

**EPISODE 939**

[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 Whitney Sewell:** This is your daily Real Estate Syndication Show. I'm your host to Whitney Sewell. Today, our guest is Alex Felice. Thanks for being on the show, Alex.

**0:00:32.0 Alexander Felice:** Thank you so much for having me. Excited to be here.

**0:00:34.7 WS:** Awesome. Alex has been a real estate investor since 2014, starting with buying distress single-family homes during the foreclosure boom and turning them into rentals. Once building a single-family portfolio became boring. In 2019, Alex decided, purchase a 24-unit multi-family property, then in 2020, purchased a 52 unit through syndication. Alex was previously a risk analyst in the underwriting department for an SBA lender in Las Vegas lately, he has been flipping home, so he doesn't have to go back to work for someone else, he's also a US army veteran...

Alex, thank you for your service. First and foremost... And thank you for your time and being on the show.

**0:01:16.0 AF:** Yeah.

**0:01:17.0 WS:** Why don't you get us started a little bit about your path to your first syndicated deal, and then let's talk about some things in business and things that you are doing that have helped you to get there. Yeah.

**0:01:27.3 AF:** I started with single family homes 'cause that's all I could handle at the time. When I started this, I was a knucklehead who was trying to turn his life around and think of family home helping tremendously. I learned some of the processes, lending, but as you know, very well, single-home doesn't scale, and so there's a pretty low ceiling in terms of velocity of money and economic efficiency for single-family homes, and I figured that out.

I guess pretty quickly, I got eight of them. By the seven days on, I knew that the end was near for that asset class, and so I don't know, I started looking... I didn't have that many resources and I don't have a big network of investors so much, but you build... Along the way, I do a lot of social media, I do a lot of content production. You build along the way. So I went out, I reached out and looked for a 24 unit, I-J beat it, 'cause it was only a million bucks, and it seemed like a lot of work through syndication for four people, five people.

When I found the 52-unit, I knew right away I had to syndicate it, 'cause it was gonna be a lot more resources to accumulate and I wanted to get the experience of the complexity of that type of deal, 'cause I kinda have the gist of it now, so now I'm deadly.

**0:02:32.4 WS:** That's awesome. Yeah. Awesome. That you didn't quit with the first single families, and that you knew that even at seven or eight that this is just not scalable. And then you jump to the 24 and then even to the 52 unit. How did you learn how to syndicate doing the single-family... It's such a different ball game, I feel, doing single family versus syndicating a large deal, how did you learn that process?

**0:02:55.9 AF:** Oh... That's a good question. I don't actually know, I don't remember if I looked at any single resources, I network a lot, and so you wanna learn how to syndicate, go hang out syndicators, the processes aren't that complicated, and once you understand real estate, I guess, and how the overall... The meta-theme of investing in real estate works, the syndication

is just a nuanced technical process, but I don't think it's overly complicated.

Once you kinda get the gist, there are complicated, teeny little nuanced pieces of water falls and preferred returns and things like this, but the process isn't that difficult. I hung out with people that I know, there's plenty of people who make fantastic content such as yourself that can teach people and brought in a partner who has done it, that helps. And you know, just spend time, learn it, spend a little time learning it, or spend a lot of time learning it, and then the other half of it is kinda like jumping in the deep end and figure it out along, you go...

I had a syndication attorney, I don't remember what we used, that made sure we were doing the right thing, we had a guy on the team who had done it to make sure that we were doing the right thing. The rest of it is kind of like, hey, make sure the deal is good and then stumble your way through it, I suppose, I don't know if that's good advice or not, that's just what I do.

**0:04:08.0 WS:** Yeah. It is about your team. I'm glad you mentioned syndication, attorney. Security attorney, you need one of those for sure. But anyway, no, it's not extremely complicated, but most just don't get started and stick with it and get to where you're at, to get up to the 52-unit, any other tips just to... Even on the business side, anything like that, they helped you to get to that first syndicated deal.

**0:04:26.2 AF:** What you said is kind of what... I'm not a quitter, and I don't say that as some kind of... I'm not trying to brag. It's more like my personality is one that I just grind away things, and so I like the next challenge, so the 52 was a difficult challenge for me, and it's like, oh well, it's just... That's the next hardest thing. And that's what I move toward. That's my whole life, it's just... What's the thing that's out of your comfort zone? That's what you gotta do. Nothing else really matters, and so now I'm looking at going to double in it.

