

**EPISODE 1222**

[INTRODUCTION]

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**Adrian Panno**zo (AP): I'm buying bricks and mortar. I'm not buying a stock or something that has the potential to disappear overnight like that. Even if the market took a dip, I thought, okay, worst-case scenario, I ride the wave and I still have that tangible asset. And I think too that peace of mind helped me as well that, hey, worst-case scenario, it takes a dip but I'm not going to lose my shirt. I'm not going to lose my shirt because there will always be a need for people to rent who can't afford homeownership at the moment for themselves. I don't think there's a safer avenue to invest your money other than real estate.

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**Whitney Sewell** (WS): This is your daily Real Estate Syndication Show. I'm your host, Whitney Sewell. Our guest today is Adrian Pannozo. Adrian has a very interesting story. It's interesting how similar it is to mine in some regards - 21 years as a police officer, and he retired early to become a full-time real estate investor. He has some hard knocks in between many years of being a police officer and starting his real estate business. In less than a decade, he built an amazing real estate investment business and property management group, 300 rental units or so. It's just incredible what he's done. He goes into that mindset piece that was taught from being a police officer that's helped him now to become an entrepreneur where many years of just sleeping like three hours a night. Keeping the policing career going while getting his real estate business going and how he did that being a husband and a father. That even if they had no money in the bank, they still made it happen. I hope that that is encouraging to you. If you are hesitating to buy that first property or take that leap or step, I would say after a number of years, he was very comfortable to leave that day job to pursue real estate full-time. And it has just taken off by doing that. So, I know you're going to learn a lot. I hope you're very encouraged by hearing Adrian's story and have a blessed day.

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**WS:** Adrian, welcome to the show. I've enjoyed reading a little bit about you and your background. We have some commonality between your background in law enforcement, mine in law enforcement, military. Some of the research that we did, just even thinking through how that shaped who you are and your mindset and now, how you've become an entrepreneur after that. I want to get into that because I feel like that is so helpful to listeners to hear. It's the importance of mindset, how you did that, but then also making that transition into real estate from this career that you had. It's a difficult decision to step out and to do that. Let's jump right in. Give the listeners a little more about your background in law enforcement to some extent, then let's talk about that transition to full-time real estate.

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**Adrian Panno** (AP): Thanks. It's a pleasure to be on the show, Whitney, as well. Thanks for having me. It all started for me, I was a police officer for 21 years in the GTA, Toronto, Canada. I worked in all different facets of the police department, right from starting on the road to the homicide bureau, and everything in between. But nevertheless, probably around my 10th or 11th year of policing, I thought that I wanted to buy maybe one or two investment properties and subsidize my pension after I put in my 30 years on the job. So, I started about 11 years ago. My wife and I at that time, we had no money in the bank. We had a decent income, but there wasn't a lot of savings per se. But what we did have is, we had equity in our home. Ultimately, we leveraged that equity through a home equity line of credit. We used that line of credit to start buying investment properties. I want to say, back then, give or take, we started with \$200,000 home equity line. We used that to buy our first three rental properties. Again, I was still a police officer, still working shift work, court, family man, a daughter, the white picket fence, the whole nine yards.

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**AP:** I got into it quite aggressively while I was still a police officer and I was managing all the stuff on my own. It went well. My mindset back then was I wanted one or two to subsidize my pension when I retired so I could live the same lifestyle financially. Being a police officer, I think, helped with that mindset of taking risks or stepping outside of your comfort zone, getting involved and leveraging, essentially, everything I have, which was only equity in my home.

Leveraging all of that in order to get my foot in the door and pull the trigger and take action. So, if anybody ever has something to say about taking action, believe me, it's me because the action I took 11 years ago by starting to invest in real estate completely changed the course of my life. I was able to retire early, completed 21 years of service as opposed to thirty, changed my life financially in the sense where I started with the mindset of having two rental properties, we now have just shy of 70 rental properties that we own in partnership with our business partners. It's equivalent to about 350 units that we own. Again, this all started with, I want to own maybe one or two rental properties to now, not to sound pompous, but an empire of investment property. Basically, a pretty good 11 years of investing in real estate.

