

EPISODE 1047**[INTRODUCTION]**

[0:00:0.0] 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]

[0:00:01.6] WS: This is your Daily Real Estate Syndication Show. I'm your host, Whitney Sewell. Today our guest is Vinney Chopra. Vinney has been on the show numerous times, he's added tons of value to our listeners over the last few years, we've talked about many different parts of the syndication business, multi-family senior living, and now today we are going to discuss some new things. He is moving into and bringing it into his organization and one specifically senior living and how he's operating a fund, just some pros and cons of fund that you should be aware of, more pros than cons, I believe personally, but also as an investor, but even also as an operator, he goes into details about those, someone that reaches the success that he has over half a billion under management right now with a goal, I think 2 billion in the near future, and he's definitely moving towards that in a fast way, you don't get

[0:01:15.2] WS: There without some great processes and systems in place and also a great team, he highlights that in a big way during this interview, I hope you enjoy the show and learn a lot from Vinney today. Vinney, welcome back to the show, I know the listeners know who you are, I was just sharing with you before we got started out, I think you've been on the show more than any guests and you've provided so much value to myself and the listeners were grateful to have you back why you give us a little update what's happening with you and your company right now, and then I know there's a couple specific things that are big things that are happening within your business right now, I know we're gonna jump into today.

[0:01:49.7] VC: Sure, sure Whitney. Thank you so much. I didn't realize that I was with you on your show 10, 11 times you went to... That's exciting. But now a lot of things have happened in the last 14 years, 14 years back, I bought a duplex and then 14 units for \$180,000. And now we are

into almost half a billion, and the two markets which are only really, really exciting right now is of course the millennials. The millennials, everybody knows there is a big tsunami going on, I call it. Portability – they don't wanna buy homes, they want to live in apartments. So that's a big tsunami we need to ride in, with the job, workforce. The second one, which I'm very, very excited about is the senior tsunami. Senior tsunami is where 10,000 people, baby-boomers are turning 65 every night in USA, And it's gonna continue for the next 20, 30 years. so we're gonna have 100 million... Are you already listening to me, 100 million, 65-plus people, one-third of US population is gonna be seniors, and so many more 75. So when you were 85 and all the way to 100 years, a lot of people are believing much longer than we all know.

[0:03:11.5] WS: That's hard to think about a third of the population will be considered seniors, but it's great to see that opportunity ahead of time, right, like you have.

[0:03:18.9] VC: It is. So I've been thinking about getting into senior housing for almost three, four years, and then I got into two a half years, and now we are really excited to be in the red spot. I would love to tell your audience the year housing has five different phases. The very first one on the left side, of the graph, no need driven. It's just easy, independently being 55-plus living, 65 plus living in golf course gated communities or condominiums and things like that, that's on the left side, then we go into midi, which is little bit assistance needed, and that is assisted living, and also the memory care, the right side of the graph is actually very much medium, we call it, because it's the nursing homes, the rehab centers, the hospitals, of course, they are men-driven and the seniors have to go there, we choose the spot in the center where there is no doctors involved, even the nurse is not involved in our multifamilies, but we do have one nurse who's there, one during the day, one at night, one over the weekend, so three nurses, and then it's the lodging and also giving them the daily activities with caregiving, we call it, which is assistance and Memory Care division, after multifamily.

[0:04:52.4] VC: So we are not in residential either, because my life has been only with apartment, so that's what really... We found a soft spot of 89 to 92 units, multi-family with spas and salons and libraries, reading rooms, chandeliers, dining halls, courtyards, but in greens, you name it, in all the luxuries, grand pianos, you just say, that's what we do. And chefs and sous chefs they cook to order five star meals for our seniors every day every day, breakfast, lunch dinner, snacks, all cooked to order.