I'm looking at going to try and go to 120 units or bigger, and it's just one of the things where I never happen 'cause... Well, that's the only thing I'm thinking about, and I got 60 years, so it's an inevitability that all the... They close one of those deals. So education, if things are difficult for you to understand, that's probably the correct path for you to move forward to, if you

understand something really, really well and really deeply and really easily that you already know it, so... Go on the next hardest thing. So that's kind of how I move forward on it.

**0:05:16.1 WS:** How did you raise the money for the 52 unit?

**0:05:20.1 AF:** I asked every warm body that I've ever had a conversation with in my whole life...

**0:05:23.1 WS:** How did you ask them? Was that to an email? Was that a phone call? Was that 20 people? Was it 100? Was it five?

**0:05:29.3 AF:** Yeah, it was, it might have been 100 people. What I did was before we even came near a deal, I knew what was gonna do a 506B... I don't have the network to do a 506C, so I was like, okay, I gotta ask people I know. So I started six months before... I even went into the contract, I just started talking to everybody and just doing the, hey, I'm about to buy this kind of deal, this is kind of what I'm looking for, and this is what kind of returns and this is how it's gonna work and just get people.

A little half educated and to what I'm doing, or half educated on what's gonna happen, and then half like, hey, I'm a get I'm ready, so it's like, preparation meets education, this is what I'm gonna do, and this is how you're gonna fit in, and I just do that for six months. I probably should have talked to more people once I got into the thing, because as again, you probably well know, 60-70% of pledged money backs out when it comes time to write the check. So I do a lot of content on the internet.

I'm loud on the internet, so people know what I'm doing, I'm good about telling people what I do, and so that was just a preparation game. Just yell as loud as you can. I'm gonna buy a multi-family and I can help you make money. I did that for six months, and then when we went unto the contract, I pretty much had it locked in... It was 1.4 million raise. It was difficult for me. I will not... I won't even sugar coat it, that was difficult for me, but we closed it by the end, we were kind of a time crunch, but the end... I had a little bit of a small oversubscribe, so I was very happy about that.

**0:06:47.8 WS:** Good for you. That's awesome. Congratulations, especially the first one. 1.4 million, there's not many that can do that on their first syndication, so... Congratulations. And so he mentioned being loud on the internet, would you break that down a little bit? Like, what did that look like? I get questions all the time. Obviously, I'm pretty loud on the internet as well, not as loud as many, and so what was your method there or maybe cadence or things like that, so people know who you are and trust you.

**0:07:15.9 AF:** This is a whole podcast in and of itself, but I'll try to be brief. I think most people don't post on the internet because they overthink it, they go, oh, I don't know what to say, and I'm like, just tell people you wanna buy in real estate, and I don't mean I sell it, just tell them that is what I do I wake up on the more to tell them every single day, you're loud in the Internet, I can tell 'cause you do want this every day... That's loud. That's loud.

And so people, they post once in a while, they're apprehensive about it, and so I think people need two things, they need to post what they think, as soon as it comes in their mind, just This is what I think I send it off in the world and then the second thing is people, I think, try to do too much marketing and not enough individuality, and so my posts are probably 30% real estate, the rest of it is just I'm a photographer, so I got post my camera or content, so individuality social media as social, post a lot, post what you think, even if it's not always a great...

Hey, look at mine myth, I'm not always in work mode, but it's about sticking in people's minds, posting all the time, all the time. And the other thing I do is I post a lot of content that helps, hey, look, I close this deal, so here's 3500 words on what I learned now you can know that might help you, and so that gives me deep credibility, so the combination of three... It works well for me.

**0:08:25.2 WS:** Yeah. So individuality, I know it's interesting to think through that, what does that look like for you on social media and blasting out what you say, I'll post what you think, like put it out there. I guess it's often throughout the... I just think of things that, hey, I could share that or a I could do a little clip on that. And how do you, I guess, connect then with

people, how does that in those investors reach back out to you? How do you nurture that relationship?

**0:08:47.7 AF:** So social media is an interesting little experiment because you'll post something and you might get some feedback in public, some comments, whatever, but I find is social media is a tool to get people to message you, and so the relationship is built over text or over a message or over DM, essentially. So my goal with social media is to reach people who don't really wanna talk to me in public, they wanna talk to me privately.

