

EPISODE 903

[INTRO]

[00:01] ANNOUNCER

Welcome to The Real Estate syndication show. Whether you are a seasoned investor or building a new real estate business, this is the show for you. Whitney Sewell talks to top experts in the business. Our goal is to help you master real estate syndication. And now your host, Whitney Sewell.

[INTERVIEW]

[00:23] Yishai Breslauer

This is your daily real estate syndication Show. I'm your host, Whitney Sewell. Today, our guest is Yishai Breslauer. Thanks for being on the show, sir. Thank you for having me. I really appreciate it.

[00:34] Whitney Sewell

At the age of 36, he made a radical career change from a teacher to become the CEO of a real estate development investment company. He had led several acquisitions both on the GP and as well as on the LP into deals ranging between 3 million to 300 million from condo development to student housing to office and retail recently started a new commercial real estate podcast called CRS shark I show so each I thanks for being on this show, grateful to have you and get to know you and be able to share your shore and encourage the listeners and myself. But I get us started a little bit, maybe with a little bit of your background, but it's a massive decision, right move from this career, you know, you've probably been in for many years, and then take just a massive pivot. But let's get into that give us some background, and let's dive in.

[01:22] Yishai Breslauer

Right. So basically, just as you say, being for many, many years as a teacher, especially loving, being a teacher, until today was one of the best things I've ever done. Meaning was really fun being a teacher, but at a certain point, and that was already at the age of 35. At the time, you know, you realize that your finances need to change something needs to change in your life. And I started looking around then a friend of mine, it's all started really with a friend just bumping into me and he said, hey, do you want to join? I started taking this course, you know, would you like to join me? And I was like, what is it? And he said, Listen, it's about doing the right thing with your money, and about investing. And I was like what, you know, a teacher would you know, what is that about? And it sort of flew out of my head that he started talking to me about Rich Dad Poor Dad, meaning that was the first I would say thing that I've ever heard of just a week and a half later, I'm playing basketball and I landed on my I don't play basketball anymore. Just full disclosure, meaning too old already, meaning shooting hoops with my son, that's it. But at the time, I just landed on my foot and I tore my ligaments was pretty bad and lying down and bad leg up, you know, can't do anything. And I saw watching YouTube videos at the time

