

EPISODE 859

[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 Chad Sutton, thanks for being on the show Chad.

[0:00:32.2] CS: Hey Whitney, happy to be here, I'm glad we could finally do this.

[0:00:35.4] WS: Yeah, me too. Chad is a managing partner, leading the acquisitions team of Quattro Capital. Am I saying that right, Chad? Quattro?

[0:00:44.4] CS: You are, Quattro Capital, that's right.

[0:00:47.2] WS: Awesome, an investment firm focused on residential multi-family real estate such as apartment complexes, mobile home communities and mixed-use commercial. Chad is a recovering engineer who spent most of his career in corporate America in space flight and aircraft before turning into a niched real estate investor.

Chad, again, welcome to the show, quickly give us a little more about your background, your focus right now in the real estate business and what you do at Quattro and let's dive in to your super power.

[0:01:13.9] CS: Absolutely Whitney, thanks for having me here again and I must go ahead and debunk the joke real quick. If you go to our website, thequattroway.com, you will see that yes, we are Cinco in terms of managing partners but Quattro is what is around the founding pillars of our company. I've heard that before "But wait, you're Cinco, right?"

Yeah, kind of how I got to today, Whitney. I mentioned, I'm a recovering engineer, I played as a global supply chain executive just before leaving corporate America. That transition has been recent so I'm the youngest partner in Quattro Capital at 32. I left my corporate job about a year ago at this point, during the middle of a pandemic, right?

You want to talk about having some cojones at that point but yes, I spent about 10 years designing all things for military aircraft engines to commercial aircraft engines, to, I actually worked on the space shuttle and what you will now know is the Falcon Nine rocket that was sold to Space X from NASA so that the early designs of that, I work there as well.

Really cool stuff, Whitney, I spent a lot of time –

[0:02:15.1] WS: Sounds cool anyway.

[0:02:16.5] CS: From an engineer's perspective, it was a dream sandbox man, I had a lot of fun, I got to do some – I actually had a job, where it was my job to – I was running tests and I would shoot dead birds into aircraft engines just to make sure they could ingest them, you know? It was pretty cool.

Fast forward, you know, I looked after my – it was a really grueling life, okay? Designing new products, you're always being squeezed for funding and try to do things quicker and cheaper. It's a very tough life and I eventually realized, "Look, I'm just expensive labor, that's all I am." As soon as companies having trouble and you know, I watched people who I thought were much better than me, get cut at a moment's notice and their livelihood.

They put their entire heart and soul into that. That just didn't resonate well with me and Whitney, I also looked down and realized, "Gee, this American dream that I've built, me and my wife and I

are both doing well, grossing well over \$250,000 a year, we're paying about 40% in income tax" We were what you call the DINK's, double income no kids at the time, right?

We had no deductions, we had every loan you could imagine, student loan, car loan, house loan, everything like that and we just realized, all we had been doing is buying a bigger treadmill, right?

Fortunately, looking back, my family was invested in real estate, now we're talking small single-family assets, nothing wrong with that, still works very well but as the patriarch of our family passed away, that got me involved in real estate as well as my business partner and aunt Kim, who is the main asset management brain in our company and I watched her kind of as I learned on the sides, turn a business that had kind of gotten in the decline in their older age, it was thriving many years before but it had gotten into decline as granddad got sick.

I watched her turn that into 140% of what profit it was in a year so were like, "Okay, this is how you create value in this country, right?" From there, we really banded together and decided how do we get educated and learn to scale this thing, that resounding answer based on demographic trends in this country was multi-family assets at the time and eventually, we'll develop when that makes sense.

We formed Quattro Capital and have been acquiring first personally, and then with private equity ever since.

[0:04:26.4] WS: Nice, well, I appreciate you elaborating it's just always interesting to hear how people find real estate and especially leaving a corporate position like yourself, which most of us, I know I was – you're always trained, not at always but most are trained to think about get the education, get the education, get the great JOB right and then you're just set, right?