And so I sort of bridge that gap. Right, I have that in mind. I guess I don't really know if... I don't know how I would do it, how I could explain how I talk that way. The idea is, Hey, if you say These things and you entice people, a lot of people are too, for the same reason that they're not being loud on the internet, for the same reason, they're shy to go off and post and public and respond to you in public but they will... I probably have maybe a 10% comment ratio, but I have 10 times as many people DM.

So most of my stuff happens behind the scenes that you don't really see, or what's really funny as conferences, people will see you post, seem post on Facebook for months and months and months and months. And never say anything to me. And then when I see a person, they're like, Do I love your feed? It motivates me, I learn stuff. And so that's another part of it is we're like, Do people don't realize you have an impact on people when you post on social media more than it's directly felt... So I believe in that process. And that's part of it.

**0:10:04.3 WS:** I've experienced it myself, Alex, it's like, you post and post and post and people... Yeah, they say some to you later, they direct messages, I get this often, but you never see them like or comment anything, and so it's interesting how that happens, but you're still helping people and connecting in a big way. What about your just plans for scaling and growth moving forward, what does that look like?

**0:10:27.2 AF:** So I'm trying not to get caught up into the ego mania of real estate syndicators, and I'm sure you know exactly what I mean, right? I gotta get 150 units this year, I gotta get

600 units this year, I gotta get to a 1000 units. I'm really trying to not fall into that trap. So my goal right now is I wanna do one a year, and I want it to be bigger than the one before that, going off just of the lessons that I learned from the last one.

And just kind of moving forward, and I'm not trying to compete, I'm trying to just go slow, learn, stabilize these assets, give really good returns to my investors, preserve their capital, and then... Yeah, by one a year. That's the plan. If it goes fast, then I feel comfortable, I'm happy to go fast, but right now I'm trying to do stress, these are stressful for me, I don't know if they're stressful for everybody, these... Those are stressful for me, so I don't need additional stress just to make a little bit extra money, that's not my why...

My why is freedom. And so every time I'm trading freedom for stress, just to get paid a little more. It's like, No, I mean, if you buy... I figure if I buy one of these a year, the money's gonna work self way right out, I'm not gonna have too many problems to... Right now, we're gonna gear up... We stabilize this one. It's been about 90 days. It's going well, better than I expected. Or beer projections. I think we're gonna start looking for 120 units in our area in North Carolina.

And over the next six months, I'm looking to hopefully find something I like and move towards closing it judiciously, and then I'll either reassess and I'd like to get to where I'm doing a 250 a classes in primary. That's kind of where I see the opportunity that I like.

**0:12:02.6 WS:** What are some things you're doing right now that are getting you to that goal? I tell people often, I think about where you wanna be a year from now and then less like reverse engineering, let's think about what's it gonna take to get there, what you should be doing every month and week and even today. What does that look like for you?

**0:12:17.3 AF:** So I'm looking at multi-family and four parts acquisition, asset management, underwriting and capital raise, and the capital raise, I kind of sort of feel like I'm much more confident that I can do that better going forward, so I'm not wicked focused on capital is right now, it seems like everybody in the world has liquidity, so it's not the weakness... The weakness is acquisitions. And so what I'm trying to do is create a system, not with my main

partner.

He helps me do the underwriting, and what I'm trying to do is get a system where we can find potential leads, we're gonna create a little program that'll do levels of underwriting depending on how much financials we have, and so what I'd like to do is start looking at way more deals, so that's like, Oh, if I can look at more deals and I know I can close more deals, if I can look at more deals, and I know I can use those to raise potential money from investors like, hey, what about this one? Hey, we about this one, how about this one?

So we're gonna create a system to do faster underwriting, and then we're gonna create a better... We need to work on our CRM system. I have an email list through my website, brokerschoice.com, but it's more of like, that's a personal website, and what's it really set up for that? So I was able to do email blast and raise a lot of money, and I'm thankful for that, but I'm gonna lean on that a little bit harder, so systemization of what we're already doing so that we can include some scale, look at more deals, practice analyze more deals, send more deals out to potential investors and just get that workflow going and then I figure...

My hope is you'll find when you like... We'll be able to underwrite it quickly, we'll be able to raise the money quickly, and that's the plan.

**0:13:43.2 WS:** Any of the tips there as far as how you're gonna find these deals to build that process or... I mean find them in the first place?