was a new thing, by the way. And I started getting introduced to it. So anyways, make the story short, I started getting into this whole thing called real estate, I started falling in love with the idea of real estate. I started taking and once I got better, I started taking courses and courses of basic stuff like single family homes, and you know, the regular stuff that pretty much everybody does. I had always that dream that I want bigger. I wanted like the big real estate I didn't even know it's called commercial real estate, I knew that I want the bigger thing. So I got into that. And eventually I started investing on my own a little bit. It started with again, my own house, second floor I built and I got into the construction, the whole thing and I said I want this career. I don't know how I don't know how I'm going to do this. I was already 36, like you said, and I said how am I going to change that? And I went to a consultant. And I said to him, listen, this is the guy, you know, from the Academy, this informal Academy that I took the real estate courses. And so listen, I don't want only to invest on my own, I really want to career in real estate. I want to all in, that's what I want to do. I want to be online in this whole thing. So he says to me, Listen, he shy you know, with all due respect, you have a beautiful resume as a teacher. And as an educator stated, just do that. Don't do anything else. Just stay there. Because he has zero chance to make it you have zero experience in business, no training in business. Nothing, nothing to do with real estate, obviously, except of your own investing. And that's it. And you burned me up. So he told you not to do it. That seems horrible. He said he said listen it with all due respect, you know, just, quote unquote, give up. I was burned up, you know? And I said, I'm going to prove him wrong. Start calling everybody I know who can introduce me. I had in mind few big real estate companies. And someone actually knew someone who knew someone you know how it works. And I got a meeting with that very large development company. And I said, Can you get me a went with a guy into the meeting to the vice president of the company was the vice president marketing and sales and I said Listen, I'll start from the bottom. Just give me a chance. Let me start. And he says to me, you have zero experience no business experience zero experience in sales. You don't know anything about real estate meaning except for your courses and your own investing but in terms of the corporate world and being a part of it, you have no idea and you want to work here And I said, Yeah, I'm not going to let you down, just give me a chance to cetera. And he says, Let me see your resume again, it looks at my resume said, you know, something you're hired, like what? And he said, I'll look at your resume, you've been to every because my previous job required students basically from all over North America, she said he have the connections to the type of clients that we need here. So I'm going to teach you everything you need to know about real estate and construction and planning and this and sales, etc. And I got in there. And that was my I would say, the first dip into the world of real estate. Did that mean leaving your teaching career right down? I mean, like, by getting hired that man, I am leaving this career that you've probably been doing for, what, 10 or 15 years at that point? 13 years? Yes. And I left, I just walked out, it was pretty weird. And I got some emails from colleagues saying, like, you're leaving, you know, you're nuts. Yeah, but that was it. That was the start. That's how it all started. Yeah. What about pushback from family or spouse? Or, you know, like, what, how did you manage that and them to be behind you in this? I was there one time, and most people have to make that leap. You know, it's sometimes it's difficult if you don't have support, you know, especially in the home or family or close friends. What was that like for you? In my case, it was pretty much a no brainer. Why? Because our situation was screaming change. And the way I had the change coming was that that's it. That was the answer. So everybody said, do it, you know, go for it. Except for the people. Of course, it works with me. Yeah, so how did you know who to listen to and who not to their, I guess your situation was screaming chain. So it was like anything, we just have to try something right? Simple answer, I listened to myself, meaning it

was at that point already. It was an inner, sometimes the inner voice is weak. At that point, my inner voice was screaming in my head in a way that it's like, everything else, everybody else was saying, what are you going to do? We're going to do you have no experience, etc., all those things. It was already noise, its noise, cancel the noise, mute Goodbye, and go forward. And that was it. From that point, it was not a picnic, I can tell you that meaning from there to get to where I became a CEO and to lead all these deals that I led, that was already a different business.

[07:22] Whitney Sewell

Was that a good option to say, you know, get hired by this other company? How did that work out? Is that something you would recommend? You know, for somebody that's like brand new getting in real estate? Was that a good option?

[07:32] Yishai Breslauer

No, it's a great question. The answer is no, I did the wrong thing by not knowing how to do it. Okay. That's why today I coach and preach differently. Because I went to the only thing I knew, meaning everybody said big company go, can I sell a sales job would put you in the place where if you want it, that's great. If you want to be a broker, or you want to be in a marketer of condo developments, or single family homes, all that good stuff for residential, the residential side of things, great, do it. But that was not my passion. And it took me about two and a half years to realize, oh, my gosh, this is wrong. Because at a certain point, I went into sales, meaning I had a week with moguls, people who had a lot of money, and I had to sell those penthouses, luxury condos, and was set up all in Manhattan. And I'm sitting down with those guys. And that week changed my life because I sat with the first guy. And he's telling me he's not interested in all that stuff. And I was okay, what do you do? So he's telling me, I do m&a. Okay. Second day, a guy who does, you know, buys lots and builds buildings and builds, you know, a kind of development and office buildings. And he tells me about that. And the last day I met a guy until today I'm in touch with was the coolest thing comes the young guy just a little all the me with the suit is like has the swag and walks in. And I'm trying to sell him this apartment. And he's like telling me after five minutes, is that okay? Stop talking. Like what? He says stop. So I'm buying it. I told him Okay, its a million dollar condo. So you say, cool, I got it. It's a good deal finished. So I'm like, what do you do for a living? So I said you really want to know what I do. So come to my office, I came to his office a couple of days after he shows me all these pictures you know, in this is a fund. That was the first time I got introduced to this concept called OPM other people's money and syndication. And how you can actually get investors to come in and how you make mega million dollar deals, or even smaller deals doesn't matter. And he has multifamily all across the US. And that's how I said that's it. That's what I want to do to start a new journey. So to answer your question back, what I would tell people to do is not that the starter point would be to get a job at a corporation or medium size doesn't have to be a huge size because they will hire only Ivy League people but to start with a medium sized company and to say I can go and To be an expediter, if it comes to development or big be a part of management to get introduced to this concept to go and visit sites, visit properties, see how it works? Be a part of the organization. That would be the first dip that I should have done. But that's what I would tell people. No, either way, you didn't let it stop you and you kept going, you found the next thing, you know, and he kept pushing through, tell me about you know, okay, you met this group, you learned about, you know, this thing called syndication, right in commercial real estate, and just their scale, you know, in the US, I just let the listeners know, you know, you're in Israel right now, you know, as we do the interview, and

