

EPISODE 951

[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.

0:00:24.4 Whitney Sewell

This is your daily real estate syndication show, and we are introducing a new segment called The Real Estate Syndication Show Highlights, where we're bringing you a look back at episodes focused on a specific topic that we believe have added value to you in your syndication journey.

Don't forget to like, share, and subscribe. Also, hit the notification bell so you can continue to know when new shows come out. Have a blessed day!

[INTERVIEW 1]

0:00:50.0 Whitney Sewell

Our guest is Liz Faircloth. Thanks for being on the show, Liz.

0:00:53.0 Liz Faircloth

Absolutely Whitney, I'm glad to be here.

0:00:54.0 Whitney Sewell

In my business or the audience if they're getting started in this business, the money, a lot of times is where a lot of people start. What's going to be the next person we should be partnering with? Are you going to share some of those roles maybe initially or would you use say, "I want to find this person that's going to assume those roles so I can just be focused over here?"

0:01:21.0 Liz Faircloth

I'll share our own experience. For many years, we were buying small multis. We'd buy a ten-unit. We didn't go from zero to 500. That wasn't our path per se and that's other people's paths sometimes, but it just wasn't ours. We grew very slowly and steadily in terms of our rental portfolio. We went from literally a ten-unit and then eighteen units. We did jump to a 49-unit. My husband was at the helm of underwriting deals and analyzing everything. He actually had someone helping him find the deals, but he wore the brains and the raising money hat.

At that point, we knew we wanted to get into bigger buildings. You have to look at yourself because in a lot of ways you're like, "I can underwrite." Because if you're building a portfolio, you've been in this business, you can underwrite deals. That's a skill you need to know but then you're getting into a 200-unit building. That's a different underwriting skill set. It's almost going from the Minor Leagues to the Pro. You can underwrite but it's a whole different level. When talking with my husband, he's like, "I can do it and I'm good at it but I don't know if I'm as good as someone who that's what they literally live and breathe and that's what they do."

He knew he needed someone to help him from more of that truly underwriting perspective. That's when he connected with someone. One of our partners in our syndication business, his name is Ben. He's a great guy, super analytical and he came in to underwrite and was in that role. As we've grown, he's more like in a COO perspective, helping with the operational side of things. My husband's able to grow the investor base and the brand and those sorts of things. As we've evolved, we're like, "We need help. My husband can't raise money for every deal for himself anymore." He's getting pulled in a lot of directions. This syndication we have, we're actually raising money. We have a team helping us. They're not necessarily fundraisers. We call them investor relationship people. They're a part of our team and they're going to win along with us. My personal opinion is that it's hard to grow from zero to twenty members of a team. You should grow organically and start to say, "What am I good at? I'm doing all this but where can I maybe partner or work with someone on this? Because this is needed and I'm just not A-plus at it."

That's the key is to say as you grow and you start to get into it, it's like, "Where might I need help? Where am I not a genius at?" I don't think everyone, especially in this business, can be a genius at many things. Honestly, take someone who's amazing in this business who's doing well, they're amazing at one thing and they're good at nine things. If you're good in this business, you know about a lot of things. My point is that you're usually like a genius. You wake up in the middle of the night and do these usually one or two things.

0:04:41.0 Whitney Sewell

I bet one of those things that they're good at is managing a team, hiring team members just like yourself.

0:04:48.0 Liz Faircloth

You have to grow into that because it's like, how do we win alongside ourselves? You know how in the syndication world, in this apartment building complex, it's not like you have all this money to not do anything with because you're putting the money into the building. You're putting the money into the assets. You need to start putting money aside to figure out how do we put money aside to manage our investors? To make sure we have enough money to pay for some help. We're figuring that out as we speak. I think it's an evolving thing for many people. It's not like, "Here's the business and this is how you do it." You might have a real estate experience, but building a business is different than real estate. It's in and of itself. That's where people who have that business experience could just run into this business and run with it because they built businesses before. We grew up in building a business in the space, so we've figured it out. I'm sure people take a lot shorter time than us.

0:05:46.0 Whitney Sewell

I can relate to a lot of that. There are things like as far as your team. You don't know your need yet or you're not ready. Six months from now, you're going to have a different view or vision for your team than you do now. Until you get there, you don't know what you don't know.

0:06:02.0 Liz Faircloth

You want to start small and try to figure out, "How do we build together? Do we both have an entrepreneurial mindset?" That's the big thing too. If somebody wants to get paid, that's not how this business works, especially apartment building syndication. You get paid if that asset stabilizes and all that good stuff. Mindset and interests also play into it, similar interests, similar values. Entrepreneurial energy is important too.