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**WS:** I appreciate all that you said. I love the mindset piece, and I want us to get into that just a little bit, especially from policing. I know the listeners know a little bit about my background in policing, in military, and how that helped me. But I also want to mention to the listeners as well, obviously, you're in Canada. They do not legally syndicate deals the same way we do in the US. So, there's a little difference there, just so the listener understands that as we're talking about these projects and stuff. But man, you move fast. And I love that you even mentioned, you know, "I just wanted to subsidize my income, and I have a couple of rentals, and then look at what's happened". I was so similar. And I want to thank you for your service as well. Definitely, it's such a difficult position. And I appreciate your transparency around "Hey, we didn't even have anything in savings. No money in the bank, but we knew that we needed to get started. We need to do something to subsidize. This was 10 years before you retire, before you left policing. And I did something very similar.

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**WS:** I was making \$28000 a year. It was like, no room for advancement, no way to make any more money without working just every bit of overtime I possibly could. And even then, I might get to \$35000, \$36000. You know what? I can buy a couple of rentals, and we've made a bunch of mistakes and learned a lot the hard way. But thankfully, we didn't quit there either. So, it's interesting, just the similarities. But I appreciate your transparency around that. Speak

to the mindset from policing and how that shaped you into being an entrepreneur and pushing forward in this real estate business.

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**AP:** I think part of our previous careers as police officers, we quite often, even just the course about shift, you're always stepping outside of your comfort zone, responding to different 911 calls and different kind of loss of life and whatnot. And how did that relate to real estate? Well, when you have no money in the bank, I didn't have a mentor, I didn't have a coach. No one of my friends or family really was investing in real estate. So essentially, I didn't have anybody to lean on other than taking action and taking the plunge and pulling the trigger. My comfort level, I think too, was at the end of the day, I always looked at it, I'm buying bricks and mortar. I'm not buying a stock or something that has the potential to disappear overnight like that. Even if the market took a dip, I thought, okay, worst-case scenario, I ride the wave and I still have that tangible asset. And I think too that peace of mind helped me as well that, hey, worst-case scenario, it takes a dip but I'm not going to lose my shirt. I'm not going to lose my shirt because there will always be a need for people to rent who can't afford homeownership at the moment for themselves.

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**AP:** So, yeah, did I step out of my comfort zone? Big time. And there were some sleepless nights. You know when we first got started, kept thinking - did we make the right move and everything? Ten years later, 350 units later, here we are. I don't think, personally, and again, it's just a personal opinion, but I don't think there's a safer avenue to invest your money other than real estate. Because again, ride the wave. Market's gonna go up, it's gonna come down, but most millionaires are made by real estate.

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**WS:** Right. 90% of them actually or more. Could not agree more. And you have control. You do not have control over your Apple stock or your Walmart stock or whatever. No matter how much you buy at Walmart or how many iPhones you have, you have no control. So, I completely agree. You've mentioned, our team found this, you look at real estate through time

in the market rather than timing the market. Like what you just said, maybe a good opportunity to just speak to that a little bit. Tell us more about what you mean by that.

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**AP:** You always hear this story or you always hear, not the story, the comment. A lot of people always say - you have to time the market, you better really time the market and try and time the market, and so on and so forth. And you know what, that could hold true a little bit. I'm not saying there's no validity to that. But what I will also say is no one has a crystal ball. Trying to time the market, you better really, really know what you're doing and have a ton of experience and a ton of data. And then still, you can't say for sure what the market's going to do. We can predict or interpret the market, but we don't control the market. But what I know for sure, and those are a lot of what-ifs, what I can say for sure is time **IN** the market, you can't lose. Because if you leave your money in real estate and you let it compound year after year, even if there's a slight dip or a bigger dip, your money is safe in there. You can't lose. But if you put all your eggs in one basket and you're, let's just say, you're doing the flip and in six months you're expected to make X amount of dollars. But in that sixth month, the market took a dip and now you're ready to flip. Well, your end result may not be as fruitful as you thought it was going to be. And it's very, very difficult to time the market as opposed to time **IN** the market. You can't lose. In my opinion, you can't lose time in the market. What are your thoughts on that?