but you're doing deals in the US? Correct? Is that right? Yes. So, you know, speak to the next few steps that you took to develop your own business and start doing deals in the US, even though you're in Israel. So I think that the next phase was educating myself, the second I found out, this is what I want to do, I realized that, okay, I know, we're a little real estate, I know, construction and all that stuff. But you got to know your numbers. And I remember reading that article at the time with all those real estate moguls. And that was this article said, you know, with a guy who never went to school never did this. And he's like, he owns a huge company. And he wrote there, you got to know your numbers. That's the first thing you have to do. There are many other things that you have to know. But that's the benchmark. And that drove me basically to learn that, and how did you educate yourself? How did you learn the numbers? Amongst other things? You know what the hard way at the time there weren't any meaning you're talking about 10 years ago, not 10 years ago, talking about eight years ago, online courses, were not that available. And I went to a family friend, they said, hey, go to NYU shack, great school. And I'm like, I know it's a great school, but it costs a lot of money. And I'm flying back and forth. I work in America, I live in Israel go back and forth. I used to live, by the way in New York, prior to that, but by that time, have five kids, I'm flying back and forth. How in the world am I going to do this? So I couldn't find any other way. So to answer your question, what I did, one of the guys that I was dealing with actually said, Listen, do you want to help us raise capital? You know, people, you know, helped me connect, and you know, you'll get a cut and all that stuff. So I said, cool. Send me what you got. I'll show it. So I'm getting this PDF. And I'm like, how do you read this thing? Damn. So the analyst said, Listen, I'm going to send you the Excel sheet. Tell me if you have any questions. So I took the Excel sheet during the day spoke to people, nighttime, I just went to the computer. And I started looking from each box in the Excel where this is coming from, where's this coming from an X question and put questions mark, what is this? What is that? That's how I learned the hard way. But once I knew that, then I created relationships. That was the next step of my career, which I became a head of real estate investment banking, one of the biggest finance firms here. And, you know, it's basically a global firm. But I started dealing with us deals and started, you know, being exposed to all asset classes. And I would say that was the real step in. And from that point, I just went for it,

[13:04] Whitney Sewell

Created relationships. You mentioned that, right? The network is just key, right? Those relationships, and, you know, what was it about that relationship specifically? Or what, you know, what should we be looking for that somebody that was in your shoes? How did you gain that relationship and add value to them? Or, you know, what did that look like? So, you know, to get your foot in like that into commercial real estate,

