

**EPISODE 1069****[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 George Roberts. George is a principal at Horizon multi-family, which is focused on value-add opportunities in Central Florida. He's a founder of Walnut Grove Homes, LLC, an upscale residential construction company based in Troy, Michigan, which reached seven-figure status in 2021, he hosts the foundry where leaders are forged, daily a podcast devoted to entrepreneurs focused on syndication as well as both active and passive multi-family real-estate investment. Today, George talks about obviously why real estate and what's contributed most to his success, but it's interesting background he has as a bio-scientist and then moved on to computer science and then construction, but he loved it business, and so that's led him down some different paths, which are very interesting, and I just say interesting background. Often people say about my path, it just makes no sense, it doesn't seem too... Anyway, but he has a similar background is like what... How did that lead to this, where you're at... But man, he is successful and now, and just talking about their team and how they're doing deals in Florida, and he's in Michigan, but he is after it in a big way, and share some great details with you, the listener in myself of how he has done it what he's up to right now, George, welcome to the show.

**[0:01:46.2] GR:** I know you have an interesting background, but I think the listeners would benefit a lot by hearing about some of the things you did in real estate before getting into syndication and it's jumped into a Y syndication, why you would move that direction that Phyllis a little bit on some of your expertise before. Syndicating. Sure, so back then, years ago, over a decade, I was a Bio-scientist, very busy, it was the absolutely great recession, but I became an accidental landlord, it was a great experience, but I didn't really run it as a business, I was... Wait to busy elsewhere. Moved into Computer Science, had a little bit more time to focus on some other things, and that's

when I moved into construction. It was after my father died and he had always wanted to build on his property, but the great recession had just essentially wiped out that dream, and so then after he was gone, my sister and I decided that we would live that dream, and it really... To a completely new perspective on life, the entrepreneurial perspective, and I realized that I just loved business, but I wasn't needed to be there at the company every day, my brother log out his construction license, and so he was running that company along with my sister, and so I decided, Well, hey, I know real estate, but I wanna get back into it the right way this time.

**[0:02:59.6] GR:** They don't wanna be a single family landlord, I'm gonna put in the time to learn multi-family and I'm gonna become an apartment investor, so I guess that sort of dovetails with in Wiseman. Well, hey, if joint ventures and being an apartment owner is good, well, then being able to leverage resources and bring other people along for the ride... That's great. And so I really found that syndication model very appealing, and I was very excited then to take things to the next level... You said a bio-scientists. Bio-scientists, yes. So I was on three fields, I was in microbiology, physiology and genetics, so it was quite busy for a little while... Yeah, so biosciences, Computer Science, construction, it... Some people here in my path to syndication there and sarcastically, they'll say, Oh, that makes so much sense because it just does it, but your sounds somewhat similar in that regard, but moving into construction, even from computer science, biosciences, but then on into real estate, people probably thought you were crazy. Did they know... Well, if I've gone through some changes, but again, I think it's really the same route that most people describe... You realize you're selling your time for money, triad, especially when you're working a laboratory, it's like 16 hours a day, sometimes I couldn't be any more on that end of the spectrum, I think I went in computer science, I realized I'd have a little freedom at the end of the day, and that was all part of being a family man and wanting to contribute in that respect, and so then what I discovered entrepreneurship and just to see what a lever that is in terms of being able to be productive and being able to produce wealth not just to be able to accomplish things.

**[0:04:35.9] GR:** It's just a completely different perspective. So yeah, I think I turn that lever all the way to the opposite end...

WS: No, that is awesome. And yeah, I had time for money, I was just reading another book, I've read so many books that talk about that, and we're all as a entrepreneur, are striving to get that time back. Right, but you said you love the business in real estate, I was obviously just a great means of bringing all these other people on syndication, specifically these other people with you and building wealth in real estate, give us a little bit of that path though, from going from

construction up to syndication and just how you had the confidence to get into the first syndication...

