

**EPISODE 1186**

[INTRODUCTION]

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**Richard Wilson (RW):** So, when you layer all six of those decision criteria on top of something and you're only saying yes to things where you have a built-in advantage, it can make you money, you're super passionate, willing to work hard on it, it's not really crowded and it plays off of your biggest strength, then you're probably gonna do well on whether the market's going up or down. If you're doing things that don't fit all six of those criteria, then you might get squashed by the market more easily. And the best investors and investment managers have strategies where they add a lot of value to the assets, they fire it and add so much value that even during a downturn they are able to pick up assets and weather through a storm in the economy. So, I think that's the most important thing.

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**Whitney Sewell (WS):** Good morning, Richard, and welcome to the show. Honor to have you on. I've heard nothing but amazing things over many years now, I can't believe you and I haven't met before now, but you have become just an expert around family offices and what that even means that oftentimes or actually, we've talked about a few times on the show, I can't believe out of 1200 episodes, we've not talked about it more than we have, however, I know there's listeners who wonder like, what is a family office and is that something I should be pursuing? That type of thing to work with or to partner with us, is that even an option? Maybe we can go over some pros and cons today, 'cause I know you know those ins and out. But give the listeners a little bit obviously about yourself, in case they haven't heard of you before, and Family Office Club and some of the things you've done. You've written so many books around this topic as well, and I'm looking forward to getting into that.

[INTERVIEW]

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**WS:** What are majority of the family offices that you're working with, what are they investing in right now?

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**RW:** The biggest change has been taking serious of cryptocurrencies since the pandemic started. So, it used to be that almost all my clients put money into it. Now, almost all of them, put a little bit into it. It's like they put in huge chunks, but they are putting some in. The other change is that healthcare fared well through the pandemic, specifically medical practices and dental practices, so there's been a surge in demand there. We've closed on seven investments in 2021 that were either into medical practices or the deals were closed with Doctor and Dentist Capital going into real estate assets, I'd say. So those are two things. The other thing is short-duration investments, if somebody can get in and out of investment in one to three years, that's more popular now than it used to be 'cause the world seems to be changing so quickly, they'd like to have half their money off the table into six months and then have those staged over time, so there's always money rolling off of the deal, so if the world changes, the money that had just rolled off a couple of months before they could allocate back into the industry, which is being liquid for a really long time, so those are some of the most popular ones we've been seeing.

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**WS:** You know, as far as the ones that own a lot of real estate, specifically commercial real estate, are they mostly buying or selling right now?

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**RW:** The holders of multifamily who have been in multifamily for a long time, our net sellers, they'll still look at buying because they have the skill set of adding additional dwelling units and turn the garage into a studio apartment or something like that. So, the people are very savvy. Realized the market is so high that they do want to sell. Right now, a lot of assets that are priced really well, and they're having a hard time finding assets to buy by the person who is not as savvy on that are not as much net sellers are usually passive in other people's investments and they are allocating because of inflation, most investors think there's 1% a month of inflation right now, there's been a rush to get cash to work within assets. But in some way the inflation is gonna continue for one or two years, some people think it's gonna be five and ten years as what one private banking report came out with this week. So, it depends on whether the person is really only focused on multifamily as a big investment fund or sponsor or whether they're a passive investor, but there's a real feeling that money needs to get put to work or you're left behind with inflation.

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**WS:** As far as what the family offices are looking for right now when specifically say, investing in commercial real estate or maybe specifically multifamily. Let's say they already have the relationship with an operator, maybe haven't done a deal together yet, but they've already built that trust there, we're not worried about that at this point. However, what type of deal are they looking for, what makes it the deal for most family offices to really consider, Hey, this is gonna be a great opportunity for me. Maybe it's returns where it's probably outside of return most of the time, but what does that look like?

