

EPISODE 1187

[INTRODUCTION]

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Tim Vitale (TV): I like to use the analogy of a puzzle. Every single person that's listening to the show is a piece of a puzzle. You might have tried to put your puzzle piece and other pictures before and it doesn't quite fit. But if you find enough pictures and you keep putting your puzzle piece down and connecting with more and more people and growing your network, you will eventually find the picture that you are meant to be in. It takes time, and the people that never succeed are the ones that quit because they don't find a place to put their picture puzzle.

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Whitney Sewell (WS): You've heard people talk about giving. You have to be willing to give and give and give. And our guest today is going to tell you how he gave his way to success. He kept giving, he kept adding value. We talked about that on the show. I talked to him and I asked him, be more specific. Tell us exactly how you did that.

Our guest today, Tim Vitale, tells us exactly how he did that. How he recently quit his W2 job as assistant vice president of finance for a very large insurance company, and now he's a full-time multifamily syndicator.

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WS: He lives in Wilmington, North Carolina, invests in the southeast. His assets are in North Carolina, South Carolina, Georgia, Alabama, and he's gone from zero units in July to 181 units by the end of December '21. So Tim goes through many things, how he made that transition. He gives some specific examples that you could start doing today to start adding value to somebody that could potentially become your mentor or maybe a partner in the very near future. Something else that he mentions, and I want you to pay attention to, is the level of commitment. He and I have this in common. But something that they had to do, he and his wife had to do, and you're going to hear him talk about that in this episode, what they had to do, to commit at a very big level, a massive scale. How they jumped in. But I just love the unity between him and his wife in this decision which you'll hear about. But a couple of other ways

that they knew that they were prepared to take that leap and say, adios to the W2.

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WS: Tim, welcome to the show. I'm encouraged, I know the listeners are going to be as well, just by your news. Some news that happened just a few months ago for you that I know, I just know it's going to be encouraging for them as well. But I want to jump in and tell the listeners a little more about your background and let's jump into this transition into full-time real estate.

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TV: Yeah, thanks for having me, Whitney. Super excited to be here. Yeah, I just recently quit my job at the end of September 2021. It took me about 18 months to get into commercial multifamily, to close my first deal.

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WS: I wish I could have like a sound effect in the background right now of all the people yelling, right, yeah! Congratulations! It's a big deal. Go ahead.

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TV: Closed my first deal in August 2021 which was a 91-unit apartment complex. Then since then, we've closed four more deals at the end of 2021. And we're under contract on two more to close in the beginning of Q1 2022, which I think is going to be around the time that this air. So, in my previous life as a W2 employee, I was the assistant VP of Finance for a Fortune 500 insurance company. I worked on Wall Street for a little while with that company and lived in Manhattan. I had really great experiences. I learned a lot. I developed professionally and personally through that experiences. Those values and traits that I've learned have transferred over from the W2 life into the entrepreneurship world.

I talk about this a lot, how sometimes the bar is set pretty low. When you look at other people in the industry and how they're doing things and communicating and the level of renovations and clarity and all of those things, the bars are kinda low. You talk to a lot of different people and you ask, how did you get into multifamily? And it's well, I started flipping houses when I got out of high school, 'cause I didn't know what to do. Then, I stumbled upon in multifamily property, and then 20 years later, now look at me doing a 50-unit apartment complex.

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TV: Isn't it great, right? Having that corporate commercial experience really led me to be able to communicate better, managed teams better, and really make sure that the expectations of my teams are clear and obvious so that there are no questions. I think that that really helped project my career and my success very quickly. Just because people always talk about wanting to be something that they like to work with. If you're clear and you know exactly what you want, and you can type up a really nice email and nobody has any questions, people like working with you. So, then we close one deal and then the lender and the broker and even the sellers were like, "Wow, you guys were super clear on everything and you talk about everything great. Your communication was perfect. We want to sell you three more deals that we have." So, it just starts to snowball quickly from there. I think having that experience was really good and helped me out a lot in developing me into who I am today.