**0:13:48.8 AF:** No, not really. Everybody in the world is looking for deals right now, so I'm doing the only thing I know, which is telling the world that I'm looking for deals, well hopefully be able to pay acquisition fees to people who can also find it and networking with brokers, just trying to again, be loud, hey, look, I'm buying, I'm buying, buy... If you find something I'm buying up, just my process with people is just to annoy them until they give you what you want, and then I'll go away.

**0:14:11.4 WS:** And what's been the most challenging part of the syndication business for you?



**0:14:14.9 AF:** Oh, that's a tough one. The most difficult part, these things stress me out, I'm trying to work through in my head... These stress me out because I don't know that I can do it. So I guess it's... A lot of it is fear of the unknown, and then going past that as an internal internally being like, hey, I believe that I can do this and then move on forward with that conference, because what I've found in these is when I don't have confidence that I can do it then, How am I gonna go sell my investors that I'm a good bet?

It's... I don't even know if I can do this. How can I promise you? I'm gonna make your 10%. So I think part of it is just getting that momentum. The first 52 of a syndication... The 24 were a JV, but in terms of field size, they were both difficult, so I think kind of grinding through that and getting my feet wet and getting the confidence that I can do it... That's really the hardest part. I should have brought partners in on the first one to help me, so a lot of it we did a loan, which is not smart, not prudent, but... Yeah, getting the confidence to know that I can do it. That was the hardest part for me

**0:15:11.0 WS:** Ever since you started with the single family, you got up seven are of those you saw... The end was near, you said it and you wanted to scale, and now to where you're at now, it caused two larger multi-family projects and moving forward, I hope to do bigger. What would you have done differently? In the beginning. Or would you have done anything different?

**0:15:29.1 AF:** That's a good question. I hear this question all the time on podcasts and some form, whether it's like, would you do this differently? What would you do? If you could start all over. I think life is an interesting journey, I know that if from an efficiency of money standpoint, skipping single-family is the right way to go, but I didn't have the confidence to go off and buy multifamily when I first started, I barely have the competence...

Now, I didn't have the resources, the network, the financial, the credibility to do any of those things, so I think for me, I don't think I could have changed anything, I mean, maybe, but I... Let know how life works. I don't think I could have changed anything, I started with what I thought was the hardest challenge that I could approach at the time, and interesting enough to this

question, the better you get, the more you realize...

I think I already realized they could have probably gone bigger, which is the right lesson to learn, but I wouldn't go back and change the past if I could... I think it had to be that way.

**0:16:19.2 WS:** Yeah. No, I'm similar in that I wish I could have gone bigger properties earlier on, but that doesn't always happen that way, but how do you prepare for a downturn, so you're looking at this next 120-unit deal, how do you prepare for a downturn when we're looking at that deal?

**0:16:34.3 AF:** So actually, I'm a bucolic, and I've spent the last few years researching studying macroeconomics and the Chelsea collapse pretty significantly. The problem is, what is the downturn... What specifically happened in the downturn and the 2008 collapse, you had a poison pill and the mortgage back securities all the way in the Pandya system, but that's not what's gonna happen in the next time.

The next time something else is gonna happen, so preparing for a downturn that I don't know what's gonna look like is very difficult. Part of what I've done is I invest in a town that's fable North Carolina outside of the military base, and so we live in a market that is the primary employer is the federal government, so unlikely to lose jobs in economic volatility. I also buy properties that are slightly below market rents, so in a downturn when rents come down, that will come down as a function of a mathematical thing called regression to the mean.

And... So my rents are 850 or 900. Well, they're not gonna go to 400 dollars. But the 1400 dollar rents might come down to 900, and so I try to get something that is slightly below average market rent, which in my counter is about 1000 or 1100, so that I can withstand a little more of that volatility. Other than that, I'm trying to go slow, I'm trying to go prudently, I'm not waiting for a collapse and also not...

I'm trying to avoid rushing into the mania just to do something that a lot of people are buying because it's popular now, there's not that many deals and you have to pay up for deals. So I

think it's easy to get caught up in that trap, like, hey, if you wanna play, then you're gonna have to basically pay up, and that's the slippery slope, so I'm trying to go slow and preservation of capital is number one.

I'm trying to buy properties that I'm trying to let probably is a cash flow, and I'm trying to play the long game, don't there's gonna be a crash, but there's probably gonna be five or six crashes in the rest of my life, so I'm not so much worried about this one as much as I am devising a way of life that will let me go through all the crashes.