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**RW:** Yeah. Novices in business, when you're getting your MBA or in business school or something, and you're afraid someone's gonna hear your strategy, you're like, oh, we gotta keep the strategy secret, or someone's gonna take it. But just like your strategy of producing 1200 podcast episodes over the last couple of years, the reality is, you can say that, but no one else wants to do it, it takes a ton of execution, just like me writing 13 books, no one likes to do that, right? Only really motivated focused person.

So, what people mistake is that they think it's about the investment strategy, and I think someone's gonna steal it. That's wrong. Some people think, oh, it's all about promising the biggest returns, that's wrong, we talked about that in the trust factor. It's a lot about execution, but also what doesn't get talked about nearly enough is the structure of the deal. I'll let you choose any deal strategy, and if you allow me to structure the deal, I can make it an amazing deal for me, one of the liabilities, all the cash flow, all the profits, and the other person could get nothing, but people don't custom negotiate structures. They don't custom set up structures, they don't think, oh, okay, well, maybe when I'm a passive investor, I just have to go into whatever structure they offer me, but when I'm not passive and I'm invested in my own portfolio and the operating businesses, like yesterday, we had a due diligence call with a medicinal psychedelic mushroom company in Canada it's kind of early on, on that trend, it's kind of like the cannabis trend, and when you're negotiating, that's actually a private deal and you can set up the structure pretty much however you like as long as it complies with securities laws and people overlook that.

So, the savviest of investors custom structure their deals, my billionaire client that we've closed five, six deals with, my \$1.2 billion REIT client, the shark from Shark Tank I've closed two deals with, they all custom structure their deals. I knew ultra-wealthy investors, small private investors

never custom structure their deals and they don't even negotiate the fees, they just go into whatever people offer, so I think that is what investors should be looking for, and the savviest largest loans do look for above everything else.

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**WS:** They're gonna work with that family office to ensure it's favorable for them. Be willing to be flexible, I guess. I think, some people have heard this, and maybe this is a myth, I just want you to kill this myth, if it is a myth or not. But some people say, well, I don't wanna give somebody that much control of the deal, or they're gonna want too much control or too much power over the project, you know, I hear that often. What are your thoughts around that?

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**RW:** Yeah. This comes up often with one of my top clients, because what we do is we find the best of breed independent sponsors and private equity in real estate, and we sign \$300 million JV equity term sheets. We roll out the \$300 million of equity over five or ten deals over three to five years with them, or it could be more deals than that.

But what's interesting to some people saying we'll put 97.5% equity of a deal, and we're like 2.5% as the sponsor, and if a run drive, drive power then we'll help them out on that and back it out in the future or something. But what's really interesting is hearing some people say, oh, I don't want you guys have full control. Oh yeah, it's 97.5% of our money, and they're like, oh no, I'm just not comfortable giving up control, and we point out the like, well, you didn't have control yesterday at the 300 million, and if you don't like that, then someone else is gonna have the management contract and earn millions and millions of fees per year off of this agreement, so it's not like you've lost anything, right? I guess if you're time-constrained and it's just too annoying to deal with an extra \$20 million or \$50 million to manage, and you don't want that to build your infrastructure, that serves the smaller private investors then okay, maybe we'll turn away your money.

But the sophisticated funds and sponsors understand there's different layers of the capital stack, you've got institutional investors, they're gonna want one thing and big family offices want another, the \$20 million net worth family want something else, they care about cost segregation and bonus depreciation, etcetera, and the small investors, might just want passive income and a decent return, that's hands-off and easy to understand, so you wouldn't have control of the money if you didn't get their investment down.

So, I'm just like, open your brain to, okay, and I put this person in this box and this is a different part of model, etcetera, and those are the people that grow the fastest out there.

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**WS:** No, that's incredible. You're not gonna control it at all anyway, right? If you're not willing to be somewhat flexible again like you're talking about. That's a great answer. What about any predictions that you have to say in the real estate market over the next six to 12 months?