[INTERVIEW 2]

0:06:29.0 Whitney Sewell

Our guest is Vinney Chopra. Thanks for being on the show again, Vinney.

0:06:33.0 Vinney Chopra

Thank you. It's always a pleasure.

0:06:36.0 Whitney Sewell

Vinney, we want to narrow in on building our team. We'll elaborate on what that team looks like. Once you to speak to the ones that are just getting started, I know you're coaching many students also and I know you're used to helping people get started at building a team. Initially, it's like, "Where do I even start? Who would I need first?" The chicken and the egg thing, "Which team member is the most important?" Get us started in this building our team and let's dive in.

0:07:04.0 Vinney Chopra

As if somebody is starting right away, I try to tell my students also, "Please look for a like-minded person with integrity, with trustworthiness, with their goals, where they're going at a local group meetup group." The thing is you need to look in your circle of influence. I call it circle of influence, Whitney, because we have so many associates we have worked with in the past. We have relatives, we have friends, we have all these people. One needs to make a list of them and put down their qualities right next to it because you are looking for a partner who's going to release, go side by side with you to build this business together.

One team member that we all need is a partner. It's not a solo game. Please do not try to do it by yourself because you will get discouraged. I know for sure because we were discouraged for almost ten months. We could not buy any property. Nobody wanted to give us loan. Nobody wanted to talk to us. We started from zero investor and they wanted to ask us how much experience we have. We couldn't lie but we said we are learning it, and that's how we are now successful. The big thing I would like to say is get a team member together, make a Wyoming LLC, get a business card, get a nice website, \$40 to \$50. People are able to make great websites for you. You've got to have a social media presence.

Once we have that team member, total integrity-wise, there has to be responsibilities. You've got to lay out a foundation of the operating agreement and all the legal structure. Don't try to copy and paste things. I don't believe in that. It's good to do LegalZoom, which is a very efficient service, very inexpensive that you could do that or even self-formation of the Wyoming LLC. I've talked to so many attorneys, Wyoming LLCs are just like Las Vegas LLCs and Delaware LLCs, but they are much better. The other part is we're going to talk about a syndication attorney. That's one person in our team because we are going to be raising money. When we raise money, we have to follow the laws of SEC ruling, Securities and Exchange Commission ruling. I would highly recommend, anybody could find a lot of different people, but Gene Trowbridge and Kim Taylor, they have been with me for 26 syndications that I've done 27th one now and they are marvelous people. Kim Taylor is right from Florida and Idaho. There are a lot of other great syndication attorneys.

Please go on their website and learn and read what should a new investor look for? For the legal terms and how they have to not talk about advertising and how they need to have the preexisting relationships because most of the new investors will be doing mom and pop syndication Regulation D, which is exemption with 506(b) where you can get up to 35 sophisticated investors and as many accredited investors as you need. No problem. The thing is you want to become a student of this profession. You can't just start overnight success. You've got to have a member in the team. You've got to get your syndication attorney. My real estate attorney is another person we need in a team. Real estate attorney is good to have in the state you're going to purchase the property. In my academy, I talk about you've got the team going, you've got the business, you've got the investor packet.

The big thing is which stage you're going to be buying the property. You've got to find the emerging market. I teach that there are three emerging markets at least, three different states maybe, three different cities because you never know where the property is going to show up. You could have three or four emerging markets at one time and build relationships, get a syndication attorney which they could write in everywhere in the USA. The real estate attorney should be from that state because they will be the ones who will be involved in any contracts, any due diligence if it's needed, any kind of litigation and other things like that.

[INTERVIEW 3]

0:12:05.0 Whitney Sewell

Our guest is Neal Bawa. Thanks for being on the show again, Neil.

0:12:09.0 Neil Bawa

Thanks so much for having me again on the show, Whitney. I'm glad to be here

0:12:11.0 Whitney Sewell

You found your skill and you found a way to add value to people who are in the industry, and that really got your foot on the door. I'm sure you learned a great deal. How did you get started at that time?

0:12:21.0 Neil Bawa

Yeah, it's been a fantastic experience and one of the things is that, has really worked well for me is the use of those virtual assistants. So, if you're ready, I'm gonna tell you about how I use VAs.

0:12:33.0 Whitney Sewell

Yeah, let's jump in.