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**WS:** You have to get started to have that time in the market. I love that. And it goes back to what we were saying earlier about the safety or the security of real estate versus some other types of investing. Couldn't agree more. It's like what you've said earlier, 90% of millionaires have been made in real estate. And what is it Warren Buffett talks about? It's consistently investing. It's like, let's not try to time the market while he might have a very good understanding of timing the market. But still, he stresses to just consistently invest, when it's high, when it's low. Those are the ones that just continue to win, the ones that are consistently investing. I wanted to also let you speak about your growth to 300 plus units from just a few. How many did you have when you retired? Because you did that for 10 years before you retired. What did that look like? Full-time policing, building a real estate business? Then, let's

also get to knowing when - it's time for me to retire, it's time for me to go do this full-time as well. So, first, about full-time policing and growing your real estate empire, you know, those 10 years.

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**AP:** Before I left policing, I probably should have, I contemplated leaving probably two years before I actually did. And it was intimidating because leaving that steady paycheck, the pension, the benefits. Every two weeks you're getting that paycheck regardless of how you feel and what you've done. It was intimidating. Why did I? I guess financially, my investments in real estate enabled me to leave. But while I was trying to carry both things going on, the real estate investing and the police department, I did that for the better part of probably five to seven years, burning the candle at both ends. I'd go in for night shift and do a 12-hour shift, come home, sleep for three hours, then run out, check on the rental properties, cut the grass, screen the tenants, show the properties this and that, go back in for another night shift. I was really burning the candle at both ends. Got to the point where it really wasn't enjoyable anymore because I was running around like an idiot, so to speak. So, it got financially to the point I could.

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**AP:** And lastly, I was actually getting pressure from my family saying, especially my wife, you are financially sound, you don't need to kill yourself doing 14-15 hours a day, which resonated with me because I wasn't in the happiest of spirits trying to juggle both. It led me to finally pull the pin and leave the police department. Did I answer your question?

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**WS2:** Yeah, I think you spoke to so many things there. You were pushing hard, you're burning the candle on both ends like you mentioned, sleeping three hours a night. I can relate so much to what you just said. But one thing I want to imagine, your wife was speaking into you, it's like - hey, we don't have to do this. And I'm sure she can see that in you, and wanted you to be available more. And you're a father as well, as you mentioned earlier. And eventually, it's not worth it, right? I came to that same realization. It's like, okay, one of these has to go and the

real estate business was going well enough. It's like, it's now or never. We're going to go make this happen, or it's going to flop and I can still go back to policing or being a federal agent, whatever I was doing at the time. I just appreciate your transparency and speaking to that. But that didn't happen overnight, that you did have to push extremely hard to make that happen. Speak to just keeping sanity, really, and the peace at home while trying to make that happen. Because that's oftentimes, people ask me about - Whitney, was it worth it? And obviously, it's easier for me to say now that it was, but I'd never speak to it being easy during that time of pushing that hard. How did you manage to keep the family going? Just speak to some real things there that people often ask me, like - how did you do that during that time?

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**AP:** During that time, it was a big sacrifice. Like I said, between the shift work, I didn't have days off because obviously, as a police officer, you get several days off during the week, depending on what rotation you're on. But any day off I had, I was still having the responsibility of looking after the properties. I didn't have property management in place at that time. Looking back now, it would have definitely been something I would change while I was policing to incorporate property management at the property, so I wouldn't have to do it. But quite honestly, I was pretty cheap, so I wanted to keep all the proceeds to myself, but yet I was burning the candle. Looking back, I would definitely leverage that. You know that saying, leverage your time or leverage your activities to someone else potentially and pay for that service so you can concentrate on the big picture and enjoy that financial freedom. Because if you're always working 24/7, which I was pretty much doing, you don't even have time to enjoy it. You end up being miserable anyway. So, you might as well have stayed in your nine to five. We invest in real estate for that freedom, not only financial freedom but just freedom in general, to live life on your own terms.