[0:05:34.6] WS: It sounds like a pretty amazing place, many... Obviously, senior living is a very

different business model than say, multi-family, there's some similarities may be in the property and those things, but the operational component is so different. Right, did you just see the opportunity to think, you know why this is just an amazing opportunity as far as investing in real estate and business that we should move in that direction, or how did you tackle that

[0:06:01.0] VC: You... I'm so glad you said it. With me, what happened is when I bought 52 million deal over there in Orlando and be the 3.5 million avenues for 352 million, by the way, we spent... Right, but in Senior Living assistance and Memory Care in our side, we collect almost 4500 to 5500 per unit, so by doing that three times or close to three times, you divide that 300 units to 100 units, so for only 92 units of multifamily senior living assistance we are collecting 3.5 million. Wow. Of course, the expenses are more because of the lodging, of course, the food and all the other expenses, but overall, the senior living assistance living specifically the one we are, and it performs much better than apartments, and we build them from scratch, that's the best bed of it. To no elevator is No, not five to 70 per of land we build in Scratch and it's all brand new. Apply and severe, I knew everything, a plus plus community at a very reasonable price, so we don't have any maintenance issues whatsoever, so we cut down on that, delinquency is zero and sessions are zero. So overall, it just is a very good business.

[0:07:30.5] VC: Yeah.

[0:07:31.2] WS: Tell me a little about the structure. Say like an investor would say, Okay man, I wanna invest in senior living, what kind of structure should I expect as an investor investing in something like senior living versus multi-family...

[0:07:43.5] VC: Okay, very good point. When I moved my Miss 4000, Mister only we have... And they bring millions of dollars, so when I started two and a half years back, I had to train my investors to say, It's dirt, when you start this senior living, it's dirt and there's no cashflow, so you will not get any cash flow for 12 months. That was a different thing because I invest... We're used to getting them on day one, when we close the deal, their clock starts clicking right with the cash flow, so they were fine with it, but to compensate that, then I had to give them a higher cash flow in the second and 3rd year. Alright, because we had to compensate for what they did not get in the first year, right, so that's what the plan had been, and I was able to raise 18 to 22 million pretty quickly with that class, by the way, During covid last year I dated, but now I have a different attract on... I'd say, Man, what are you talking about? So now I have put together a 50 million dollar fund 5 or 6c, so we can advertise, you can do everything we can talk to strangers, accredited investors

only tho and ask them to invest into the fund, but the fund has a different meaning to it, it pays for the constructions of the senior assisted living, but guess what, we also buy the ones we built and got them occupied, so now they're cash flowing like crazy to now be by those the fund and conventional multi-family in the fund also and hotels in the fund.

[0:09:34.2] VC: So we have a full throng attack, which I was dreaming about it for a few months, and now it's reality, we have PPM, we have everything ready. I think out of 50 million, I'm only raising 12 million or so right now. 10 is raised within three weeks, and that is for 47 million dollar portfolio, 47 million, one is multi-family, one is down to construction there senior assisted living, which my partner is building underneath, and the third one is already build in Cape Coral, which is 35% occupied. Senior living.

[0:10:15.1] WS: Wow, so it's interesting, your grouping different asset classes, but also some development and some that are already operating both different types of senior living and multi-family all in the same fund. What are some, maybe concerns that some investors have and maybe some pros as well. I've heard investors ask, they love it or they don't like funds one way or the other, what are some things you've heard that investors maybe I really like about this type of fun dynamic

[0:10:41.2] VC: You know, a lot of investors are loving it because these are the different locations, may be purchasing and building and buying and just not want submarket. Right. So it mitigates the risk, that's what we talk about, because once I've done 34 syndications, right, and they have been specific to a product and the location, if the location is great for next five to seven the property did well, and the rest did well. We were very happy to find the magic markets and not... But if we want to mitigate the risk fund is the best way, because if one asset is not doing good in one quarter, the other asset will take over because all the profits or losses of each property, each investment goes into the top... Into the fund, and then it pays out. The other good part is that being a cash flow so much that this 50 million might become 100 million, and by the way, because the equity gain and the cash flow would be much higher...