[13:23] Yishai Breslauer

That's key. The way I would say to anyone to do it would be first of all, LinkedIn. I would start with that. First of all, LinkedIn. LinkedIn is amazing. I remember opening my account in 2007. Everybody says, like, Facebook is just business. I'm sorry. Okay, cool. So I opened, and then slowly started making connections, connections, connections started blowing up. Like with time today, it's 20,000 plus followers, but at the time was very small and started growing. As my career changed. I started making connections with people I needed to make connections with, at the time, whatever position I held, or whatever deal I led. That was the first thing. Second thing was, obviously use my own connections to meet other people. I call the people I knew, what do you know, who do you know that I should contact

is thing, how you say not being shy is the key, you can't be shy, you've got to be an outgoing guy, or girl doesn't matter. You just have to be able to pick up the phone and do whatever you need to do or connect. And the last thing, which was genius that I did, I didn't even know its genius. I just did it. I'm not a genius guy, to say the least. But what I did was real company that I was the company that I was mainly a candidate development company. In order to find buyers for condos, I signed up to an organization that pretty much is in line with my views and my whatever and their views and whatever it was that had a branch with a real estate division. That's why today I tell people, finding your community if you're Chinese, Greek, whatever. If they have a real estate club for high end people join it, if it costs money, find the money join that gave me connections that were lifetime connections. Lifetime, literally, tell me a big struggle or two that you had in making this transition to success in commercial real estate. I think the biggest struggle was networking was, I wouldn't say easy was hard. But I think the hardest part was knowing that I don't know, meaning, realizing how much I don't know how much I have to know how much I have to educate myself. And that's why today, this is my passion, to simplify it, to package it to make courses that are shorter, that are concise, all that stuff. How did you overcome it, I think all of us can get extremely overwhelmed. Especially you know, you're wanting to take a new path, you're leaving an old career. I mean, it can be very overwhelming, we think, oh, my goodness, you know, there's all these things I have to learn. But you know, I know you dug in, you did it the hard way you said, you know, like learning the numbers, all those things, you know, what helps you to still overcome that, and not just quit because of the fear of not knowing all these things? I think that's a great question. I think that the fact that you see, five steps ahead, not 20. Like you see the next step, maybe the other one, the other one, the fifth one is already too much. But that's what you see, I'll give you an example. Okay. When I worked for that big development company, and I had to sell condos, I had to learn how to work their system and there, you know, their whole thing. And how to calculate discounting for the sales that I had to make, which is, by far simpler than anything that we have to think about acquisitions is by far, but it was not in my realm. At that time, I didn't even see that 30th step or whatever. I saw my first step, how do I learn to do that, I had the person writing for me. And they taught me many people who were in sales, they taught me how to calculate the basics. And with that, I went and did the actions whatever I had to do to sell to, to show etc. When I already got into the Real Estate Investment Bank of which required reading models, you know, which is a whole different, you know, performance models, p&l, meaning, you have to already understand what the IRR is here, and what type of noi you could do here and how you can generate a better noi with this, that then the combination with this cap rate and with its market size, and all these things. So it requires you to say okay, what I know until now it's okay, cool. But now the next step is this. So I think the not getting frustrated part is just to your next step, just keep going. Take the next thing you don't know, study that and simplify it meaning in like, for example, I remember not knowing what IRR is everybody was saying IRR sitting in a room with people and I'm making the connection between a guy who does real estate, you know, multifamily all over and the guy who is investing, right the fund, and I'm sitting in the room and they're talking, and I don't understand anything. They're saying I remember the frustration. And I said myself, I can't understand what they're saying. And I picked up a few words, I went to YouTube, I looked it up. That's how you do it, you know, piece by piece. It's so many there's so many pieces, and people get overwhelmed by them. But you don't have to get all the pieces you have to get just the next thing. I think that's so wise can be just so overwhelmed. And you can overcome by fear, you know, so it just halts you often. I think he said it well, when you can just focus on the next step, the next piece, right? Just focus on that accomplish that. I think it does numerous things. So just mentally, it helps you