GR: Yeah, great. So going by stages, everybody says Start thing, everybody who's successful says, start big. Now, I'm gonna say something that other people may not tell you, there's something called survivorship bias, you don't meet the people in SENTA who fail. Right, you meet the ones who are successful. So everybody says, Start thing. So I did follow that advice, and I think it is the advice, started out looking for 100 units or more, and that would be great.

**[0:05:34.0] GR:** Hey, if we had found that and if we had found the right right sponsor to allow us to come on as co-sponsors and take those deals down, that would have been fine, so I would say, Hey, go out and look for those big deals, but what Ashley came along was a 14 unit in Orlando, and this was a really sweet deal, it was found by my friend, Mark Pocock, he did a lot of the acquisitions work, he has some roots down there, and so he found that deal... It was kind of on the edge. What area that's a little rough and there's an area that's really nice, and you have this transitional area, and so at the outset, it was kind of hard to figure out whether that was the right thing to do, but we saw things transitioning after we lay eyes on it and see that it was definitely the right thing to do. So we started sort of... So I had a joint venture of three going into that deal, and let me tell you what a difference it makes that first deal, you know this, but I don't know if all of your listeners know this, that first deal, no matter how big it is, five units or more puts you in a commercial multi-family space, and obviously we're taking completely differently by the brokers after that, it was no longer a fight to see, Hey, are they gotta take it seriously? Now they're even taking us very seriously, if you look out to tape, which is not everybody, if you're not in Central Florida, you may not know just what a competitive market that is, I mean, you got your money going hard on day one, and I'm thinking, What is this Texas...

**[0:06:53.4] GR:** And so it really gave us a lot of credibility, so from that, then it was a lot easier than to branch out, and so then more recently, one of our other partners at Horizon multi-family time for Patrick found is another great deal. This one is close to his neck of the woods in Jefferson City, so we're looking forward to closing on that, hopefully, maybe around the time this one actually comes out. So again, you got to take action. I would say try to start big and if you find that big deal, go bring on a sponsor, and if you don't, whatever you do, if the numbers work, take it, and that small step is a bigger step than you realize.

**[0:07:32.4] WS:** I think the last thing you just said is so crucial, like you think it's a small step, but

it's bigger than you realize... No doubt, closing the first deal just changes so many things about not only your relationships with brokers and just your confidence level as well. What do you say George?

**[0:107:49.4] GR:** Absolutely, again, it's a total game changer, and even after running that, I mean, hey, so we don't have other outside investors in the deal, right.

**[0:07:55.5] GR:** We don't have that complicating factor, maybe that's a good thing, 'cause it allowed us just to focus on this, to make whatever mistakes we had to make and to step up, and again, I gotta say, Go look for the big deal, but whatever you get, take it. When the numbers make sense, and that'll be a much bigger route to that bigger deal.

**[0:08:14.4] WS:** could you speak to your partners a little bit to closing essay to 14 unit or the next deal? I know you all were... JB, can you just speak to briefly how you found them, but then how you knew those were good partnerships and are you all syndicating together as well?

**[0:08:29.4] GR:** Yeah, so it's actually a rather big group, so we got five that started out as a sort of a mastermind and sort of morphed into an actual company, so we got our construction leader, Mark proa, he's also great with acquisitions, he's been in construction for almost 40 years, and he's also been a realtor, so he totally understands the business from one end to the other, and then I think he wanted me to focus on the partnerships and how we work together and how we know that this is good.

**[0:08:52.7] GR:** Yeah, and so his brother, Paul, or Pov, as we call him, he's been a hard money lender and many deals going back well over a decade, total experience... The sort of thing that we need to build a team. Again, I mentioned time, Terai, so he is an East Tennessee, and that's just wonderful to have our eyes on different markets, so we got... Mark is now living... Now, the boots on the ground in Orlando, we've got east end of S Tennessee, just wonderful people moving in Tennessee like crazy, totally jump to the top of the heap this here in terms of people moving in, and then we have one other partner, Steve, happy, he's in Deva, Colorado, and he manages over 30 millions of commercial real estate. So we have just an extraordinary redo experience, I guess I would say Now, how do we know? It's a good partnership. Well, first of all, obviously the quality of the relationships, that's something people often look over, but a favorite quote in business is JP Morgan, who said that a man whom he didn't trust couldn't get a dollar from him based on all the bonds and Christendom and that interpersonal is very important, but more importantly, you have to

complement each other, and you see, we all come from different backgrounds, so a couple of us and construction, we've been in hard money lending a single family and fix and flips and also commercial real estate. So all over the map