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**RW:** Yeah, I think that inflation is just gonna continue as is, I think that conferences have been opening back up, I think they're going to even more. I also think that there's gonna be a few niches that do better than others, I think medical office building, that's an area we've been spending a lot of time with, a couple of sponsors, they are trying to open up our clients to play more into medical office building assets, 'cause it's not as overheated as self-storage, industrial, multifamily.

I also think areas like parking lots, mobile home parks will be growing in popularity with the average investor. We're also excited about, we're developing a model where we take luxury vacation homes in like 50 different cities and investors put their money in there, and then they're able to stay in a home for free, but we rent it out in 50 short-term rental websites at a time. So you can enjoy the asset, I think that since the pandemic started people have realized, you know what, you never know what's gonna happen with the economy or even your own health, having more of a focus on health and investing in that as your most important asset as ultra-wealthy investor has become even more important in realizing that your money might go into 50 different assets, if one or two of them you could actually enjoy and have fun, great memories for everyone in your family and build memories around the legacy of what you've built and feel the rewards of it versus just looking at a number and a bank account, then that combination of health plus making sure you're enjoying your life and not working on all the things that are just business or what people you don't like, etcetera is something that has been coming up with some of my clients as well.

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**WS:** How do you like to see an operator prepared for a downturn, a potential downturn or maybe how family office likes to think about that when they're investing with an operator?

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**RW:** So I think what's key to this for private investors listening to, or investment management firms, and key for us at least, is thinking through your decision filters on what you say yes to versus no to. Jim Collins has his hedgehog strategy of only doing things that's in your DNA, what you're passionate about, what can make you a lot of money if you don't do things that meet all three then somebody else is gonna run circles around you like you, compared to some guy who does one podcast episode a month, right, we don't even own that guy's name because you're passionate about it, you know how to make money off this, and obviously you're good at it, but on top of that, a layer on top of that, what's your biggest strength as a person, what has indebtedly more demand in the future and growing demand, and what is not too crowded, and it's not like you're gonna be one of 1000 people in that niche?

So, when you layer all six of those decision criteria on top of something and you're only saying yes to things where you have the built-in advantage, it can make you money, you're super passionate, be willing to work hard on it, it's not a really crowded and it plays off of your biggest strength, then you're probably gonna do well whether the market is going up or down, if you're doing things that don't fit all six of those criteria, then you might get squashed by the market more easily.

And the best investors and investment managers have strategies where they add a lot of value to the assets, they fire it, and add so much value that even during a downturn, they're able to pick up assets and weather through a storm in the economy. I think that's the most important thing.

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**WS:** Richard, what's your best source for meeting new investors right now?

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**RW:** We've spent 14 years building up our investor funnel, which just means like our whole platform, so I would say, it's kind of cheating to say our live events, I don't think that's too helpful to other people that don't run a live event company. Being on podcast has been very helpful. If I go back in time, what was most helpful before I had my own conference companies that people could relate to it is speaking in front of a room of really highly qualified people. If you are raising capital or if you are trying to work done for a legal tech company, going to the four or five most

prestigious law firm partner associations and annual conferences and speaking in front of them so they could invest in what you're doing to partner with you or source opportunities for you would be the most powerful, the powerful thing.

And I think it's just really important when you're growing a business or raising capital or is a private investor trying to get deal flow to think what would make it inevitable that I have really good deal flow or just tons and tons of investor leads and then figure out where those people are congregated, who own the assets you wanna buy, or who are the investors you wanna work with, and you just get hyper-focused on that. I used to pay \$50,000 a year to be in the business owner club, and it was great, and I got great ideas, I made some good friends and we've done some deals together, but nowadays I spend more money on other niche, smaller groups. They give me five times higher ROI because for example, if I go to a doctor event and we invest in medical practices and healthcare deals, I could meet a couple of investors, but I could also source a piece of deal flow, and I can source both in the same room, and in a generic room, you can't do that because there's people from every different industry, so there's a value to that. But being more niche-focused on exactly what you want to source has been the most helpful thing.