to gain some momentum, right, you know, you've achieved something, you've had an accomplishment. And now it just motivates you to go to the next thing, as well as just talking about it often because I just find it time and time again. It's a small consistent steps, right, that lead up to bigger things. And it sounds like even for you, you know, you didn't quit, you know, this didn't work out or that didn't work out. But it's like you knew where you wanted to go. You didn't get overcome by fear. It's I can figure this out. I figured out the underwriting, you figured out the underwriting and then you went to this next person, you learn these things, and you didn't quit, you know, it was the next step after the next step. And congratulations for not quitting and keeping on going. I find that anyone that's had success in real estate yet we still in journey. That's right. We all are, that's for sure. So how do you prepare for a downturn? Like you're reviewing deals or, you know, what's your method for just being prepared for the unknown? I would say that the word downturn is something that I would put on the shelf for a second because I think that if you have the fundamentals, remember we you know white, Michael Jordan, you know, spoke about his basketball he said I always go back to my fundamentals man with all the fancy stuff. I go back to my fundamentals time. It's the same thing here. I go back to my fundamentals and my rule is not my rule is everybody's rule that is doing real estate knows what they're doing. And that is the macro to micro I call that's the name I call it but you know, everybody does that pretty much wherever a professional is and that is going to the market that you want. If it's a country, state, neighborhood, country, state city neighborhood block. Acid basically, but lock Street and acid. So you narrow it down until you get to the asset. So I start from the top, usually, I go and find the right type of market I'm excited about. And usually I will follow the growing markets, meaning, or the booming markets or the places that are up and coming like where the pack is going, as Wayne Gretzky said, you know, that's where I would look at. That's the first thing. The second thing within those markets, you have the pockets, which cities more have more jobs has more growth, as a bigger hospital as Whatever you're looking at, you have to see where the crowd is going, where the jobs are going, where the growth is going. I always say that even if I look at a retail center, I would look around the type of around the retail center, look at the round the type of residential the houses they have, what the valuation is, what is the growth in the past year, that's what I would look at, no matter what type of asset class and from there, I will take it from there meaning and then to narrow down to the asset, because you can have an asset in the same street one is garbage. The other one is gold. So that is my method and talking about a downturn. That's my philosophy, some people jump right away, like, for example, what's going on now, some people are already talking about Joe jump by, that's not me, okay? I'm not saying they're wrong, and nobody has a crystal ball not mean at them. My philosophy is because I looked at the other downturns and I studied them, just like many other people, I, the way I see things is, I would say the following, you have to go and see where the market is starting to get back, you can't go at the very bottom, not knowing that you're paying now a property for example, and that this, you know, reset for so called recession could continue for another X amount of months. And it's going to bleed taxes, it's going to bleed interest, it's going to bleed all kinds of things that you don't have. And I'm not talking about those big family offices or deep pocketed, you know, corporations or families that they can just buy a hotel that he's dying, sit on it, pay the taxes for three, four or five years. And then Rob because they have it. I'm talking about all the rest. Okay, all the other syndicators, all the other funds, all the other corporations are not as big, they're going to go and they have to find the right timing and finding, in my opinion, the right timing is where the market starting to get back. And you have to that timing here is everything. And every market talks a different language.

[22:34] Whitney Sewell

And there's some great points area to buildings on the same street, they can have totally different things you got to understand your market timing is so crucial. I just did being involved last few questions quickly before we run out of time. But what about a couple of daily habits, you show that you are just disciplined about that have helped you achieve success?