**[0:10:08.4] WS:** I think it's worthy to highlight as well that you all met in a mastermind, like you're putting yourself out there, you joined a group of guys or gals that were out there doing stuff, and then you started those relationships at least getting yourself out there to educate yourself, but also finding these other guys that were very experienced and created a partnership, but you had to start somewhere, and it sounds like they just started that Master man. Yeah, so four of them actually had bed... I wanna say it was like a block and Dallas. So they all went down there for women, and then I'm at the pro comrades at our local meta, which then become our made up, we now run that meet-up, and it's really kind of exciting to see things come full circle, so that was my first multi-family beat up, I'd go on to me, my future partners after some time, and now we're using that to build our business and sales of Michigan. Now that's great, and I just want the listeners, if they're not putting themselves out there, if they're not going out and meeting people, if they're not becoming a part of some kind of mastermind or something, it's like, how do you expect to be known that, hey, there's other people that are looking for skills that maybe you have in finding other people that you could potentially have partnerships with, just like George did and I reach that level of success and that first deal, let's move into this person second syndication, they think you have going on right now, give us some high levels about maybe the first deal or the first syndication, and let's talk about some of that.

**[0:11:26.3] GR:** Yeah, great. So our deal injection site, very exciting at 50-60. One of the great things about that is I know that I can speak very freely about it, it is a big step, I might have kind of prefer to 506, we have all kinds of investors on board that don't qualify as accredited. But again, it's great to be able to talk about it, and so we found something I could call it sort of mom and pop, really, really nice area, some great people involved over there, just love the maintenance fellow who takes care of everybody, just like family. But again, you see some maybe deferred maintenance and a lot of things that might be improved, like for example, Red hasn't gone up in three years, we got carpet all over the place, a couple of the units is Carthage to the bathroom, there have been some... Please, we got man, serve roots, you could say that this is a deal, maybe a little edgy, and I think if you talk to a lot of the more experienced indicators like, Oh, we only e-take pitch fruits, hey, that's great. And a couple of the buildings out there do have pitch troops in the complex, the other half don't, but again, when you're starting, sometimes you have to take those deals with so-called hair on them because you gotta find the financial, the wedge.

**[0:12:31.0] GR:** And so for us, this is fine, so I will have a couple of man arts before we go out to where we really wanna be and have less maintenance. So what makes it a great deal, again, sort of on pop ownership, the opportunity to make some decent improvements, and again, those of you know Tennessee, this is Jake and Gino territory, they may be based out towards in Nashville, but they do extend out towards East Tennessee. And you can see the business model works, and so it's been a bit de-risk, so again, great deal mom pop ownership and a lot of opportunities to move forward.

**[0:13:04.4] WS:** Yeah, I think they actually started in Knoxville, so he got a bit further east, I think so... I thought they were in Nashville. Yeah, they have a conference in Nash where they did a few times before going to Florida, but anyway, about the deal specifically, how large is the or units or purchase price a Ateneo units? Yeah. Awesome, so 506 versus 506 by some of the people in the deal, they already raised capital through 506 and felt like it was a good time to move up, so...

**[0:13:29.7] GR:** Yeah, no, hey, it's a big step up for me. It's something different, but again, it has its advantages, I love face-to-face networking, but again, it's wonderful to have that opportunity to just open it up, literally anybody can invest in this deal, I mean provided obviously accredited status.

**[0:13:34.4] WS:** Right, right. That makes complete sense. I just always like to ask because there's always debate whether we should do one or the other, and oftentimes people do start with 506, then eventually do five or six Cs only, and we're doing a little both ourselves, so how are you all raising the money for that project.