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WS: That's awesome. You mentioned numerous things, I want to come back to there. I also want to get to this first deal. Tell me a little bit about that. Because I went through this as well, like working full-time, trying to start a business. Tell us a little bit about that time before you actually made the transition, some things that were happening, things you had to work through. Maybe some key things that actually helped you get in the right direction and take big steps in that direction as well.

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TV: It was finding a mentor. Honestly, I wholeheartedly was. I was looking for various mentors and I had been invited to join a mentorship program and mastermind and things like that, but I didn't really click with the people that were running them. I respected them because they're successful and I wanted that success, but I didn't connect with them on a personal level. When I met my mentors, they didn't know that they were going to be my mentor. They had started a Facebook Group, and I was super involved in the Facebook Group. I loved all the content they are putting out, and I had a really great time. What I did over 12 to 16 months was I just provided value to them with no expectation in return because I wanted to. I liked it. I enjoyed it and I believe wholeheartedly that when you put good energy out into the world, good energy will come back to you. Over time, we got a really good relationship. And then they started doing the mentorship and all this other kind of stuff. By the time they started doing that, I had

already been in their circle for so long and kinda learned everything, not everything that I need to know, but a good majority of things. They are actually the ones that invited me into my first deal and the phone call went on like this - they said, "Hey, Tim. We're getting a little overloaded right now and we know how valuable you are and we want you in our lives. You are literally the only person that has just kept raising your hand and saying, can I do that? or I'll do that, or provide that." Just doing things because I genuinely wanted it to.

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TV: They're like, "What better way can we ever repay you except by bringing you into this deal. We know it's your first deal, it'll get you some experience on paper, it'll get you going". And they called me on my birthday of all days too. I was like, "yeah, that would be really awesome". I was super excited about it. And they're just, "honestly, when we thought about growing, you were the first person to come to mind 'cause you've never asked for literally anything".

All I've done is just provide value, provide value, provide value. I think that it's really important for the listeners to know that it doesn't happen overnight. This was like a year plus in the making, and I had no intention of that ever happening. I just did it 'cause I wanted to but other people see the value in that because you're helping them grow and develop and doing something that's important to them. And the Law of Reciprocity says that if you continually do things for other people, they are going to want to do something good for you back because they appreciate you. I live my whole life by that motto, I just give, give, give, give, give.

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TV: And if you haven't read the book, "The Go-Giver", you absolutely should because it helps form that mindset and that development. All of the good things that come with being a giver and being charitable, that came back and paid a million times over. Like the money that I'm going to get from the equity position in this 91-unit deal is like three years of salary. So, was it worth working for free for 12 months unintentionally in order to get into my first deal, get that track record, get that momentum, and also get paid like a significant amount of money? Absolutely!

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WS: I appreciate that outlook. It's so important and it's such a roadblock for many. They feel like, well, my time is valuable too, they should pay me. Well, guess what, what you're adding

early on is not very valuable to that operator more times than not, right? They're doing you a favor just by allowing you to try to add value, to be a part of that conversation. But you kept doing that and eventually, they say, "Okay, Tim's adding some real value here", and so they see that, that pattern. And like you said, it paid off in the long run. So, I wanted to mention, you talked about that book, "The Go-Giver". I couldn't recommend it enough. There's also another one called "Giftology" which I would also highly recommend just around that train of thought. So, provide some actionable ways that you added value. Because like I said, we talk about it often on the show, but then sometimes we say, add value to people, how? We don't always say how we've applied that. How did you do that? And consistently? Maybe some different ways that helped you to truly add value to this team and so they notice you.

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TV: Yeah, absolutely. I know that a lot of people ask me, "What can I do to provide value?" And all you did was ask me for a job. You're giving me a job now, and really, that's the art of it. That's kind of the beauty of it. It's finding the people that you click with and that you respect, and what they have is attainable and achievable, and they're not like some guru with billions of dollars in assets at the time. There's a scale there, right?

And you're absolutely right, my time was not valuable. He literally told me upfront, he was just like, "Tim, your time is not really valuable right now."