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**AP:** Think about that. If I can give people advice too, think about leverage and leveraging some things that you have in your life. So, maybe you can concentrate on getting started in real estate, or if you're already in real estate, maybe concentrate on leverage. Pay somebody \$20

an hour to do the 20-hour job so you can focus on your next deal or your next million-dollar building. It's hard to be successful in both simultaneously.

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**WS:** No, that's awesome. So good. So tell me, Adrian, do you have any predictions? I know we talked about time in the market. However, do you have any predictions for the next 6 to 12 months for the real estate market? Buying, selling, what are your thoughts?

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**AP:** I don't know what it's like out in your neck of the woods, but here right now, it's incredibly... it's on fire, the market's on fire, to say the least. It's definitely a seller's market at the moment, probably for the last six months, four to six months. Inventory is at an all-time low. Right now it's what we're experiencing. So again, yeah, it's a real, real seller's market. I think it will potentially plateau this year, and it really depends on - there's all this speculation, they're going to raise rates. They're going to raise rates. They're going to raise rates. We just went through a potential rate hike last month, and it never happened. The Bank of Canada held rates where they were. Where everybody predicted they were going to go up a quarter point or whatnot, but they held their own and they did not raise the rates. So, I think raising the rates potentially, like they're talking about at least a couple of rate hikes this year here in Canada will affect the market as far as maybe slowing it down a little bit. But right now it's very, very competitive. Then, more so, because there's really no inventories, at least here in Canada.

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**WS:** What about, how do you prepare for a downturn? Say you're purchasing a property, we talk about time in the market is so important. But you have to be able to weather a storm. You have to be able to weather that downturn. Especially as newer investors coming in the market, maybe you've never been through a downturn, how do you suggest being prepared? How do you personally prepare when buying a new project for that to be able to ride that wave?

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**AP:** Yeah. So, a lot of our projects, a lot of our properties, we all have a very generous amount of positive cash flow. I like to look at that positive cash flow as, I like to call it my little nest egg, my little safety blanket. Give or take, our properties are cash flowing anywhere between \$1200 to \$1500 a month positive cash flow. So for me, even if rates did go up slightly, I have a \$1300 a month buffer that I know I can dip into. If my mortgage payment went from \$2000 a month to \$2150 a month, \$2200 a month, that's no problem. I'm still not dipping into my pocket to cover at least the bare minimum to cover the monthly expenses for that property. So, I always run those numbers ahead of time, and I always like to leave myself, I typically don't invest in properties that will produce just a basic to cover my expenses, and that's it, dollar for dollar, penny for penny. I typically don't invest in those. We're investing in a high level, more multi-families. So, right from your purpose-built, six-unit apartment building to your purpose-built 35-40 unit apartment building is what we're investing in. And our cash flow again is quite generous to offset any potential increase in the market as far as rates go. Again, we're long-term investors, so even if the property were to take a downturn, my rent will still be there. I still have my cash flow and we're long-term generational wealth. I don't need to sell the property and in a downturn market, I just ride the wave and wait for it to come back up.

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**WS:** It sounds like you're buying properties that are stabilized and cash flowing well. That alone is going to help you to minimize so much risk. We do a lot of the same thing. Tell us, Adrian, what's your best source for meeting new investors right now?

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**AP:** We market ourselves quite heavily. We're a part of different investor groups here in Canada and quite honestly, we do such a good job with our partnerships. So, a lot of business actually comes through the referrals. We really produce returns at a very high level. And the first thing we get a lot of times is - Hey Adrian, I told my brother about investing with you guys and the great experience I had, and he's going to give you a call, he wants to jump on the bandwagon. Let's go.

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**WS:** That's awesome. I love when that starts to happen. It takes some time in the market for that to start happening and a few deals exited. You mentioned you market yourselves heavily, speak to that a little bit. Help a listener to think about how they could do the same thing, or market themselves to be able to meet new investors.

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**AP:** I think as an investor, if you're going to start looking to partner, enter into partnerships with other like-minded investors, obviously you gotta build up some kind of a reputation, some kind of credentials behind you for people to want to get into business with you. So, us being in the game for 11 years, we obviously have built up that reputation, statistics - here's our most latest projects - and having that little toolbox of information over social media, first and foremost, is huge. There are so many people you can touch just with Instagram, LinkedIn, Facebook, and all that stuff. It took us a long time to build that reputation, again 11 years, and have all those credentials, all those statistics and how we're crushing it on the back end with our return on investments for our partners. That's where we're pumping a lot of money into banging that information out, our reputation, through predominantly social media platforms.