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**WS:** That's incredible, I love that response. And thinking through who your clients are and where they're at, right? And really who your customers are, goes back to even some basic marketing as well, and just thinking through that on a bigger scale, and you've done that so well, and you've mentioned this a few times here in the show just about being disciplined.

You talked about my podcasts and then just what you have accomplished over many years now, providing so many books, most people are not gonna be that dedicated or disciplined. I love learning more about self-discipline, obviously military law enforcement background, I love that, and just working on self-discipline all the time reading about it.

And so, what really pushed you in the beginning to become so self-disciplined, very few people have written that many books around these topics, and no doubt you're somebody who's self-disciplined. Where did that come from? How did this just come about, just the desire to be that disciplined?

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**RW:** Growing up, I had started five businesses before I got out of high school, I had always played a lot of sports. Genetically, I'm pretty average American guy, I'm not extra tall or extra something, but I love competitive sports and placed some in high school, college, etcetera.

So, eventually the combination of those two things that I finally got going in the family office space is kinda combined, the rigor of training for sports to the family office industry and really just training harder than some other to be more dedicated to it, I think also when you start in many different businesses and then you start one that actually works, people actually want what you have. It's kind of refreshing and nice after falling on your face a bunch of times and then you appreciate it, you don't take it for granted, and you say, hey, I have something here, so as long as I can, I'm gonna really take advantage of that and have the most value I can into this niche.

And then the final thing was, Jeffrey Goodman was one of my mentors early on, along with Evan Pagan, but Jeffrey Goodman told me that if you add value to people who could say yes to you in a certain business niche opportunity and you have value to them, just once a week, through like a newsletter or an article or video, etcetera, and you do that for one to two years, you'll be a local expert, and if you do that for three or four years, you'll be a regional expert, if you do that for five to seven years, you'll be a global expert.

When I read that, I hadn't heard of the family office industry yet, but I said to myself, oh, I'm for sure gonna do that, I just don't know the niche yet, and I'm gonna use that formula on. But unlike any formula, where all it took was a whole bunch of focus and hard work, because then it de-risk it, okay, well, I know I can do focus on hard work, so I wanna control my destiny, and that gave me a formula to control it. I just needed to find the right niche, and then when I found ultra-wealthy niche of family offices, I said, oh okay, I can't find anyone to be helpful to me on this topic, and he's the richest people on planet Earth, and nobody's talking about it really, so backwards that I kinda went all in on that and then started putting out a ton of content and got the reward to doing that,

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**WS:** Awesome. I can relate to that to some extent. It's incredible. What about some daily habits that you're disciplined about that have helped you achieve this level of success?

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**RW:** Exercising and health is definitely one. I think getting seven hours plus of sleep don't always succeed to that, that's been a top priority, most important that's unique to share, they probably both of us who've done a lot of things every day, is that I know what my monthly goals are, my quarterly goals, my annual goals, I have a theme for every year, I have a media plan, like for example, one year I only consume podcasts and books from Dan Sullivan in 2022, I'm gonna be only listening to podcast episodes and reading books and white papers and articles from billionaires.

If you're not a billionaire, I'll wake up 2023. And then what I do is I put also, when I read a really good book or go to a conference and hear an idea that I just know, just like that Jeffrey Gitomer formula that if I put that in place, it would just reap huge rewards or exactly what I need it to do.

So, most know what we need to do, but we don't actually do it. You can summarize the whole diet health industry with move your body around an exercise-e clean food that's not processed and sleep enough, and everyone knows that, but I don't know any human being that has all three of those things really well consistently. Not very many, at least. What I do is I summarize this, I summarize this whole book in one line, and then I put all those one-liners on this one-pager I have, and the one-pager has my theme for the year at the top, my monthly goals, my quarterly goals, my annual goals, and then a whole bunch of one line or it's like 40 different one-liners at the bottom, and then I laminate that and I put it in my office, I travel with it, I put it where I shave every morning and while I'm shaving every morning, I read that over, and it's like my compass, so now I'm interpreting my email inbox and everything during the day based on what my goals are and where I'm going, and that's my road map for my airplane cockpit, control center of my rules for living and where my interview is gonna flow, that's been super critical and really helpful.

