

EPISODE 1202

[INTRODUCTION]

0:00:00.0 NICOLE GAUTHIER Yeah, so social impact investing means to me, like making a direct impact a direct influence on other people's lives. So, I know that you know, there are people that are out there that love to give to charities and they love to, you know, write their checks, or they have donor-sponsored funds and whatnot, and I think that those are amazing things to do. However, I feel like for me personally, I really like to get to know the residents and communities, I really like to understand the history behind people.

[INTERVIEW]

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David Robinson: This is your daily real estate syndication show. I'm your host, David Robinson. Today, our guest is Nicole Gauthier. Nicole, welcome to the show. Thank you for joining us today.

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Nicole Gauthier: Yeah, absolutely. Thank you for having me today, David. Appreciate it.

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DR: No problem. So, Nicole is the founder of Wicked Holdings, a real estate investment company focused on social impact investing. She focuses on multi-family investing, apartment buildings, but is also on a mission to create a portfolio as generational wealth and teachable moments for her kids and family.

And so, Nicole, we would love for you to back up and give us some insight into sort of your back story and how you even got into the real estate, what you were doing before real estate, and how you got into the space, and then we can talk about some of the investment that you've done and what you're focused on moving forward to have an impact.

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NG: Absolutely. So, my background basically stems back to oil and gas. I came from a corporate America background, worked as an accountant at, or in the energy sector, and basically used my love of numbers into the finance world. Fast-forward a little bit, I knew that entrepreneurship was calling my name and I wasn't quite sure what that looks like, but definitely realize later on during kind of Covid that real estate would be a niche that I would eventually come into.

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DR: And so, how are you been exposed to real estate? What was it that, you know, got you interested in even thinking about it during or after Covid?

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NG: My story... my dad had always talked about, like owning land back in the day. My grandpa had actually owned quite a few homes all on one street, and my family, a lot of, like cousins and aunts and uncles had all kind of lived in those homes as well, but he always, like kinda pushed out to my brother and me that, that land has a value. It's not, they're not building anymore, and it's a great investment piece. Actually in 2020, when I was doing some kind of market research, just kind of discovering what the wards and stuff were all about in the City of Houston, I kinda came across a piece of property that I look like would be a good deal and I wanted to own it. So, didn't know what I was gonna do with it at the time, but I kind of had that vision in my mind and that kind of thought in grain that land has a lot of value to it, and so I purchased that and that kind of just started off my journey in real estate.

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DR: Interesting. So what did you end up doing with it? Do you still on it? Did you do anything with it at this point?

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NG: So we still own it. We get a lot of calls about trying to sell it, of course, especially in this market. It's still a lot right now, but I'm in the process of trying to do some new development on that, that's one of my goals for this year, is to do either a duplex or four-plex, so small multi-family on it. And yeah, just run with it.

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DR: Oh, that's great. So let's talk a little bit then about the investment that you've participated in. Where did it start for you? What was the first deal that you were a part of?

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NG: Yeah, the first deal that I was a part of, and the second and the third, all came very soon with one another. The first deal was a single-family property. It was a fixer-upper in need of some very serious repairs. It was habitable, there was a lady, a grandma, and her grand-daughter that were living in the property at the time, but it had a lot of, like deferred maintenance and some pretty serious issues on it, so I actually ended up purchasing that from the wholesaler and using the BRRRR strategy on it. We're in the stages of a basically final inspection on that one, but went through the gut at the house, and we're making it really beautiful for the next person to live in.

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DR: Oh, that's great. Started off with that single-family, you're in the process of that rehab, well, you finished the rehab and you're the process finalizing that deal, and then you've been involved in a larger commercial deal, marsh multi-family deal as well, is that correct?

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NG: That's correct, yeah.

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DR: Tell us a little bit about that one.

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NG: So, my journey into the commercial real estate world really started off as a limited partner. Basically had found a great person on LinkedIn, we connected, became friends, and they were actually sponsoring a deal out in a great market, and they had presented the deal to me and I really liked it, like them, grew to trust them and really know them well. And so I invested in that as my start into the commercial world, which has been, been super helpful now that I've more transitioned to the kinda co-GP, GP side with, you know, helping other people get possibly invested as well.

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DR: So you started out as an LP investor, and then you mentioned getting involved on the co-GP and GP side of things, what does that look like for you? How did that come about?

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NG: Well, that really just kinda came about through networking and building relationships with people that are further along in their journey than you are essential. But I had met some great sponsors and had a great connection with them, and basically just consistently ask, like "How can I provide value to?" "What can I do to help you and your business grow?" "Is there anything that can help contribute to?" because Houston is a market that they are heavily interested in, and I'm the only one that's local or lives here. Kind of started with being like boots on the ground for them, helping them out with different opportunities that came across their way, and sending them to me like, "Hey, what do you think about this area? What are your thoughts on the numbers?" etcetera. And that basically just translated to eventually them asking, "Hey, can you help us out on this deal?" And that's basically how I made that transition to co-GP.