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**WS:** Adrian, what's some daily habits that you have that you're disciplined about that have helped you achieve this level of success?

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**AP:** Work ethic. I left the police department four years ago now, and I said I retired. Yes, I retired from policing, but I probably work more hours in a day now being an entrepreneur than I did when I was a price officer. Because it's so easy to pick up the laptop and start firing emails and trying to generate stuff as an entrepreneur.

Power team has really attributed to a lot of my success too, and I can't stress that enough for investors who are getting in the game or in the game. You either need a power team to get started and surround yourself with people that have results, people that have been there, done it, have had positive results, maybe even some negative results that they've taken and learned from and built from. Or even if you're not an office investor and you want to continue to grow,

who you're surrounding yourself with, that can influence you and kinda help you grow as well is super important. So I think, no mirror magic trick, a lot of hard work, a lot of sleepless nights. I can't stress it, and I'm so grateful for the people that I've surrounded myself with over the last 10 years who've helped me not only with my mindset but my growth.

I moved forward and hired a business coach as well in the last couple of years. Again, part of my power team and just some of the networking. As you know, in real estate investing, networking is huge. That can help you as well grow whether you're starting off or you've been in the game for 5-10 years. So that's where I'd like to attribute my success to.

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**WS:** That's awesome. Great advice about building, what you call and I love that name, a "power team". Those people you surround yourself with is so important. The faster you can do that, the better. They even mentioned how they learned from failure, you're going to learn a lot from that, hopefully, they have also. Adrian, how do you like to give back?

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**AP:** I give back by holding different seminars I can with novice investors, pretty much give all my secrets away to some novice investors I wanted to get started. I don't really charge for coaching and mentoring. Obviously, I do give away free advice to people getting started 'cause I think it's important too to help out. I'm not looking for monetary compensation if I can help somebody and give them advice, either from a webinar or a Zoom meeting like this. I get a lot of emails, I can't accommodate everybody, but people that are genuinely interested in finding some of the habits that we have, I have no problem helping people out in that regard. I also obviously have a very soft spot for the 911 community. So, if I can help out a fellow police officer, fire, ambulance, whatever, get in creating some kind of wealth. There's more beyond just your regular paycheck, even if you just want to keep it at a small scale to help you when you retire and subsidize your pension. I love helping. Obviously, like I said, I have a bit of a soft spot for the 911 community. So yeah, for any 911 people out there, I'd love to have a digital coffee and just pick my brain.

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**WS:** That's awesome. I appreciate you sharing that and I would agree completely. I love helping those as well in that community and a direct connection there. But Adrian, a pleasure to meet you, and I've enjoyed hearing more about your story from policing to real estate. Even the hard knocks and time spent making that happen. I often talk about my journey and it's somewhat similar to yours, it's interesting. Just want to thank you for your willingness to come on and share and being transparent about that. I think that's so helpful to the listeners to hear about that even if we didn't have any money in the bank but I wanted to do this. I knew this was beneficial to get started, and then by taking that action, it's become now. I know for myself, I just couldn't even imagine many years ago what was going to happen now or what was created. And it sounds like you as well. But tell the listeners, how can they get in touch with you and learn more about you?

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**AP:** If anybody wants to chat further, we're all over social media, just put my name over Facebook, Instagram, LinkedIn and whatnot - Adrian, A-D-R-I-A-N, and my last name is P-A-N-N-O-Z-Z-O and our company is Executive Properties Capital, Inc. Again, all over social media platforms. And lastly, if you want to shoot me an email, [adrian@investwithEPC.com](mailto:adrian@investwithEPC.com)

Yeah, we can chat and if I can give you some advice, even if you're feeling a little intimidated or you just want to run something by me, by all means, let's connect.

[END OF INTERVIEW]

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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](http://www.LifeBridgeCapital.com) where you can sign up and start investing in real estate today, Have a blessed day!

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