Then you get that retirement. Someday, right? Someday you're going to have that retirement, right, Chad? Then you're not going to be that person like you're talking about to let go many years in and devoted – it's horrible. I hate hearing stories like that when people have devoted everything, their life to a corporation and all of a sudden, it's just like they're a number, right?

[0:05:05.0] CS: Right, you are.

[0:05:07.3] WS: Yeah, I hate that but I'm so thankful that just like you, we found real estate and got out of the corporate side and now we're in control so much more than we ever thought we could have been. Congratulations to you for making that leap and now to where you're at now, let's jump into what you do for Quattro, I know you're in charge of acquisitions and you do lead a lot there.

Tell us a little more about your role within acquisitions and let's dive into just how you ensure you all are making just that sound investment?

[0:05:36.3] CS: Yeah, that's really critical guys, fortunately, being a recovering engineer, it means I have a lot of anal and nerdy tendencies, right? I'm very good with numbers and I know how things go together. I lead our acquisitions team in not only building relationships with our brokerages and you know, we actually look for direct-to-seller opportunities as well.

The real work begins when we start to underwrite and discover, you know, how is this property performing, how will it perform, we have to rely – I mean, underwriting is just a model and we have to rely on key data sources to make sure that we're pulling, we're actually pulling together a good model that is accurate as can be at this point.

Everything is an educated guess, all models are wrong, some models are useful, right? You know, I also lead – we typically contract out a lot of the due diligence work, we bring on third-party vendors for everything that specialized and it's really a big project management and coordination effort to make sure that we're evaluating every possible risk in mitigating that risk with either cost input or verifying that it is in good shape as it is.

If you miss the CapEx budget by 20%, that can really make or break your investment, right? I spend most of my time leading a team of three that we have internally as well as all of our property management and third-party vendors through that acquisitions phase, just vetting the property and then from there, deal structuring is really the art of the deal, right?

It's the art of the game. We have several loan products in our toolbox, right? I'll tell you, every loan guys, it's like a different tool on your tool bench, right? You have screwdrivers, you have hammers, you have saws. They all do different things, you can't just go to the same lender for everything and so structuring the deal properly, making sure you're structuring the capital stack, the source of your money to – in the most efficient way possible.

For example, if you're going to go and do a one-million-dollar renovation, a heavy lift on a three-million-dollar building, right? Assuming that that works out on a pro forma, you're probably not going to go put a Fannie loan on that thing, right? Because you're going to be – number one, it probably won't qualify, but you're also going to be bringing very expensive money from investors, right?

You'd rather get more, as much of that money from the bank at 4% than – or even at 6% than paying investor 20% for that million dollars, right? That just juices everyone's returns and really optimizes the deal. Not only is it, "Do we buy this?" Whitney, it's how do you optimize it, how do you make sure that you're going to run that engine at peak performance once it comes out.

People think, you know, everyone teaches the acquisition side, everyone teaches underwriting, everyone teaches going and performing good due diligence, that's perfect and it's all very important. What I think people miss out on is that is teeing up the platform for the asset management team and there's actually a lot of handholding in the beginning of transitioning that project to the next phase and the lifecycle.

If that is set-up wrong, the team's set-up for failure, you know? I probably went on a little too long on that but –

[0:08:47.2] WS: No, it's all right, it's great points, I just want to let you go there because that's some great things that all of us need to be aware of or think through, obviously as we're buying deals and underwriting.

You talked about evaluating every possible input and I loved your saying too, just like all models are wrong, some are useful, I love that. Yeah, they're so useful, right? Some are, more than others. But evaluating every possible input, can you just elaborate on any other inputs where

you see people making mistakes or where some of the first places that you go to check every time, you're checking that model?

[0:09:21.5] CS: Sure, yes. I break it into two different things, right? Well, three really. You have loans on the property, you have capital budget and you have operating expenses, right? Those are really kind of the budgeting items where – and CapEx is really just make sure you touch all the big ticket items. Guys, if you're going to go – don't be scared of an old building but understand it.