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DR: And how did you originally meet your partners on this deal?

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NG: We met them on LinkedIn. Been an amazing platform where there's a lot of like wonderful like-minded, positive individuals that are out there that are doing big things in the real estate world, and of course other industries as well, but we've been to kinda ride the same way with a lot of mutual connections and stuff like that. So yeah, I met them on LinkedIn from a deal that they had posted and just intrigued me and the conversation continued.

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DR: Well, let's talk a little bit about this concept of social impact investment. It's becoming more common to hear that general phrase in our circles of multifamily, commercial multi-family investing, but just give us a sense of what that means to you.

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NG: Yeah, so social impact investing means to me, like making a direct impact and a direct influence on other people's lives. So, I know that you know, there are people that are out there that love to give to charities and they love to, you know, write their checks, or they have donor-sponsored funds and whatnot, and I think that those are amazing things to do. However, I feel like for me personally, I really like to get to know, like the residents and communities, I really like to understand like the history behind people, like just kind of developing those genuine relationships and really trying to like connect with other people. And so with the social impact investing, it means that I'm going into these communities. Currently, right now on the residential side, but going into distressed communities and really understanding the residents and what their need is, not having me come up with the idea of "I think that this is what the community needs," like no, get out there and ask the people, "What can I do to help you?" "What can I do to make this community a better, safer place to live?" And so that's basically what I've been doing, is I target specific zip codes and I go in and I make the home is really beautiful, and I hire the residents that are in the area to kind of help out on some of the projects. Yeah, and we just make connections.

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DR: That's interesting. And how did you identify the zip codes that you're targeting?

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NG: Driving for dollars. So driving around for dollars, definitely. I first started out in the residential, like real estate space. I drove a lot in the inner city, focusing specifically on the wards, and those are just areas that are in the city that are considered, I guess, opportunity zones, complete communities, that sort of thing. So yeah, I just kind of... would just drive through there and recognize that there was a real need for change, and there's a real need for someone to come in and to advocate and provide resources that aren't there. People are being taken advantage of, and I didn't like that, so I took action.

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DR: Give me an example of when people weren't being taken care of and how what you're doing would help in that situation.

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NG: There is a realtor that I know that is based in the third ward here in Houston, and I had lunch with her one day and we were just kind of discussing new development and infrastructure in that specific area and, or I guess for this specific example, you know, we were talking about the freeze, the freeze that had happened in Texas. And a lot of people had like burst pipes and water was spewing everywhere, and people had, you know, were without heat and electricity, and she was telling me that there was an elderly lady that was in her 80s that was living in... I wanna say it was a multi-family complex at like an investor-owned, I don't know, I can't remember if it was a 10-unit or if it was a home that had like 10 spaces and they were being rented out per room, the pipes had burst in that area, and the lady did not have heat, she didn't have, like plumbing that was working and she was using a pail to use the restroom, and a lot of these investors were getting money from the government to go in landlord assistance and fix these types, and they were taking the money and not doing the right thing, so that really hit home to me and I just don't... I don't like that.

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DR: And so moving forward with your business Wicked Holdings, what is your goal with your investment company?

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NG: So my goal is really just to make a difference, to empower other individuals to learn the business. I think that there's been, throughout history and time, a lack of resources in trying to really kind of create like generational wealth for our families, and for me, I think that just means being that one that kind of educate other people in the space and really provide value to others without any sort of expectation in return. So that kind of stems on, you know, the residential and the multi-family side, but I do have, like a grand vivid vision of creating a women's facility that has a bunch of different resources available to them, whether it's in-house daycare. It's quite detailed, I'll... I'll say that much, but basically just having, you know, a women's facility that empowers those women to create better lives and to hopefully kind of have this program where they can graduate and once they've graduated from this facility, this program, then they've all got at least one extra stream of passive income. So, it's this grand vision that I've got, but I'm working towards that.

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DR: And what do you think is the first step that you need to make? To make that vision a reality, what's the first step in this process?

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NG: So, I've been developing a lot of great connections with non-profits. Trying to get connected with the Unity Land Bank. I know that they've got a lot of land and vacant, you know, vacant buildings that are around and they'll partner with non-profits in order to, you know, make those renovations and basically kind of help develop new infrastructure in these different communities. So I've just honestly just been trying to connect with the right people and understand the commercial real estate side better, get experience on that side so that then I can kind of translate a little bit of what that model looks like with syndication into developing this women's facility model.

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DR: And as far as finding future opportunities for investing, how are you going to go about that at this point?