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TV: That was a really humbling moment for me. What I found was valuable to them, because when I first met them, I didn't have any deals. I didn't have any money to invest in deals. I didn't know how to really find deals. I thought I did but I really didn't. And what they were trying to do that was important to them because they had deals and they had money and all of these, they were trying to grow this Facebook Group. And I joined every single one of their Facebook Lives. I commented. I was engaging. I was providing value to them because when you're doing a Facebook Live, as I do them now myself, having that interaction with your audience makes a conversation smoother. It makes it a little more enjoyable, just flows nicer. Because when you're just sitting there talking to a phone screen by yourself, you kind of feel like you're going on repeat 'cause there's no feedback. I joined every single Facebook Live, every single one of them. Everything that they did, I was there no matter what. And I knew that they knew who I was after months of doing that. I joined on and they're like, "Oh, there's Tim Vitale, he's our

number one fan” and I was like - oh okay, so now they at least know who I am.

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TV: What I did after that, we connected on the phone 'cause he was like, “Dude, I've been meaning to reach out to you and talk to you and just say ‘thank you’. We appreciate it so much. You being involved in inviting people to the group and being engaging and commenting and doing all the things.” Because that's what was important to them. Growing that Facebook Group was important. So, I figured out how can I help them grow that Facebook Group? And that was by being engaging, inviting people. And then furthermore, they came out with a course and they sent me a copy of the course 'cause they're like, “we want you to run the room and we want you to be an admin and do all of these things”. I offered to be a moderator. It's like, I already live in this group anyways, let me be a moderator. Let me help you out. Keep all this stuff out. And they were like, “Absolutely. Like, here you go. Help out there or help out here. Help out there. Help out there. And then, they send me the course and they showed me the analyzer. And I told them, I said, “guys, you can't sell this. This is absolute trash.” It was trash.

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TV: And coming from a corporate finance world, I lived in Excel. So, I was like, “You know what, let me do this for you guys. Because this is really like, I'm embarrassed for you because this is so bad.” And it worked. Don't get me wrong, it was a calculator. It would tell you all the numbers but it looked terrible. It's clunky, took forever to analyze the deal. I spent more than 60 hours redoing this entire spreadsheet for them to analyze deals and that they give out in the course that they sell and all of those different types of things. And then they were like, “How much do you want for doing that?” And I was like, “Nothing. I told you when I took on the job, I was going to do it for you because I wanted to.” And they were so moved by that. That's when like three months later, four months later, they had a deal that they brought me into. And they're just like, the most impactful thing that I did was redevelop that calculator for them and asked for literally nothing. When they told me they were going to send me money for it, I was like, “No, I don't even have a Venmo. So, stop.” I did, but I told them.

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WS: So, you had a unique skill set that you were able to use in a big way to add value to them.

And I love your blunt honesty with them as well - “this is trash”, “please don’t put this out, I’m embarrassed for you all if you sell this”. But you had a skill set that they didn’t have as well, and specifically in Excel. Every one of us in this industry better have somebody on your team that can do Excel in a big way, right? It’s something we use all the time. And so, what I want to highlight is that not everybody listening is going to have that same ability in Excel. But often, you do have something that’s valuable, some type of skill set. Like I said, it may not be Excel but it may be social media. Maybe what you said too about getting active, being active in their group all the time, and time and time and time and time again.

Finally, they noticed you. Finally, it’s like, “Why not have him host a group or a moderator or whatever?” And then it’s just relationship-building, right. It’s exactly what you do with investors too. But you did this with a potential mentor. You didn’t seek out anything. You didn’t feel so self-righteous that it’s like, “My goodness, they’re not paying me anything, I’m just going to go somewhere else now.” You knew that was a great place to be and you just hung in there. Now, it’s paid off. And so your first deal is 91 units. Tell me a little bit about your role in the 91 units. How do you add value to that project? Then tell us about the next project and how that changed.