**[0:14:00.4] GR:** Yeah, so we're gonna go through the traditional channel, I'm not sure if I know exactly what you mean, obviously, we're going out through our LinkedIn, we're going out through our standing up at our meet-ups, passing out business cards, I'd like to start a virtual meet-up to so literally going through all the channels, Facebook has a couple of decent places, you can post deals, here's one tip, I found a lot of places, when you sit out of those groups, first thing you promised, apart from not being a jerk, is that you're not gonna post deals, and a lot of places consider that spam, so go and look and some of those linked in some of those Facebook groups.

**[0:14:34.2] GR:** They actually cater to accredit investors, they will allow that.

**[0:14:37.4] WS:** Yeah, that's interesting to know. I don't know if there's many to think about being able to post deals and places like that, and where would you say you all have had the most success in raising money for this deal, as far as one of those platforms or any other method... You all have used...

**[0:14:50.4] GR:** So for this deal, they still earlier stage, so we just walk the units last weekend, and so we haven't formally raised the capital, we've talked to the lawyer and we know we're going 506 with this, but again, we haven't actually formally started that, but again, the great thing is I can mention it knowing that we have committed to the 506 and we can discuss it, but again, I have not really formally pushed it out there once we get that PMT, the other deal I was working at, maybe talk a little bit about... And have had some success through my local meta raising capital for that, so I was brought on to that through novices, LinkedIn 3rd 10 challenge, so I Madrasa group and we started talking and she brought me on board and was actually a wonderful weekend.

**[0:15:35.8] GR:** I was actually able to drive through and take a look at that in Louisville, Kentucky. We talked about 14 units. This is a completely different deal. Now we're talking about some new class e Construction 2019. What makes this a great deal is again, there is value had, well, at the same time being new construction, so we've got wash and dry hook-ups or they aren't being used because the tenants... They don't have washers and dryers. And so that's something we probably have to provide, but just think about a half rate on that, if you charge another 50 a month and maybe only pay 500 for them, we paid for it well within a here... And the other thing is that there are some definite opportunities to bring in some new streams of income, there's, for example, not bundling, and that's another way that we can bring in some new strings, Ben come and again... Just clean the place up a little bit. Making sure everything is tip top, and again, when I drove through, it was super nice and beautiful, but again, I think that there are a few things that we can do to take it to next level with streams of income,

**[0:16:34.4] WS:** it again, how you connected to that deal you said you did something on LinkedIn and then you made a connection and just elaborate a little bit on that.

**[0:16:42.0] GR:** If you've done that Sri 10 challenge, you know that you get to know these people, you're posting literally every day, you like their posts, you comment on their posts, and vice versa, and so the relationships, I think get pretty deep, I'm gonna interview for my podcast, we're back a more Buller who is... I send a cater, very successful who reached out to me and said, Hey, you know, I think I'd be perfect for your podcast, and I agree, so she's gonna come on there very soon,

so again, just finding some really deep relationships in that group,

**[0:17:12.4] WS:** George, what... Something like a big learning experience or aha moment that you've had as you all have moved into syndication after J-Bing, some deals.

**[0:17:22.4] GR:** Wow, so aha moment, just to realize what a different world it is to raise capital, like for example, just driving back from looking at those deals, I'm trying to load up the list, you can get those accredited investors, Neil bows really big about that. And like everything is a road block, right, you try this way and you find, Hey, you can't post on certain proofs, and then me try and load up the list and you find out just how many of those names are junk.

**[0:17:46.9] GR:** It's a big step. So I'd have to say for me, just realizing all that goes along with that, and you know, we've been having investor calls for probably about a year, so it's actually being out there, there's the dress rehearsal and then actually doing it... It's a totally new world.

**[0:18:00.4] WS:** Do you all have any predictions or anything over the next six to 12 months that you're expecting where you all are preparing differently than maybe you would have two years ago, or just anything you see in the economy or anything that's happening in real estate market?