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NG: At this point, I'm really just growing and scaling on the multi-family side. So I've been capital raising, I've been doing more underwriting and really trying to hone in on my market here in Houston so that I can provide great value to other people that are interested in this area and is boots on the ground, developing the right teams, contractors, multi-family property management, and then also just been sourcing deals. So getting out there with learning about new brokers, connecting with them, and really just trying to be very prompt in my response to them and just be honest and develop that good connection, and then hopefully this year, it is my plan, so not hopefully, but it's my plan to do... to basically start driving for dollars for commercial properties and seeing where that takes me as well.

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DR: Interesting. And so, as you've been communicating with brokers, what have you found to be effective or not so effective in your communication with the brokers?

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NG: Definitely quick response. I've found that when you get a deal or an opportunity that's sent to you, to be honest, not kind of like give them the run around or, "Oh, I'll think about it" all this or that, like I'll tell them straight up, "I can't get this to this today, but I will be underwriting it tomorrow," you know, asking the right questions and not having, like my criteria to be so, so specific that it's almost impossible to meet those demands.

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DR: Yeah, good advice. You know, getting a quick response, accurate response to those brokers is important, that's for sure. Well, Nicole, I've enjoyed our conversation and learning a little bit more about, you know, what you have done in the past and what you're looking to do moving forward. What are the biggest challenges that you're facing in trying to make this vision a reality for your business?

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NG: So the biggest challenge, normally, is just finding the right people. I think that I like making those connections because I am focused on social impact investing and really trying to get out there and do positive things in the community, it's taking me longer to get projects and stuff off the ground because I've never dealt with grants before, and I don't have a non-profit. And so, it's kind of like setting up the right systems and understanding how these other areas work, like with the government and Economic Planning and Development Department here in Houston. I'm just trying to get a good grasp on all of that, and so that's been kind of my... my biggest struggle is just pushing forward in that regard.

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DR: You know from a mindset perspective, working through the challenges that you face and trying to make your vision a reality, is there any strategies or tactics that you employ to make sure that you continue to stay focused on the goal and push forward regardless of the challenges that are in front of you? Anything that you do specifically that could help one of the listeners that may be faced with a similar challenge?

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NG: I think, honestly, what you've mentioned about mindset and having the right mentality in

this business is huge. For me, the biggest thing is thinking about what would happen if I didn't push forward. Who am I letting down? Am I letting down myself? Am I letting down my family? Am I letting down the people that, you know, that I'm out there trying to help? For me, the biggest thing with mindset is to consistently tell myself to just keep going and be persistent and know that real estate is a long-term game, and it's not something that can just kind of get into just as a hobby, like you, have to have your why, and be strong with that why.

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DR: I want to start winding down in conversation here. I've got a few final questions for you, the first is, is there any resources or tools, maybe technology, or an app that you're using right now that is really helping you in your business?

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NG: Ah, see. Technology or tools? Honestly, with my business, yes. With organization, I use Wave, which is like an accounting system. I guess it's probably similar to QuickBooks in a sense, but it's free and it develops all of your PNL, you can link up like your debit and credit cards, like your business accounts to it, and it just helps with organization and making sure that like your numbers are in place, and you've got your PNL statement at the end of the year that comes from the accounting background.

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DR: Yeah, yeah, I can see that, and that's excellent. That's good too. And then as far as any... what are some daily habits that you've developed that have helped lead you to the success that you've had this far?

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NG: I always write out what I'm going to do each day. So I have my agenda right here and I always have everything outlined per day on the things that I absolutely need to get done, the things that I would like to do. Just trying to make sure that I write it out and I cross it off. I don't know what it is about like crossing things off of like a to-do list, but to me, that's ultimate, like a win for the day, so I like to do that, keep my agenda.

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DR: That's the accountant coming out anew again. I can relate a little bit, that's for sure. Nicole, this has been a great conversation. I appreciate coming on and sharing some of your past investing experience and really what you're looking to do moving forward with, you know, social impact investing. And hopefully, listeners of the Real Estate Syndication Show will hear your story, and maybe we can help you make a few connections for people that are like-minded and are looking to do the same thing. Before we let you go, what's the best way for listeners to connect with you and learn more about what you have going on?

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NG: So on LinkedIn, they can connect with me at Nicole Gauthier and that spell g-a-u-t-h-i-e-r. Or they can actually head over to my website at www.wicked-holding.com. And on there, I actually have a free guide as well that kind of help out other people that are looking to get passively invested to understand syndication and, like what LP means, what GP means, a lot of the common terms that we throw out that are common to us, but not so much to other people, and I just try to provide that resource for free so people can learn and grow at the same time.

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NG: That's great, we'll have that info in the show note. Nicole, again thank you for coming on. Thank you for sharing your insights with our listeners today, and we hope that you have a great day today.

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NG: Thank you. Thank you so much for having me, I appreciate the time.

[OUTRO]

0:17:27.0 WHITNEY SEWELL 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, where you can sign up and start investing in real estate today. Have a blessed day.

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