If you're going to go buy an old building, know that there's high likelihood, it may have asbestos, it may have cast iron drain pipes, it may have galvanized feed pipes, it may have aluminum wiring, those are not bad things. Insurance companies don't like them so you need to know how to mitigate if you need to, you need a budget for that and like, I'm buying a building right now, I was just talking to Whitney that we're about to write lock this week.

Everything's great on it, it's built in 1963. Solid brick construction, roofs had been replaced, the electricals are copper, the feed piping is copper so they've all been replaced at different points but it still has the cast iron drain system, that's okay, you just have to budget to go in there and ream it out once or twice a year.

It is rough, things stick to it, you know? Just understanding your construction and don't be overwhelmed by that, Google can tell you a lot, your experts can tell you a lot and I'm going to try not to segue too much here. Don't think you have to know everything, right? The question is, who can help me understand this, not, how do I understand this, right?

You will never be an expert at everything but eventually, you'll have talked to enough people that you can look at a building and know exactly how it's put together, right? Those are common pitfalls of making sure you don't miss those big-ticket items and you know, if you're off by 500 bucks on a unit renovation, okay, so what?

Put some margin on your budget but if you miss a \$274,000 flat roof replacement, that's a big deal and I say that because that just popped up on one of our due diligence inspections and that is a re-trade by the way. Hopefully this episode doesn't drop before the seller hears it.

Anyway, but that's on the CapEx side, on the operating expense side. I think it's pretty simple just to – people miss taxes and insurance all the time, I like to break it into controllable expenses and non-controllable. Taxes and insurance are not controllable. The insurance world is wild right now. Make sure you understand and have something on paper showing what types of coverage you're going to get and what it's going to cost.

You better not miss a tax reassessment. I've seen people bring me deals before and they assume taxes are going to stay flat and raise 1% per year, no. People are going to pick up on that and then it could be 2X in some cases, right? You need a budget for it. The rest of it is really, look at what the local area is doing, rely heavily on the profit and loss statement of the property you're looking at, rely on your property management company because the rest of that is just kind of local knowledge.

I think the biggest area that people mess up, we're all taught to underwrite and dissect expenses and figure out what you're spending but let's talk about income for a second, right? If you get income wrong, there's no going back. The expenses you can get wrong and figure it out but you know, what I see people doing a lot of times in their early underwriting phase is they'll go say "Oh, well look, it's renting it at 700 today and market comps are 900, great." I'm going to go underwrite a hundred units at 900 bucks in year one.

I mean, think about what's wrong with that, you know, you have hundred people probably who are signed on with leases that have varying exposure or varying expiration dates at around 700. You can't go in there day one and assume you're going to get 900 all across the board, you know?

Actually, spacing that – I call it income realization, right? There's a curve. If you lay out on a bar chart or something like, "When do all my leases expire?" this is as simple as putting all your lease expiration dates in excel and clicking graph, it's simple, right?

Just see when they all spread out and you know, you're going to see some properties are very even, those are nice and you can correct that if they're not but some properties are going to

have big exposure months where like half of them expire in July or something. Student housing is this way, right?

Making sure that you're assuming, your gross rent numbers based on when you can actually take a unit offline, do whatever you need to do to it, lease it back up and then the remainder of that year is your new rent, right?

Give special attention to income realization because I see people mess that up all the time and it's very easy, especially, the bigger the discrepancy, the bigger the error because if you go in there and say, "Hey, I'm \$300 below market and I'm going to assume I get it day one" well guess what, you're going to be missing 30% of your income in the first year that you thought you were going to have.

[0:14:03.6] WS: Probably a big portion here too as well. Yeah, great points there. I mean, you went through so many things from deal structuring to loans, capital budget, operating expenses and also just the importance of knowing your income and when is that income realistically going to happen, being conservative also about you know, how long is it going to take me to get this property to that point.

I wanted to back up a little bit, you know, talk about deal structuring and you made a great point to just – different loans or different tools and you need to understand how different loans work and talk about the capital stack. Any other tips on just the deal structuring, we hear that term a lot and you know, a lot of people, "Wait a minute, how many ways can a deal be structured" They're like, "Oh my goodness"

[0:14:46.4] CS: Let me tell you.

