they knew how to run projects and they turned out really well.

It's really an interview process of knowing that someone can take this on. Then of course, if you have a big enough property and put them on site, which is great, they can live there. Then smaller, they can run some offsite like that. I had to go through a couple of them, of course. It's like anybody hiring anybody. You just got to be willing to jump in and make it work and find the next best person.

**[0:16:46.8] WS:** What's been the hardest part or maybe most fearful part for you, just the syndication business or buying commercial real estate?

**[0:16:55.0] TR:** Probably having the time to find the deals. Because what I found is, once you find a good deal, raising capital to do a syndication is not a problem. Getting through the due diligence and closing is not a problem. Especially the last few years, the difficulty has been finding the right deal, the numbers that fit. And I got a lot of things going, so I don't have too much time for that. I think that would probably be number one. But because of that, I really love apartments. I want to own a lot more apartments and bigger apartments, but it's been tough the last couple of years, so I did get in a little segue.

I've been investing in a little more mixed-use type buildings, investing in a downtown setting, buying the mixed-use as a retail on the first floor with apartments above. It's really cool because it's diversified and that's where we have our Airbnbs. Real estate is amazing because are so many different aspects from single-family and then this mixed-use, and commercial, and apartments. I'm not just a one-sector guy. They're all exciting, and fun and lucrative too.

**[0:18:06.0] WS:** How do you prepare for a downturn? How do you handle preparing now for an upcoming downturn?



**[0:18:13.9] TR:** I believe in apartments. I believe in the rental market even for a downturn. The way I've seen it is, even in the last recession at different times. Yes, your rents may go down, some people may move out and live with family. But you have this like A properties, this A quality, brand-new apartments being built all over the place right now. Let's just take a number there, 1,500 to 1,800 a month where my apartments are 750. Those people get downsized, where are they going to go? They come down to our apartment.

I just feel this recession buster of these apartments. So that's my answer. Now, will retail space and office space get hit, yeah, I think it would. That's why I'll always have the majority in housing, so that's really the recession buster. We have rental housing. I feel strong that it's not going to cause big problems. I think it's going to get us through a recession.

**[0:19:13.1] WS:** What you predict in that sense there — go ahead with your thought.

**[0:19:17.0] TR:** There's one more thing that I think is important. I think getting the initial loans on these apartments is important to me to get long-term fixed rates. That's what we always insist on and principal and interest payments, not interest-only. I found, people got to be careful and I've seen some people say, "Hey! I found this deal and these are all the numbers and they're fantastic." But they kind of had to make the deal work. Went interest-only, went short-term, adjustable rates and did all these fancy tricks to make the numbers look good. Well, if you can find a deal it looks good with fixed rate long-term, that's going to help you too, because you get in a recession now, all of a sudden, you're looking at needing to re-fi or sell, you're stuck. It's going to be tough. I want to weather that and not worry about.

**[0:20:06.5] WS:** Great advice right there, a fixed rate long-term debt. It's so important if at all possible. I know there are deals that you can have where you have to have bridge loans or different things, but man, fixed rate long-term debt is so important so you never made to sell, right? You never made to sell or you're going to lose them for sure. What do you predict Tim, over the next say 6 to 12 months in the real estate market?

**[0:20:27.8] TR:** Well, I'm investing in a real strong growth market, so I'm seeing huge growth right now and a lot of investors coming out. There's so much cash out there right now, there's so much money. I'm already seeing so many things being turned and working. I think it's going to

be very positive. I think if people really think about it and see what's happening in the world right now, the government's printing money, which means the dollars are getting weak. To have dollars, and have savings and have money sitting somewhere is literally losing money. It's almost like a little — it's a saying, it's truly losing money right now. But in a real asset like real estate, to me it's the best place to be.

Now, the crypto-people can argue their side in the stock people, theirs. This is my world, real estate, but I've been having amazing space right now to grow and you got to find those deals. Prices are high right now, so in the next 6 to 12 months like you said, yeah, you got to dig through and find something and do the work, but there's definitely deals out there.

**[0:21:32.5] WS:** Tim, do you have any daily habits that you're disciplined about that have helped you achieve success?

**[0:21:37.3] TR:** Focusing on one thing at a time, so I do a lot. I have a construction company, I own properties all over the place and so I'm very busy, but I've learned to focus on one thing and then move on to the next. I read a book that talked about multitasking is a myth. Actually, what you're doing is switch tasking all the time. If you're trying to work on — people pride themselves, "I can work on six things at a time." He says that's crazy, you're not really. You're giving little bits, so you got to focus on one, move to the next, move to the next. That's helped me to get through and do a lot of stuff on even a daily basis.

**[0:22:20.1] WS:** Know the time right now is focussed on this one thing until I accomplish it, until I get it to a certain place before I move to the next thing, instead of so many things at one time.