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TV: Yeah, so it did develop really quickly from that point. We closed on that deal on Friday the 13th in August 2021, and besides the bad omen, everything has gone as well as it could with that deal. So, I do asset management. I’m on the weekly calls with the property management and construction team. Like once a quarter or every three to four months, I’ll drive down to the property overseeing the construction, get on the site, see what everything is looking like. It’s heavy right now because we’re going through the whole rehab process. When we bought it, it was 50% occupied. Right now, it’s like 23% occupied, pretty much vacated the whole building, the whole bit place. And we’re renovating each and every unit. I mean, it’s Cardinal Properties, so there’s a lot of sub-floor issues, for the guys out there that have dealt with Cardinal Properties before. So it’s a very heavy value-add in a really great location on a high visibility street, plenty of value to add. We bought it for 3, maybe 3 and a half million, put in a million into it, and stabilized value is going to be like 7.5 or 8 million.

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TV: It's absolutely insane! They were just overloaded with asset management. They were like, "Here you come in. We'll kinda show you the ropes, show you how we like to run things". And then within a month or six weeks or whatever, I was calling all the shots and running the calls on-site with the people when I needed to be. I had a conversation with him last week and they're just like, "I love joining these asset management calls with you because I don't have to do it". And I was like, "That's why you brought me into the team to do. So, I just want to make sure that you know that I'm holding my weight and then you're not sour about it."

Everybody's happy with what's going on and they were like, "Dude, we can't wait to get another deal to bring you into because of the way that you run these deals. You're on top of it. You know exactly what questions to ask." It's clear, it goes back to the experience in the corporate world of running and managing teams in a corporate environment and it's like everything's just clear and concise and everybody's on the same page. And that clarity really provides a lot of value to people that are maybe they struggle with it. And there's nothing wrong with that. But, it's just maybe your value is helping people get organized. Or maybe your value in social media as you said. My value was Excel. There's so much value out there. It's just, you gotta really self-reflect on what you're good at and what do you like to do and find people that don't like those things, right?

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TV: I like to use the analogy of a puzzle. Every single person that's listening to this show is a piece of a puzzle. And you might have tried to put your puzzle piece in other pictures before and it doesn't quite fit. But if you find enough pictures and you keep putting your puzzle piece down and connecting with more and more people and growing your network, you will eventually find the picture that you were meant to be in. It takes time. And the people that never succeed are the ones that quit because they don't find a place to put their picture puzzle.

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WS: Love that analogy. You gotta find a place where your piece fits. I just think it should be encouraging to the listeners as well that, hey, you have some type of value, right? And a lot of times, oftentimes you can learn something and just if you focus, if we focus on say just one little thing for like say, it even took six months and you're going to be probably better at that one thing that most people. You know, I'm on somebody's team already. So, you have some

type of value add. You would have something you could do for somebody. But, I think a big part of your story, Tim, that is so encouraging is that how you figured out what that was.

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WS: You got involved with the right mentor, right people, right team, and you just relentlessly kept adding value in a way that you weren't self-seeking. That you would just give, give, give like you said before. I just want the listener to hear that. I know you've heard it on the show before. However, we still don't do it. You still don't do that. You still want to think that way often. But, it doesn't have to be as complicated as oftentimes we make it to be. Seek out that skillset that you have or go create the skillset that you're passionate about. So, you can add that value. So tell me a little bit about the transition phase as far as you, your spouse, family. How did that work as far as being confident that I can cut this off now, this lifeline? Some people would call it my W2 and go do this full-time.

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TV: Yeah. So, this is another interesting piece of my life. And I think that's why a lot of people do follow me on Facebook and feel inspired because I didn't know if that was a possibility. When I told everyone of my situation and I was quitting my job, they're like, you're nuts! So, my wife had quit her job in June to open up her own business, and I was just going to continue working in my corporate job and everything was going to be fine. I was so used to working 16 hours a day between real estate and my day job. It was just like, 'oh, what's in another year', just keep piling it on. Late August, beginning September came around, HR called and said that everyone was going back to the office. And I said, that doesn't really work for me 'cause I can't take investor calls and broker calls all day while I'm supposed to be doing my day job. It was kind of like transitioning towards the end. You kind of feel it. It's like I'm not really doing much of my day than I do have anymore. I'm probably getting fired for lack of productivity.