Otherwise, you read a great idea, you forget to implement it. Or you have a goal, you don't know what your goal is for a couple of months or you get off track and when you're trying to get done for the year, etcetera.

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**WS:** Yeah, that's incredible. Could you give an example of the one-line that you're talking about?

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**RW:** Yeah, so one of them is, what you do is more important than how hard you work. One of

them from Dan Sullivan is you're gonna put the time in any way so you might as well enjoy life. Another one that I have is just a reminder to listen to billionaires. Another one from Brian Richards is you need to take bold, massive action.

Another one from Tony Robbins is that everyone's obsessed about strategy, and you go to MBA to get strategies, go to conferences to get strategies, you read books to get strategies, but the state of your mind and the story you're telling yourself is probably at this point more important than collecting more and more and more and more strategies, and so I have a reminder about that in there as well.

And then I've got people who have been mentors to me, so the bottom of the page, I have eight head shots, have a little square head shot of these people, they are my port of advisors that they don't even know they're on there, but it's kind of think what would they do in this situation? And what would they suggest, if I had a conversation with them.

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**WS:** I've interviewed 1200 plus people now and I've never heard that before. And I think it's incredible. I've heard different things similar, but not exactly like that or that detailed, how do you create something like that, or is that just kind of continuous work in progress?

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**RW:** The best part about me suggesting that to your listeners is that it cost absolutely nothing, you don't need to go to my website and sign up for some trial membership to pay me for it, it just free. So, I just create a Word document, plan out your year and have your three to five or seven annual goals every month. I have five areas of goals and two to three actions I wanna get done within those areas. Quarterly goals, I set up five big rocks for every quarter, I wanna make sure to get done.

And I just have that flow down the top half of the page in the second half, whenever you read a really great book, when I shoot myself little email with a summary of that idea or that concept to add it to my dashboard is what I call it.

So, I'm always adding it and modifying it, I pick off all one-liners that aren't as valuable to me anymore, etcetera. And I just think, who's been the most inspirational? Who do you want to be

when you grow up? Like one of my clients, he has probably 30 different companies and that's over a billionaire in revenue, but he really enjoys his life, he is laughing at every meeting he goes to, he's most of the time traveling, he's having a great time, we're closing these big deals, and I wanna be like that when I grow up, so you know, that's someone that I have on my one-pager and I have like for example, Jeffrey Gitomer, did I mention him earlier, Eben Pagan on there and Dan Sullivan, all of them, etcetera.

It's pretty simple, there's no real secret to it or trick, if anyone wants feedback on how to do it or whatever, they can just shoot me an email [Richard@familyoffices.com](mailto:Richard@familyoffices.com) and I'm happy to give feedback or whatever, but it's not rocket science, but what's interesting is that nobody does it. So, I told this to my best friends who I know super well, and they take advice from me, I take advice from them. I say this to groups of doctor-investors and private investors and people in my workshops. I don't know a single person who's done it, people often say, oh wow, that's a really good idea. I don't know anyone that actually does it, and that's the whole thing is like the execution is all that matters, and this is like an execution dashboard every day. This is what I'm gonna execute on, and almost nothing else matters.

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**WS:** Love that. I tell you what, I was just thinking about this and how no one does it, right? We all go to those workshops like you're talking about, we hear different strategies, all these things, but very few of us actually put something into work, and I was gonna tell the listeners right now, the first listener that sends me there one-pager like this, complete it.

I'm gonna have a special gift for them, and so I just wanna encourage a listener to hey, let's take some action and take advice from Richard here and complete this, I'm gonna tell you the first person that sends me there one-pager, you're gonna get a special gift from me. If you had to say one thing that's contributed to your success, what would he be?