[0:14:47.5] WS: Yeah, I can't even tell you probably. There's so many different ways to figure these things out or try to make them work, however, that's also where some people can get in trouble too but any tips on just thinking through the deal structuring or capital stack, ways that you've been creative, to still make deals work and then maybe others can.

[0:15:06.7] CS: Yeah, I'll say, in the beginning, you're going to want to keep it simple, right? We started out with just a straight equity split, we didn't do a preferred return, it was just like okay, 70/30, that's it, right? Everything is split 70/30 no matter what. Once you start to get into some larger deals and you start to try to acquire more stable assets in a hot market like somewhere in North Carolina, right?

You're going to see, there's enough competition there that people are going to be creative with how to make that money work. Your typical 70/30 split or just underwriting for a 12 cash-on-cash year one or whatever people teach you, that's probably not going to work.

What you have to start thinking about — really focus on the capital stack. If we unpack that for a second, right? The capital stack, they can't see my hands. I'm going to try to stop talking with them. The capital stack, you start with the senior debt, that is your loan, that's your Fannie Mae, Freddie Mac, Bridge loan, whatever it is. You start with that, that's going to be your biggest investor and yes, your loan is your investor.

[0:16:08.1] WS: I like telling people, it's like we're building a brick wall and the senior debts on the bottom.

[0:16:12.5] CS: That is the foundation, right? That's going to be your first brick and your biggest brick and then your — if you have mezzanine or secondary financing or a second loan, that could be this — the next brick. Whoever's behind that in debt, you know, that's your debt to blocks.

Above that, you're going to have preferred equity, above that, you're going to have common equity and then above that you're going to have the deal sponsor, right? From bottom to top is priority of getting paid. If you don't pay your loan, you lose the property, we don't pay your preferred equity, they get upset because they have a right to that.

Basically, you as the sponsor are the last one to get paid. What I see people doing and we're actually starting to do this, let's say you're starting to play, the 70/30 split thing can probably get you to about a five-million-dollar deal, you know?

You probably can get some small ones in that area. You start looking at a 10, 15, \$20 million deal but let's just say you are looking at a \$50 million deal. Let's say you need to bring 10 million in equity for the bank and then you're going to need maybe another, I don't know, five million in closing cost and CapEx, let's just say for example, right? That's 15 million you need to raise.

You know, you're probably not going to go get that from \$50,000 investors. You can but that is a lot of people, you know? The efficient way to do it is to go work with an equity company or a high net worth individual or family office, someone who can write a big check, right? Now, let me tell you what happens when they write big checks. They want a more secure position because they are in capital preservation. They're not looking for sexy 30% returns, most of them —

Some of them are but they're looking for, "I want a good solid 10 pref on my money and I want to make sure I get my money back first, if the deal goes sideways." They will give you, you know, they'll say, "All I want is a 10% return on my money and then I'll take a lower share of the residual upside," but they want to make sure when you sell or when you refinance, they are going to get their money back first before everybody else.

Well, that allows you to get let's say a \$10 million check from one person that is cheaper than a let's say a \$200,000 investor who is capital growth mode, right? He is looking to get the biggest return possible. That is your retirement investor, that is your medium to high-net-worth individuals who are doctors, lawyers, people who have money to try to grow it. Those guys expect 15 to 20% IRR, right? If you start to structure it that way and you say, "Okay, let's do two classes of investors."

A class-A investor is that preferred guy who is the big check and he has kind of lower returns but more preferential treatment and then you have the — and I hate the term preferred Whitney, because no investor is more important than another. It's just about the waterfall, right? You know, the buckets with which money flows and then behind that, if you go get the rest of the money, let's say the five million from investors who are looking for a bigger return, well guess what just happened?

Now, most of your money is cheaper and the remaining money gets the residual upside that that big investor didn't take, right? Now, you can start to make a deal attractive at a higher purchase

price and still make everybody happy with the returns because honestly, value in a deal it is how do I structure it to where I am making everyone the amount of money they want to make and they're happy with and then how do I make sure I can sell to the next guy, if you make all of those things work.