**0:18:34.8 WS:** No. That some great answers there as far as thinking through a downturn, and even the thought that you just said, there's probably gonna be five or six more downturns in our lifetime, and it just, it's interesting think, o kay, we have to figure out how to navigate a downturn, not just wait until it's over, right. 'cause I'd probably be too late by the time you think it's over potentially, but... Do you have any predictions, Alex? Just for the real estate market, over the next six to 12 months?

**0:19:00.0 AF:** I have been predicting hyperinflation was coming for two, three years, I was like, Well, the Fed in 2017, I thought the Fed should have raised rates. They did, and then they got spooked 'cause the market didn't like that so then they rate... Drop the rates back down, and they basically box themselves into a place where they can't raise the rates and they're printing money and ... My hope is that Drupal knows better.

But we all tell Greenspan new better, and then he went on to span and said, Oh, the market doesn't really work the way I thought it worked for 40 years, okay, so all that I worry about inflation, I think that's gonna be very good for asset owners or debt owners who have fixed rate debt, people low in real estate. So I think it'd be good for us. I also think it's gonna exacerbate real estate prices in a hard to predict way, I think realities gonna continue to boom for the next six to 12 months and re-question.

I also think we're gonna have problems with inflation, so rent increases, and we are creating pain for a future date, but not in the next six to 12 months.

**0:19:51.8 WS:** What about any daily habits that you have, Alex, that you are disciplined about, that have helped you achieve success?

**0:19:56.9 AF:** Read books, bro. Read books. Read books about Economics and History.

**0:20:01.2 WS:** Great advice. Read, read read.

**0:20:02.0 AF:** Read, read.

**0:20:03.0 WS:** Constant education, and what would you say earlier when preparation meets education, you were talking but that I thought that was good. It's good stuff. Preparation meets education, but are you educated? How are you educating yourself and consistently... Well, what's your best source right now for meeting new investors?

**0:20:21.9 AF:** I do a lot of local networking, that's important, I also create content, so I'm making a little video series for bigger pockets called Meet the investors, and I travel around the country now, and I've done three seasons, North Carolina, DC, in Indianapolis. That's a great way. I post on the internet a lot, I do a lot of outreach. If I post in groups, I do a lot of podcasts like this, I co-host the podcast, pull from military to millionaire, hopefully the conference is gonna open up this year, and then I'm gonna be at every single one of them.

Meeting people across the country is my number one, Investing tactic, because I'm of the opinion that money doesn't show up in nature, money is a man-made invention. So any time you wanna make money in your whole life, it's gonna come from another human being, so all I really invest in is human beings.

**0:21:07.8 WS:** What about the number one thing that's contributed to your success?

**0:21:11.2 AF:** Those two things. Education networking for sure. And to be fair, I'll give myself the Federal Reserve. I wouldn't have been so lucky with all our properties using fixed rate,

mostly government backed Fanny, and the 52 units were Freddie and the eight single families are Fanny debt, fixed, government-backed and low interest rates, so I'm incredibly lucky to be investing since 2000... Anybody who's investing in t010 has had a giant government subsidy helping them out, and I'm very thankful for it.

**0:21:41.0 WS:** And how do you like to give back?

**0:21:42.7 AF:** I try to be very generous with people that I know, I'm not so big on blanket charity to organizations, but I try to be very credible with time and resources and really charitable with my social circle and as big as I can make that...

**0:21:57.8 WS:** Nice for Alex. Grateful to have... You said that maybe we had met at a conference before, if I'm grateful to connect again and to have you on the show and just hear your story going from single family to JV, a 24 unit to syndicating your first deal, a 52-unit stand, being able to raise that much money. I just wanna congratulate you too, or Thank you for your service, but congratulate you for being over raised 1.4 million on your first syndication like that, there's not many that can do that.

And so I think that's a big accomplishment, but just your desire to be consistently educating yourself and being prepared, and I think it will lead to bigger deals and more investors and all those things, so thank you again, tell the listeners how they can get in touch with you and learn more about you.

**0:22:39.1 AF:** Yeah, I have run a website, a personal site called brokeisachoice.com, brokeisachoice.com, you can check out there, I do a lot of Facebook and Instagram, it's just my name, Alex Goff Felice, and my YouTube page for all my bigger pockets YouTube that I've been working on, I put a lot of work into it, and the ... doing real estate, I think the photography and videography, so I do a lot of content creation that way for bigger pockets and for myself.

[END OF INTERVIEW]

[OUTRO]

**0:23:01.7 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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