0:12:34.0 Neil Bawa

Recently I was teaching in Utah in a conference and I asked the people in the room, you know, "How many people here work more than 50 hours a week?" And then almost everybody raised their hands. And then I said, "How many people worked more than 70 hours a week?" And there were few that raised their hands. And then I said, "How many people worked more than 200 hours a week?" So obviously no hands were up and people thought this was a joke so they started laughing and I said, "Don't laugh because I'm about to tell you that I work more than 200 hours a week. I work roughly 30 to 40 hours a day." And they said, "How can you do that? There's only 24 hours in a day." And I said, "Simply by creating other people that I incentivize and train to think like me." True executive assistants. So, once again, I do not use virtual assistants. I hire virtual assistants and I turn them into true executive assistants. A true executive assistant is incentivized financially, to constantly know what their executive is thinking and they're actually given money whenever they do something that wows me, when they take action on their own. Because you cannot increase the number of hours in a day by supervising your virtual assistants, you can only increase the hours in a day by getting them to the point where they get decisions on your behalf because you work with them so closely, you talked with them so many times, that they actually know what you're going to do. And, they understand that what I really want is a philosophy that they need to ask for my forgiveness, not for my permission.

But, to do that, you gotta start with the right foundation. You gotta have the best VAs in the world. You can't start with somebody that's a low-grade person; you've got to have somebody that is a free-thinking individual. So, here's how I hire VAs. So, let's first talk about hiring and we'll talk about how I manage them. Number one, I only hire from an engine called Upwork, I've tried many different engines and in my opinion, the biggest benefit of Upwork is high quality reviews. I look for very high quality reviews, those people who are hiring high quality reviews can write those reviews. Upwork is where 100% of my VAs come from. I only hire women and I only hire them in the Philippines. The reason I hire women is that, very often, I want people to make phone calls and when you've got accents, women tend to be clearer than men are. And all of my virtual assistants use a software called Ring Central. They make phone calls, they make appointments, those sort of things. They call our partners, they call brokers, they call our customers, they call tenants, and so it's very useful to have women play that role than men. Secondly, when I'm on Upwork, the first thing that I do is that I post a job and I don't worry about anybody that

applies to that job because my focus is to pick people that I like by myself. So, I post it publicly because sometimes, out of 50 people that applied I actually find one that I like. And so I let it be public. But, 99% of the people that are coming inbound and saying I wanna apply for your job, I;m just gonna decline them. What I do is I go in to the search, the Upwork search and I say show me the people that are in the Philippines and have worked for 10,000 hours. 10,000 hours is five years of full-time employment. There's a filter there for they've been active for the last two weeks, yes. I want people that are fluent in English so people that have ranked themselves as fluent in English. And I want people that worked for themselves. So one of the key mistakes that people do in Upwork is end up hiring people that are working for a company. Just so you know, when you're working for yourself, you promoted yourself beyond when you're working for a company. You work for a company, they're gonna pay you 3 bucks per hour and they gonna have dozens and dozens of people, and because they're paying them so little, you are gonna end up training one of their employees who will subsequently have to leave to work on his own and now you lost an employee and you have to start with another 3 dollars per hour person. So do not work with an agency, hire directly. You'll get the best people, they're always working for themselves, cut out the middleman. The only middleman so to speak is Upwork itself, they're not working for an agency. So, I do all of these filters and when I do all of these filters, it's gonna reduce the number of people that I can basically hire. Oh, they gonna have a 90% or higher approval rating. Now, that's the only filter available. I wish they have a filter that says 95%, no such filter exists.

So once I'm done with all those filters, these are a box with a lot of filters in it, then I click submit. And then I basically have somewhere between a thousand and two thousand people in the Philippines. As I mentioned, I'm also filtering out men because of accent issues. So now I'm left with 700 or 800 at that time. And what I am looking for at that time, I go to the process very, very quickly, it takes me about 10 minutes to do this is I want to just work with people that have a minimum of 20 jobs, right. So I want 20 jobs minimum. As I go to the list, I see people with 10,000 hours but they only got five jobs. Why? Because they have a few jobs because some company hired them full time for five years. Well, that person won't be very experienced. I want people that have done 20 jobs so they've lots of different things. They know Slack, they know Google Docs, they know Office 365. They work with lots of different employers. So as I;m scrolling to the list, I say 20 jobs minimum and then I want their approval rating a 100%.

00:18:08.0 Whitney Sewell

We hope that you enjoyed the Highlights show today. You can always listen to the full episodes that were featured today by clicking the links in the show notes page. And in the description box, let us know why

what you've thought of this episode or you can go to lifebridgecapital.com/podcast and click the feedback button. Let us know how we can add value to you. Thank ou and talk to you tomorrow.

00:18:30.000

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]