[0:11:50.2] WS: Yeah. No, I love the geographical diversification, different markets, different asset classes, but also I think a lot of investors don't think about the cash flow diversification, like you mentioned, you may have say five projects in the fund, you probably a lot more than that. But let's say five and one may be under-performing, but why you may have two that are meeting protections and you may have two more that are way above projections, and so that helps that investor to not

have all those eggs in that one basket. That may be slightly under a protection, right. I love the fund model as well, I think... What about as the operator, some pros as well, I know it helps you to be more competitive as well, but what about just from your thoughts about that, Vinney, it helps you to just operate better as operator.

[0:12:31.5] VC: Okay, you know, operation wise also, we have vice presidents, we have all different people in place over the years, and now so senior living this one side apartment, my daughter is in John Rosanna operation side or accounting pitfall of it then our payroll, all that stuff, right. The other good part which I would like to mention is that in the fund, in the fund, it is a thread of thought which was cost segregation, that is humongous, and our investors love that because as you produce, you buy new brand new buildings, you have a lot more to write off... We call it, People lost depreciation, accelerate cost of depreciation. That helps a lot to our investors, now we've got so much coming from different properties, not just one property, but so much coming from everywhere that their K1 developed very, very appealing means minus mental income, passive income or active income. So that is a big one, and then also people can invest into this fund, this is a very exciting thing, 50 million for three years, I just set a limit. Again, one year, two year, three years. So the investors have to fill in paperwork only one time, but they can give me money many times after that, so people work is only one time, but it continues on as I'm just raising 12 million out of 50 right now.

[0:14:09.3] VC: We buy the three portfolio items will stop and then in about four months or three months, I'll buy another three then another three, then another three. So our investors meeting ever to gain so much momentum because they're 100,000 or 250 or 500, half a million would have now bought, so many different properties underneath...

[0:14:34.2] WS: That makes a ton of sense. I like how you structured it by... You're opening it up. We're gonna say 12 million. Here's our plan. Here's the properties, it's neat too, that they can know some of the properties, the first... Properties in the fund as well. It's not completely blind. They do know some of the properties and already the markets as well asset classes, and then you're closing it and then they were open it back up and you'll be able to accept more funds as the fund goes on, what about... Just the life cycle of the fund, but what's the life of the properties or what's the exit strategy as well, for a fund like this.

[0:15:04.5] VC: Usually we keep our multifamilies for three to five to seven years... Right, maybe believe. Financing of port waterfalls, we come as the senior living get into 90%, 95%, they both

double the money many times, so we're gonna leave finance and bring the money... Even pay back our investors. Or ask them, Hey, this is the equity coming back. Do you want to reinvest it, so now their investment we be doubled almost, if they pull 100 back they could re-invest it again, I mean, after the waterfall, so I have all those things in my mind and we keep proper records and all, it's all excel... The other part is the hotels, we purchased the hotel just before covid, and I have my partners in that I didn't, but an in and the medical staff of the building as the town to our hotel by hotel our hotel went double the price... double the price after covid, I cannot believe it. I cannot do it. I was just there three weeks back, just three weeks back, I tell my wife, this is the first time in my life, I did not have to show my credit card to sleep in the hotel room.

[0:16:25.9] VC: That's awesome.

[0:16:27.2] WS: I, I would imagine many people were scared to invest in a hotel during that time... Right. How did you know that that would be a great investment? That hotel.

[0:16:35.2] VC: No, we bought it at auction, we bought it on December 31, 2019. Covid did not hit yet. So we didn't know. So when the covid it, February, March, April, we said, Okay, we'll be ready in a way more day, whatever, right. From our own pocket or is because we were at 15% attentively and then they taught these contracts, right, so we just start locked out like that, but now we are looking at Marichal wedlock interns because of course, with covid and everything happening, there is depressed market, but there is a huge opportunity, the member, whenever the last sell-off, like yesterday, they were a big sell-off, I love to buy stocks. The ones I've been meaning to buy, I buy them. So it's kinda like that, but it's very exciting time in USA and a lot of players are there in the multi-family and all over. It's good for me to just... Grandchild, I'm very, very fascinated about that whole... It's a multi-family at its core, hotels are also multifamily by the way, you pay at the gate to sleep upstairs right over now and you can change the lease or the rent, there are four lunch every night, different, different rent and then teach.