[0:19:33.6] WS: Quickly because we are going to move on to a few final questions unfortunately, quickly tell us about working with that equity company. Who are they? How did you find them? Give us a couple tips there because I know most people are seeing a lot or they are trying to get to their first syndication maybe they have done a few.

[0:19:49.8] CS: Yes.

[0:19:50.1] WS: There is a lot of the very experienced operators as well but you know, most are probably going to be as familiar with working with an equity company, what does it look like? How do you get to do that?

[0:19:59.7] CS: Yeah, and don't freak out guys, you're not going to do this on your first deal, right? They're not going to come do this for you on your first likely. You start to do two, three, four deals in the smaller space and you start to get some attention and organically, people start to come to you and you know this particular – this isn't an equity company. It is kind of like a group of high-net-worth individuals and they've hired an ex-multi-family got to invest for them.

It is almost like an investment club, right? Well, one of our alliance partners had done a house flip that they fund single-family flips. She had done a flip with them and they got wind that she was doing a multi-family deal with us and got interested. It was just like an organic relationship that happened. We initially brushed them off because it sounded like it wasn't going to be preferential or a good relationship and then the more we talked to them about it like, "Okay, you guys actually do know what you are doing in the space and this makes sense for the both of us. Let's talk about it."

What we have gotten out of this as we work together on the first thing Whitney is I kind of – you always have to be, perceptual positioning is key, guys. When you are talking to a property management company and you are trying to get them to take on a 20-unit building for you, don't

just say it's just a 20-unit building. We did that and we were like, "Hey, but we're going to go buy six others." You know, set the vision, so we set the vision with these guys that we want a 50% equity partner on every deal we do.

You can be that partner, you know coming for 25% on this one, let's get to know each other but we want a big check writer, you know? That is a mutually beneficial relationship because now they've got places to part money. What's it like working with them? You're going to have to expect that you know for bringing big checks they are going to have some special interest clauses, right? They're going to want to have some sort of a say or veto power on a sale or refinance.

You know, they want to kind of have some, not control in day to day usually but you start talking to a family office and they're going to – I call them bad boy clauses but it is more like go sit in a corner with a cone in your head. If someone is giving you 10 million bucks, they don't want to be involved in it but they are going to have something in there that says, "Hey, if you screw this up, I am going to put you in time-out while I fix it because this is my money" right? You can expect –

[0:22:08.0] WS: And rightfully so.

[0:22:08.8] CS: Yeah, rightfully so, so you can expect things like that. They are trusting you but they also have it's, "yes, but, this" so expect some of those type of things to come along and expect you need to have a good attorney because these guys do and they are going to run over you if you don't.

[0:22:23.6] WS: Yeah, they are going to end that transaction fast if you don't.

[0:22:26.8] CS: Yeah.

[0:22:28.0] WS: Thanks for elaborating on that a little bit. It is not something we get to talk about a whole lot on the show so I love hearing that, how people have done that. Maybe we can talk about it again sometime.

[0:22:36.8] CS: Yeah, I'd love to.

[0:22:37.6] WS: Quickly, how or what's been the hardest part for you Chad just getting into the syndication business and getting to the point where you are now?

[0:22:43.9] CS: I think it was a mindset shift Whitney. When I started doing this, I was still in corporate America. I was working long hours at both, you know, you keep hearing me say I-I-I, right? I was not leveraging other people properly. I was doing a lot of work, right? You start to figure out teamwork makes the dream work, right? Getting over that mindset of, "Hey, I'm working and I need to get paid now" versus "I am working to learn and earning will come" right?

I know people are going to look and say, "Yeah but you know, I have these problems" and "Well, you know what? I had a lot of debt too." I had a lot of expenses. I had a kid, I had a wife, you know we restructured everything. This was not a, "We got into this and all of a sudden bought a bunch of deals and lived happily ever after" you know? It took us about a year to get enough trust to get our first deal and you know, so there was a period where I was working and doing this trying to get it off the ground.