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TV: Basically that day came along, and it was a Friday. Immediately after, one of my investors call and we had a really good relationship. He kind of inspired me and told me about the same situation that he went through and that quitting his job was the best thing he ever did. Fast forward now, that investor, he's now one of my business partners and we're really great friends. But I unloaded on him. I told him, I was just like, "You know what, you asked, what's going on

in my life? Here's everything.” I just dumped it on him. He gave me really awesome insight. Then I went downstairs and I talked to my wife. I was like, HR just called, they want me to quit my job, go back to the office. And she was like, “No”. What do you mean “no”? Let's sell the house. I was like, “What are you talking about?” Let's sell the house and we'll move into an apartment. So, as you see now I'm living in an apartment. We sold our house, and now we're living off the equity that we build up in our house. The only reason I really felt comfortable with that was because it's going to put a big nest egg in our bank account that we can live off.

Additionally, I had the momentum. We closed a 91-unit, then we closed a 32-unit, then we closed a 24-unit, and I had another deal under contract. The momentum was there. I was like, alright, look, if we can put all of this money in the account, and I can't make any more money, this money will last us a minimum of two to three years. If I can't put any additional money in the account in the next two or three years by doing multifamily apartment investing, it was never meant to be. So, we sold our house. We moved halfway across the state to Wilmington, North Carolina from Charlotte. And the rest is history from there. That was all. We closed on the house in November 15. So, that was not that long ago.

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WS: I love your wife's response there. It's so encouraging. It's so supportive, even the willingness to sell the house. What would you say to the listener that says, You know what, my spouse is just not going to go for that. Not going to be willing to take that kind of leap. What helped you all to be, your spouse to be so on board with making that leap like that?

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TV: She saw the momentum. She saw the track record. She saw the success. I believed in myself. The people I had partnered with believed in me. There are some big names out there that had called me even like to be part of their mastermind. And I had to tell him quietly, “Hey, I don't even qualify for this yet”. At that time, I hadn't even closed my first deal yet. But they presume that I had because of my online social media presence and the networking that I've been able to do and who I'm rubbing elbows with. It was like, “How does your name come up at my mastermind and you haven't closed a deal yet?” And I was like, “Well, you told me to network with the best and that's what I did.” And he was like, “Man, you definitely did. And he was like, “Alright, well, I'll close a couple of deals and you're in it. All the other pre-requisites

don't matter for you. You're in.”

But yeah, I mean the hardest thing, you have to have some kind of nest egg and you have to have some kind of momentum. You have to be able to look into a 12-month or 24-month window and say, do I have enough money in the bank to live off of this?

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TV: What sacrifices can I make in order to do this? And then you just kinda go all in. If you kinda got one foot out, one foot in all the time, you're never going to do both things great. And I thought when I quit my job, I was going to have so much more free time. You look at my calendar nowadays and it's back-to-back-to-back-to-back phone calls with brokers, investors, analyzing deals with other people, helping other people out in the different Facebook Groups, and things like that. I'm constantly busy. But now I'm making more progress than ever because I'm spending the best part of my day, from 8 to 5, on real estate, which is what I wanted to be doing instead of doing it from 5 AM to 8 AM and then 7 PM till midnight. You kinda move it around a little bit. But because I'm able to do it during the best part of my time, during the day, I can just get up and I can go do a property tour with a broker. If something comes in online or I can go have lunch with brokers or meet with investors, just being able to have the freedom to do those things will significantly grow your business. So, if you've closed a deal or two, you feel like you got another one. Like another one on your contract and you kinda see the foresight of deal flow is increasing. I can barely keep up with analyzing all these deals 'cause my day job gets in the way. When you start answering those questions, you just gotta take the leap of faith. You really do.