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**RW:** Integration or integrity of a lot of different things in life, so I think people think of integrity is morally aligning your actions with good values, but I see integrity as integrating the media you consume, the food you eat, the clothes you wear, where you live, who you work with, your business model, your pricing, everything that you have in life, if you can align all of it and it just helps each other and things go easier, and it's less of a struggle and there's less friction. But if

you wear sweat pants into a meeting and you only slept one hour to play video games all night, and you go to a really important meeting, there's gonna be some friction there, and it's not gonna go too well, so just the more alignment, the better I feel, and when you get your one-pager done, Whitney, I'll have a special gift for you as well.

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**WS:** I appreciate that. A big way. How do you like to give back?

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**RW:** You mean like non-profit wise, charity-wise, etcetera.

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**WS:** Yeah, anyway, that you enjoy just giving back.

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**RW:** Yeah, the first way is I really believe that if you run a business the right way, your employees get the benefit so much from being inspired by good leadership, getting paid more than other people would pay them, because you align interests to make it so that their performance compensation really reward some handsome, later break and just get them off to your team if you're not.

We have a division called [investorresidences.com](http://investorresidences.com), where we're buying luxury homes to rent out, investors can stay there, we rent them out, and what we're trying to do is help build one house for people in other countries like in a poor village or for homeless kids or orphanage, etcetera, trying to build one house for every house that we buy in that network, and that's something we got inspired to build through Jeff Hoffman, who's one of that family and investors, and [priceline.com](http://priceline.com) and [Booking.com](http://Booking.com).

And we're also giving \$100 Visa debit cards to all of our employees on Sunday this weekend, and we're gonna tell them to go out and find someone in their community that they wanna help. They could buy Christmas presents for someone who lost their job for their kids or they could use it for someone who is just having a hard time with their husband or wife, or they could use it for someone who's homeless and help them find some blankets or something. And in that way, we allow each of the employees to go out and feel like they are helping someone else and get that

same good feeling and being able to help somebody else. So those are the couple of things that we're most focused on, but we really try to make sure day-to-day we run the company in a way that is genuinely helpful. The people who are on our podcast or at our conferences, but also to our employees, and then they pass that on to people like our customers.

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**WS:** Awesome. Richard, it's been an honor to get to meet you finally and have you on the show, I know the listeners and I both have learned a lot about family offices, so many details that I'm so thankful came out during the interview, but even some more personal stuff about self-discipline and obviously the dashboard one-pager, which I encourage listeners, if you missed that apartment, go back and listen to that with a special offer, so just grateful for you being so transparent and willing to share and helping so many people getting into this industry and learning these things, tell them though, how they can get in touch with you and learn more about you and the Family Office Club.

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**RW:** Yeah, just three quick places, somebody's here 'cause they're raising capital, then just go to [capitalraising.com](https://capitalraising.com) we have a free book for you there. If you're curious about family offices, and you wanna learn a lot about that and see one of our live events, etcetera, 15 live events a year, that's at [familyoffices.com](https://familyoffices.com), and we got a whole bunch of free stuff in there. That's our whole business model, it's to help people out.

And then, if they wanna join as a member, we have a \$99 trial for new members that are raising capital and it's free for investors. And in the last place is [investorclub.com](https://investorclub.com) with your passive investor and you wanna see the best of the best investments that we see, I have 1000 plus deals a year or work with us in some ways as an investor, just sign up at [investorclub.com](https://investorclub.com), and it's free to join. There's no annual fee, there's no fee when you invest, we do a deal together, just a small profit sharing at the back end.

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**WS:** Thank you for being a loyal listener of the Real Estate Syndication Show, please subscribe and like the show, share it with your friends so we can help them as well. Don't forget to go to [LifeBridgeCapital.com](https://LifeBridgeCapital.com), where you can sign up and start investing in real estate today. Have a blessed day.

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Transcript

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