[22:51] Yishai Breslauer

The first thing in my way, because I'm in a different country, and I work in America, many right before COVID imagine I was flying two weeks, two weeks in Israel two weeks in the US having two offices, one in Brooklyn, one in Manhattan, and driving and flying all over to see properties and meeting with people. So it was insane. So keeping, I would say the traditional 5am type of schedule was totally not for me. And I realized that only by doing it because at the time I read all these books and they said Oh, you got to wake up at 5am so I woke up at 5am I thought I'm going to die after like two months. So I said that's not for me. It's not going to work. And especially now that I'm you know, behind a computer just like many other people quarantined, call it whatever you want. My routine is around us. Clock. So I wake up every morning much later than people in the US because I work on us clock. I sleep first of all, in my age, normal four hours at night, I'm going to be 48 soon. So there's no set meaning enough for that, you know, meaning that was beautiful. When I was in my 30 in my early 30s gone, I can't do it anymore. So I sleep six hours at night or zombie, meaning six hours seven hours are more than enough for me. That's the first habit second habit I and that's something that I'm still working on. I need to get better with those things but to eat healthier, because if you eat badly, it's going to attack you in every single way that you can imagine. So I Yeah, I agree completely. Sleep and nutrition are extremely important for your just mental health and drive. Yeah, and I drug at least twice, three times a week I do my five miles you know, four or five, six miles depends my energy and where I am. But it clears my head. They do whatever they need to do and these are my routines that I would not go away from. And the last but not least, is the fact that the weekends for me, I'm an Orthodox Jew. So we have the Sabbath we have so from Friday on until the end of the Sabbath, basically Sunday morning Sunday. I work Meaning, the Sunday thing, I don't need that time I have by Friday afternoon myself, that's good enough for me. But it's a complete shutdown. We can't use phones, we can't use computers. That is the best reset I have. And that is, I can't thank enough. God, I guess you know, for this tell

[25:16] Whitney Sewell

Us how you like to give back.

[25:18] Yishai Breslauer

So giving back, first of all, is, you know, there's a rule that I always tell myself, and that is a rule that I grew up on. It's called your How you say the people who were putting your city of coming first, they come first meaning, it doesn't only mean your city means your family. So a lot of people are giving money, right? They're helping their whether it's with money, or with their time, or everybody with their own right thing. People could help in Africa, all kinds of very important causes, I met some people in my life that are doing that, and their sister brother are in pain. So the first thing is, love your family. That's the give back. If your family someone in your family is in trouble, they come first. That's the rule. And from there, you grow, family, community, neighbor, city, and then you can go whenever you want, you know, and help whoever you want. And that's important. But it starts if someone is giving in their

brothers, sister, or father or mother, or son or daughter, whatever, you know, they're in some kind of pain that you could help and you're not doing it. That's the first thing I look in the mirror and pleasure to meet you and have you on the show. Grateful to hear your story about from your teacher to CEO that transition is such a hard decision. Right? It is. So such a difficult time, you know, being committed to that when someone's had that career, and they have all this pressure to stay there and you've done it, you've made that decision. And congratulations to you and your family, just making that switch, sticking with it not quitting, you know, like he's mentioned, you know, it's not easy getting to where you're at now for any of us. And so we're just grateful to hear your story. Even, you know, living in Israel and making deals happen in the US. I mean, that alone should be encouraging death that live here as well, right? That you're making it happen. And you know, you're quite a long ways away, you know, it's all making it happen in the US. So, you know, tell the listeners how they can get in touch with you and learn more about you. I'm going to leave you all the links, of course, meaning you find me there. I have a website today that tells a bit of my story connecting to I have a new podcast called the care shark a show, of course, the talks and focuses on commercial real estate usually on Mondays I talk about, you know, the market and Thursday's more inspirational. And I have my courses, which are basically teaching new commerce just like I was because when COVID hit, I said myself, here's your chance, baby, you know, to give back, you're talking about giving back. I said, you know, it was all nice to do this journey. But what about the esheis we're still there and want to come out. And maybe they are not 36 years old, maybe they're in college or post college, but they don't have the ability of getting that post college degree. So COVID I guess got me focused on those things too. And right now and building that platform, so it's already have those courses out. And that's it looking forward to as horrible as it sounds, you know, we real estate deal junkies, as we call it, we're waiting for the opportunities to come and carefully looking at the market. So that's it, meaning, we're going to leave you my email, you know, this is the website the link and then that's it.

[OUTRO]

[28:23] 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 dot life bridge capital.com](http://www.lifebridgecapital.com) for free material and videos to further your success.

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