**[0:22:28.7] TR:** Yeah. For me, I have to do it that way, yeah, get it done.

**[0:22:33.5] WS:** What's your best source for meeting new investors right now?

**[0:22:36.2] TR:** It's interesting it's changed of course because of COVID and I was meeting a lot of investors with the meetup group I was doing in person and how great is that. I get to have one-on-one conversations. Well, we can't do that anymore. So Zoom and online has been working very well too. Which is unique too, because then you can meet people even further

away. So different Zoom meetings and that type of thing is helpful and it's fun. It's fun to meet new people, and it's fun to hear what people want to do. One thing I always say, I've never met anybody that — I brought up real estate and then they went, "Oooh, real estate." It seems like everybody loves the idea of real estate. Every time, "I've always wanted own real estate." It's really fun to talk to people and try to help them get to own real estate.

Now, some of them, if they don't meet someone that can help them and mentor and guide them, they'll never do it. So I've really enjoyed and had great times with people or taking someone I know would probably never do it. Their money would sit in a mutual fund for the rest of their life. Now, they're actually having ownership and getting all those benefits, it's fun.

**[0:23:46.0] WS:** That is fun. What's the number one thing that's contributed to your success?

**[0:23:50.5] TR:** I think I would say the ability to look outside my box and my area. This me going out of state, you know, a lot of people say, "I think it's risky to go out of state in that." I think my ability to get on an airplane, and go and just figure it out has been the best for me. Because I would've made it tough on myself to do it locally. But I think that backs up to this entrepreneurship that I have, and maybe I was lucky my dad was that way and he taught me. That's why I like to say, my opinion, you need to be entrepreneurial to very highly entrepreneurial business. But for those who say you are not, then just find someone that is. It's not a negative statement, I'm not excluding anybody. Everybody can be part of this and not everybody has every skill.

**[0:24:41.7] WS:** Sure. How do you like to give back?

**[0:24:43.8] TR:** Well, this year, this COVID thing has been tough. I really enjoy helping small business right now. I've been investing in this area that's a downtown setting, and I've been very involved and I got on this board of directors of downtown corporation that helps businesses to make it through this time. I think because I'm so business minded, that's where I've kind of gravitated and I've helped raise money for people and help retailers and small businesses find grants. I've been spending my time giving back on that and I want to see them thrive and I want to see them pay their bills. It's been kind of a little passion that just kind of propped up this year because it's been tough.

**[0:25:30.4] WS:** That's awesome. Tim, it's been great to get to meet, you have you on the show, obviously get to know you better and just hear about your entrepreneurial ability and just how — if someone feels like they're too fearful and they don't have that, you can find people to partner with that can help you find that deal or get it across the finish line or maybe have skills that you do not have. So grateful for your time and how you've done Airbnb and large apartment communities in different parts of the country, all the way across the country, starting your own management in those different places as well. You're definitely someone that's making it happen so I love talking to people like yourself, that helps me to learn to be the same way, right and keep pushing forward.

Tim, how can the listeners get in touch with you and learn more about you?

**[0:26:12.2] TR:** I have a website, [www.investwithhss.com](http://www.investwithhss.com). HSS is my company, HSS Investment Properties. It's very serious and good reasons why I came up with that. It stands for Hannah, Sam and Shane, my three kids. I say that because it's a family business and what I do is I help families. People come to me, most people have a family even if it's just them, so I like to think it that way. But yeah, [investwithhss.com](http://investwithhss.com).

**[0:26:41.6] WS:** Awesome. That's a wrap, Tim. Thank you very much.

**[0:26:44.6] TR:** All right. Thank you. This was fun.

**[0:26:47.9] WS:** Yeah, appreciate you. Again, we'll be in touch, our team will send you things to help you promote your show and anything like that. Is there any way that I can help you?

**[0:26:56.5] TR:** Excellent! That's great. I appreciate that. No. I mean, I think that will be great. I appreciate it. It fun to be on a podcast. It's only my second one I've ever done. First one was very small, you're very big. Appreciate you.

**[0:27:13.0] WS:** Yeah. No, my pleasure. A pleasure to get to meet people, like I side, no jokes, like yourself that can just see something and hey go tackle it and I love just that mindset is just — actually, my wife and I were on a walk at like 6:00 this morning and we were talking about

that exact thing almost, just being able to work hard but also being willing to, hey, put actionable things in place, right? It sounds like you're really good at that.

**[0:27:35.7] TR:** Thank you.

**[0:27:36.4] WS:** If I can every help in the future, please feel free to reach out and let me know.

**[0:27:40.7] TR:** I will, I appreciate it. All right.

**[0:27:43.8] WS:** All right.

**[0:27:44.3] TR:** Thanks a lot.

**[0:27:44.8] WS:** Have a blessed day.

**[0:27:45.2] TR:** Okay.

[END OF INTERVIEW]

**[0:27:46.4] 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]

**[0:28:26.6] ANNOUNCER:** Thank you for listening to The Real Estate Syndication Show, brought to you by Life Bridge Capital. Life Bridge Capital works with investors nationwide to invest in real estate while also donating 50% of its profits to assist parents who are committing to adoption. Life Bridge Capital, making a difference one investor and one child at a time. Connect online at [www.LifeBridgeCapital.com](http://www.LifeBridgeCapital.com) for free material and videos to further your success.

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