You just kind of have to divorce from that mindset that this is like a Rocky movie and in two minutes, you're going to jump rope for 10 minutes and go knock out the Russian, you know? It doesn't work that way. There is no fancy music in the background. It's a grind. It's hard but you can get there and you have to really work on your mindset to make sure that you are thinking positive thoughts. You know you can achieve this and you get creative along the way, right?

[0:24:01.0] WS: Very true.

[0:24:02.0] CS: I think the biggest, yeah it was mindset man.

[0:24:03.3] WS: Very true, so true mindset is so important. I would say listening to the Rocky music in the background might help to keep you motivated though.

[0:24:10.2] CS: It might. It doesn't hurt.

[0:24:12.2] WS: Chad, how do you prepare for a potential downturn?

[0:24:15.8] CS: Potential downturn, so we've been through a few things in the pandemic already and I love it because you learn the most when you go through hard times, right? Now, we've prevailed on everything but preparing for a potential downturn, at the end of the day, cash and cash flow are your life blood, right? We go end up into every deal that we do sometimes with ones we do just with us, we don't but every deal we do with investors for sure, we go in with more cash than we need.

We make sure that we are at least for the first three to six months, we're figuring out operations before we start to outlay a whole bunch of cash. You don't want to deplete your reserves so quickly. It is very important to stay cash-flush. It's very important to stress-test your deals and know exactly like, "Okay, how big of an economic vacancy can I handle before I start to be negative cash flow" you know? Now, you're not distributing at that point but first and foremost, your responsibility is to protect that business, right?

Protecting that business means it cash flowing, it is covering its obligations and it has cash in the bank. I won't really put a number on what that is but you know, it's different deal by deal but you figure out what makes you comfortable and what still makes the deal work and you preserve capital and then you just have to make the decision on do I spend or do I hold, you know?

[0:25:31.1] WS: What do you predict over the next six to 12 months to happen in the real estate market?

[0:25:34.8] CS: Yeah, so this is hard to outlay but I do think we are going to have a housing crash in the single-family market. Now let me be very specific, that is home owners. As debt remains low, sales comps continue to rise, people pay more and more for houses, there is a bit of a bubble, you know? Whether it burst tremendously or deflate slightly, I'm not sure but it will deflate. Markets go up and down, this is the fact of life, get used to it.

I also predict that multi-family cap rates will continue to compress for a very long time. I don't see now they will probably have to slow off but if you look at the curve between the cap rate and the tenure treasury, the tenure treasury plummeting gave the cap rate room to start to continue

going down and still getting a good spread between what you are paying for an income stream and what you can lend on it, right? It's called the yield spread.

When you look at that environment and you look at the environment that our supply and demand and balance is going to be there for 20-plus years, we are just not pulling enough permits to handle the renter nation that we are building guys. I think multi-family is going to continue to be a strong investment. I think it is market by market of course. You are going to have to make sure you're in a good expansion market but I do see that continue to be a good investment for many years to come.

[0:26:51.5] WS: What are a couple of daily habits that you are disciplined about that have helped you achieve success?

[0:26:56.3] CS: Well as you see, I am dressed out in workout clothes right now so I am doing a challenge with my team this year called 75 Hard from Andy Frisella. The guy is a little bit raw so forgive me if you go listen to his podcast but great guy, a good motivator, you know it's about mental toughness. Yes, there is physical fitness and dieting and all of that involved but it is also about reading business books and documenting your progress and you are really doing those monotonous tasks every day that overtime make you better, right?

You don't see the result day to day but you see it at the end of the 75, so really working on my mental toughness is key because you know, this is not an easy game to be in nor is anything in business and having the mental toughness to know that you can figure out whatever comes your way is important. On the side of that, I also practice *Miracle Morning* by Hal Elrod, great book. I rise between 4:30 and 5:30 every morning depending on how late I was up the night before.

Typically getting in good high value work time before everyone else rises, it really sets your day up for success, you know?

[0:27:56.3] WS: I could not agree more especially about *The Miracle Morning*. That has changed my whole business projectory when I got serious about the structure of my morning.