[0:17:59.0] VC: It's a pretty exciting thing – multifamily, senior living, conventional workforce and retirement. Look at that, I'm not changing jobs anymore, I'm going to the communities where the retired people want to believe a very, very beautiful life, and that's what we want to do, we want to spoil the generation that has spoiled us, so we want to spoil the seniors.

[0:18:22.1] WS: I think it's incredible. The way you've branched out, the way you're adding other asset classes, other expertise to your team, and the opportunities for your investors, so I think it's

just smart allows them to diversify all with you the are they already know you and trust you, right. And so you're allowing them to diversify within your organization, what was your say the number one technique and being able to scale in different asset classes like that, was that hiring more people with the expertise in different asset classes or... How did you do that?

[0:18:42.6] VC: It's so amazing, I believe in law of attraction and abundance and everything happen really meaning that, you know, not hardening. And here I find it, my partner, wonderful person, who've been from Brisbane, Ron, I think give 17, and he was selling medical supplies to the assistance senior living and nursing homes, and he would cry at home every night, that was the pathetic situation we fall... I did in Michigan, and he says, You know, I want to... I see Mr. Chore, I won't see my dad mom, the food they were... Binti was very sad, and then he saw his business for millions of dollars, and he started nine years back... Nine years back, being the senior Assistive Living, so actually, I cannot take all the credit at all, I just found a wonderful person through genres who came in my life, and they both went to school together in Michigan. So that's how the networking really makes a big difference, and now we are so excited to be working together in all these locations as partners and things, so I came, knowledge and everything, and then we are vertically integrated, so we manage with all marketing or everything in the assisted living space, and of course, we start from scratch, buying the land belonged in many, many pieces are planned already for the next year, for the next decade I was on is two billion dollars to be Orion.

[0:20:35.7] WS: It's incredible, incredible to think about, was it half a billion in 14 years, and then maybe in 2 billion, probably over the next few years. I have no doubt in just the ability like you have, and many entrepreneurs to be able to scale and find expertise and build a team to do it well. Right, and on that thought of any... What are... Do some thoughts that you have as far as maybe any predictions for the real estate market over the next, say, six to 12 months.

[0:20:59.1] VC: You know, I would say definitely. It's pricey, it's pricey. I just... We wanna contract in. Naxalite is right, I prove last week, and we are putting hard money day one, so a lot of people, 15 bidders, we won the deal out of 15 builders, so they live competition out there, but don't go on the sideline. That's what I would suggest everybody. Housing is there, everybody needs actually more need for mental houses with the B class, with the millennials, they are loving to move around now with the cover, they don't have to go to office and things like that, there will be some more construction coming up with the offices with two bedroom and office one bedroom and office thing set up by the Persian, the versions are happening, but the housing is gonna stay, and senior

housing is here for a long time, all the projections have seen, we cannot build enough, literally, we cannot build enough... They'll be sites for the next 40 years.

[0:22:07.0] WS: Even if that figure of the one-third of the nation is off a little bit of an... Even if that's off a little bit, there's still so many... I mean, you still couldn't build enough even if that figure is off. So I know it's incredible to think about that asset class and this potential there and the opportunity you're creating as well, you know, if any, changing gears just a little bit. What's been your best source recently for finding new investor?