**[0:18:13.4] GR:** I would say. I guess you asked us A the first, is building... If you look at construction, a lot of people liked out, and I think it were a perfect example of that my family, all those bills got wiped out. A lot of them are coming back. I go to barbecue restaurants from builder who said, You know, I got wiped down 2008, I'm not coming back to this industry, and so you have a lot of new builders and it's taken a long time, we're finally back up to... Around 15-16 million housing starts. So when you see that we have such a backlog like that, I'm gonna tell you that I think it's going to be quite a while, quite a while before we burn through a backlog of over 3 million housing units that need to be built.

**[0:18:49.5] GR:** So I'm gonna tell you that I see that it's still pedal to the metal, I think it's gonna be able on time before things crash, but I promise you, I'll give you two answers on the section answer is looking at inflation and seeing the sort of government spending and it's not supported by taxation, this is just literally printing funny money, I don't know what's going to happen with that. And that's the wild card. So what I... Is that when I look at a backlog of housing, I don't see how prices can go down, but when I see some of that financial care... Huge wild card. Don't know.



**[0:19:18.4] WS:** Yeah, and are there any tips that you have for just preparing for that wildcard thing that might happen or any kind of downturn that's unexpected?

**[0:19:25.4] GR:** Yeah, well, for me, it's multiple streams of income, so I still got a construction company, we've got a single-family home that's out there at the front, which we can't get rid of because we don't want somebody to paint it pain and start ruling on the front lawn and putting out the pink flamingos, and I've still got it 2. And again, I diversify as much as you could imagine it.

**[0:19:44.9] GR:** I've got a couple of seduction in which I'm a limited partner, so I've got some geographical diversification and it's deadly, I'm going to be delivering a presentation at Anglia son about diversification, I'm telling you that is the one thing to... Do you want to diversify? Have as many streams of income invest in the stock market too, and I think people should do that, I think people should study up on that because of the volatility, everybody in real estate says, Oh no, come into a syndication because you don't wanna deal with stock market volatility, but if stock market goes down by 50%, you don't have to be a genius to pick them, so when that happens again, and I'm sure it'll happen in my lifetime, Hey, I will be putting some capital back towards that stock mark.

**[0:20:26.4] WS:** What's contributed most to your success?

**[0:20:28.4] GR:** More than anything, tenacity. So just starting from earning a PhD, you see the people who make it through are the ones that are determined, and there are lessons in life that I learned in graduate school, my favorite quote, Winston Churchill, it's a simple one to remember... Never give up. I may never...

**[0:20:49.8] GR:** I think he's got four in there... I might be mistaken. That's awesome, that is awesome. I love that quiet. That's a good one. What about any habits that you have that you're disciplined about... Yeah, exercise more than anything, I like to run for an hour in the evening, if I'm lucky, I'll do it in Sandy Beach, that's created on the joints and just like Rocky, whatever you do, just take it 10 X, I don't have the stairs of Philadelphia, the same stars, but I do have a lot of peaches by my house. That's awesome. And then how do you like to give back... I like to donate, I used to donate a lot to the Red Cross, it's a little harder, I find I have to be on my feet all day long with my kids, so I don't do that as much anymore, but I've gotten to a point in my life where I like to donate money. That's something that's really helpful to me. I also like to mentor... If you find me on LinkedIn, which by the way is a great way to find me, you'll find a lot of my content, and if people

reach out to me, I'm very happy to spend some time as George.

**[0:21:43.7] WS:** It's been a pleasure to get to know you and to have you on the show, and not many guests that I can think of came from being a bit a scientist to construction to a syndicate, so congratulations just on your success and really elaborating today on that process and getting through that, congratulations also on getting the syndication, having these two projects, the work that I know personally, I was taken to get to that point, and just persevering through that... Never. Never. Never giving up. Never, never, never giving up. But grateful again, George, is there any other way that you wanna let the listeners know how to get in touch with you,

**[0:22:19.4] GR:** find our syndication portals through Horizon, multi-family dot com, that's another great way. Just let us know you're looking for information and we'll be happy to get in touch...

**[0:22:28.1] 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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