[0:28:05.7] CS: Right, businesses are built before 6 AM, I'm going to tell you that right now.

[0:28:08.9] WS: I completely agree. What is your best source for meeting new investors?

[0:28:12.6] CS: Best source for meeting new investors, honestly, I would say social media right now. We and it is not that we are advertising or anything but we have committed to posting value add content, posting personal thing, being authentic, just being an influencer, right? That and podcast, it's just being out there in the digital world. I can't tell you how many people are attracted to you by that just by hearing you speak. They feel like they know you from watching your posts, seeing your family.

You know, listening to me talk to you on a podcast, just that kind of organic relationship-building it starts that way then they reach out to you and then you all of a sudden, you now have the opportunity to build a relationship. I would say it's becoming very organic at this point.

[0:28:56.0] WS: What's the number one thing that's contributed to your success?

[0:28:58.8] CS: That's a tough one. I think I'll have to say I was blessed by negative reinforcement with the work ethic as a kid. I was not beaten into submission but I responded well to a slap on the back of the head, you know? Having that reinforcement to make sure I knew how to work hard. You know, I worked as a stable boy as a kid, I knew what hard work was at a very young age. I knew what I didn't want to do and then you know that fueled the fire for me to go do what I do want to do.

What I do want to do was changed overtime and I am sure it will keep changing but having that fire lit in me early I think has contributed to everything I've been able to achieve with my team.

[0:29:43.6] WS: How do you like to give back?

[0:29:45.9] CS: Philanthropy is one of our four pillars of Quattro. We love giving back, we give back in different ways. For example, when the explosion in Beirut happened earlier this year, one of our partners is a world traveler and has a lot of friends and family in Beirut. We sent him

over there with I think it was 15,000 US, which is a couple of hundred thousand US local currency and put it in the hands of the people to help rebuild those businesses.

Another one of our partners has built houses in Belize, in places like that just to – like this little self-sustaining, for 5,000 US, you can build a self-sustaining house with a chicken coop and all that kind of stuff. It is really neat. You know, I personally love giving back through the church as monetarily of course but through music. You know, I haven't done it in a while but my favorite way to serve is actually to go and play music in worship and things of that sort rather.

That is a really great way to get involved, so we all have our own ways of doing it but you know philanthropy is very important and you need to give what you want to receive, you know?

[0:30:44.3] WS: Well, I appreciate you sharing how you give and giving back in that way and being so transparent about it, it's so important to us as well so thank you for that but Chad, great show. I appreciate you just sharing your time going, you're 32 years old but moving from that great "corporate" position into wow, you know, into a great business and helping build that business and taking such a large role there on the acquisition side but going through the deal structure and just those three things you talked about.

I mean loans, capital budget, operating expenses, income and numerous things and not just three but even just keeping it simple in the beginning and thinking through some of those things, it can seem so overwhelming when you are first getting started but I love how you even ended just with how important mindset is and some things you've done and are doing, just to keep honing your mindset and it is so important. It doesn't stop, right? It is something you have to stay into.

[0:31:38.9] CS: It's a muscle.

[0:31:40.7] WS: That's right.

[0:31:41.2] CS: Yeah.

[0:31:42.2] WS: But grateful for your time and just sharing some light or insight into your business and how you've made even successful. Tell the listeners though how they can get in touch with you and learn more about you.

[0:31:53.2] CS: Yeah, the easiest way and I am sure you can put this in the shownotes Whitney is to go to our website at thequattroway.com. Quattro is Q-u-a-t-t-r-o and we'll see if he edits that out, if he puts it in the shownotes but that would be the easiest way. You can click on any of our pictures and schedule a time. You can follow us on social media, you can email us directly. That would be the easiest way to reach out and I think we even have some videos of personal introductions so you can kind of get to know a little bit more about us on the site.

[0:32:20.8] WS: Awesome, that's a wrap Chad. Thank you very much.

[END OF INTERVIEW]

[0:32:23.9] 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.

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]

[0:33:04.2] 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]