[0:22:17.0] VC: you know, the biggest thing like now is that we've been holding webinars, and then we are advertising also has a lot of top sites in use advertising to bring that click on as we got lead manage Click Funnels and like I've met with five very high... My inner investors yesterday, I didn't know them at all, five of them through the click funnel answer questionnaires and things, and they find out about my books and all and reports, all those things to investors, just finding and keeping that in mind that you never... Never can have enough investors tight, and then we are also partnering with some other syndicators... That's fun. Of it, fun. I like to do everything very leaving, and that's the fun of it all, I pay for the left for their P and docs, and then they are able to raise and become gendarme with ourselves, that's happening, that's in the investor range, and then in the brokers we are building relationships, and of course, senior living, we don't need any brokers at all, because we start from scratch, getting the capture rate studies, finding the locations where people are moving to, seniors are moving retirement communities, and then we buy the land, we back the ordinances that gives us

[0:23:54.9] VC: 6 to 9 months, and then we get construction loans, we build on it, as a matter of fact, maybe I'll send you one or two movies, if you're in a book like for your peers, how we build everything in nine months, the old construct.

[0:24:10.2] WS: You should send me that in, we'll put it in the show notes, that would be great. I'd love to see it personally as well, you know, if someone doesn't reach a half a billion, much less 2 billion in assets under management, without some daily habits and being very disciplined, I know you well enough to know you're very disciplined about many things, and could you share with us a few of those daily habits that you're disciplined about that have helped you achieve the success.

[0:24:32.2] VC: I would say that the things you've got to set your mind first, mine is the biggest thing. If you don't believe you're gonna change, you won't be able to achieve it, or... I know that we

are ready, everybody are being positive, being, having your lifestyle of Baden and taking of abundance and just getting up, but I'll be 770 next year, 70, I'll be 69 next month, and I'm very excited and passionate every day. And it's not work for me at all. My life says, Oh my gosh, we're talking a 30 or 12 hours, I can know I'm a ingesting from... Anyway, it's the gold setting, it's visioning, and then making sure that you're starting the day, like mercari exercise eating right? In the morning, I do all those rituals, and then I'm making a difference the whole day and moving the day college and present passion. I don't work that much to do maybe maximum, I would say I work four hours a day, maybe, maybe, and it's just that I have teams of people. Systems that... Propel your business is right. We have five companies now, so back pay, it's the great people, I would say people being the companies, the structures don't...

[0:26:03.3] WS: For sure, no doubt about it. You're a great example of that. And just being able to scale to that level. There's no doubt you've been able to build good teams and systems to be able to do that, what about just share a little bit of any before we have to go, how you like to give back...

[0:26:16.4] VC: I love in my life, and I have been donating tribute different causes all over 35 years, of course, food for the Harrell. We donate every month, you just need from our foundations Foundation, which is the same thing, production is like We put 100000, 2050 in the foundation, and then we give out a Charity Water and we have been schools locally getting in the local as Director of the fundraising and things for is organizations. I just did the generate fundraiser is going on right now, actually, and donated 50000 to that case, and my friends are donating the Brinkman water in 29 countries, so all these things really mean a lot, I think it's not to brag about anything. But one should always, always donate, I think dating is so important, that gives you more when you continue to the humanity and give to them this for tobii.

[0:27:22.6] WS: Grateful for just your willingness to give back to me and just to show the listeners and just... I've known you for a number of years, and I forgot to mention before we got started in the... You are my first guests on the show, you are a show number one, and now we've done well over a thousand interviews, and then so just wanna thank you again for how you've given back to the listeners and myself the last few years, but tell the listeners, Vinaya just in case, they're just meeting you for the first time, how they can get in touch with you to learn more about you and learn more about your fund...

[0:27:54.5] VC: Sure, my website is denoted in Victor M-M-Y cordon, of course, I have two top selling books in Amazon apartment, decision made easy and positivity brings profile. My third book

is coming out, which is investing senior investing my easy... Very nicely, the fun we have is again, that you can go to entrust. Winehouse also have a university. I coach every mental myself, I don't have any other coaches at all, but I coach myself to my students and peasants are... So I have only five of them, I don't have much time, but that way I poached just to move back to the should do better and me by Boris to re-edit that and not lots of people. Just Google me. Vinney Chopra.

[0:28:55.0] 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.