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WS: I love how you also had some saved, two years, you said of expenses like in the bank, right? That gives you and your spouse such a level of confidence as well to move forward in that. But man, the willingness to sell your home. I just love that we did a similar thing, sold the farm to make it happen and move into this business. And very difficult for us to do that but man. We just knew that that was, it was crucial for me to just burn that bridge. Hey, we're going to move into this, we're going to make it happen. You just can't turn back at that point. So, that big leap like that, it just does a lot, I think mentally, to you and your spouse.

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TV: Mentally, something switched. Something happens inside there when you don't have any other option but to succeed. Especially when you already have the momentum, it's easier to build on that momentum and continue to grow. It continues that snowball that's rolling downhill.

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WS: Tim, a few final questions. What's your best source for meeting new investors right now?

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TV: Showing up on Facebook every single day. I know there's a lot of big guys out there on LinkedIn and I'm working on getting better at LinkedIn. But Facebook all day every day - Facebook Lives, make posts, interact on stuff. Don't just like things, you have to comment on them because then your name is seen. Nobody goes through the "likes" on different photos and posts and things like that. Be encouraging, be uplifting. Tell other people how to be successful. Live a life of abundance and help other people become successful and you too will become successful. It's that easy.

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WS: What about some daily habits that you are disciplined about that have helped you achieve this level of success?

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TV: Again, be on Facebook. It's like if you want to grow your network, what do you need to do? You need to be networking and you need to be involved in the community. You need to be reaching out to the people. I never look for deals and money, I attract it to me. And that's how I do it, is by being valuable on social media where people can buy into your story and buy into everything that you're saying. Because what you're saying is true and valuable, and then it inspires them to reach out to you. I've never reached out to somebody and said, Hey, are you interested in investing in this deal? It's always somebody who's messaging me to say, Hey, I want to invest in this deal with you because I've seen you on Facebook, because of all these different things. So, being consistent and being disciplined or being consistent about growing your network is absolutely what you need to do in order to grow your career.

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WS: How do you like to give back?

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TV: I just kind of open up the hood, man. I show everybody the meat and potatoes, how the sausage is made, as they like to say. How do I underwrite deals? What's on my mindset? What I'm thinking about these things? What do I think about these different expenses? How do I incorporate these things? What am I seeing on lending terms? What is my property management doing? I'm just talking about what I'm doing on a daily basis to show other people through my own experiences, what they can expect. And if they're not having the same results, then they can go back and adjust based on what I'm seeing.

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WS: Tim, you have helped our listeners so much today. I hope you have encouraged them in a massive way too. Hey, go take action and to give back in a massive way. It's going to come back to you. When you can help people, it just says a lot about you, I think, in a big way as well. Just getting to that first deal, you mentioned three years, even to the point that your spouse being so supportive that her response was, "Hey, let's sell the house" is not the typical response, I think, unfortunately for most people. However, that says a lot about you. And you all doing this together. If my wife had not been on board, it just would not have worked, it couldn't have happened. So, I just understand that in a big way. And I appreciate you being willing to be so transparent about it. I know that's helpful to the listeners.

Tell our listeners how they can get in touch with you and learn more about you.

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TV: I have a Facebook Group, "Makin' Moves in Multifamily". I do weekly Facebook Lives where we interview different operators, cost segregation people, brokers, lenders, just providing value to people in order to make it so that they can interact with people that they otherwise would never have interacted with. I like to do Streamyard 'cause you can show comments and things, and it really makes this different level of engagement when you're able to get the audience involved in the conversation. And that really helps the growth of my Facebook Group is providing value that way and being consistent. Every Tuesday at 10, Tim and Tim with my

partner Tim Vest. Tim and Tim, Tuesdays at 10. "Makin' Moves in Multifamily", we're doing it every week. We're consistent, we show up all the time. So, the best way to get in contact with me is going into that Facebook Group, or you could go to my website, www.upsidecapitalgroup.com, and I have an account link in there, an investor portal and all that good stuff in there as well.

[END OF INTERVIEW]

[OUTRO]

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WS: Thank you for being a loyal listener to 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, go to the www.LifeBridgeCapital.com where you can sign up and start investing in real estate today, Have a blessed day!

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