

EPISODE 1259**[INTRODUCTION]****0:00:00.0**

Whitney Sewell (WS): This is your Daily Real Estate Syndication Show and I'm your host, Whitney Sewell. Today is a Highlights show that's packed with value from different guests around a specific topic.

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[INTERVIEW 1]**0:00:24**

WS: Our guest is Kyle Mitchell. Thanks for being on the show, Kyle.

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Kyle Mitchell (KM): Thanks for having me, Whitney.

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WS: Give us a little bit of the timeline like quitting your job, do your first deal and let's jump into that first deal.

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KM: December 2017 is when we first found multifamily syndication and started learning about it, going to seminars and meetups and all the like. In April of 2018, we started our own meetup. We started building our investor base and started visiting, picking markets, things like that. In November of that year, it got to the point where we felt like our investor base was strong enough. We had chosen our markets. We've built our teams out there. Our network was large enough. I left my job before we even closed on a property because I felt like we were close. For me, when I go into something, I'm the type that goes all in. I had the support of my fiancée, which was number one. She said, "Let's do it." We started a podcast the next month and made an offer, jotted under contract at the end of January. Negotiations and everything took a couple of months and we closed back in May.

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WS: I know a lot of people are in that stage of, "When can I quit my job?" Everybody wants to do that. Congratulations to you on this first deal as well. Let's talk about that first deal. How did you find that property?

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KM: You can say it was luck. My fiancée and I, on her day off and my day off during the week would drive to Tucson, Arizona. That drive is about seven-and-a-half hours long. The reason why we do that is number one, there's not a direct flight until the afternoon, so the timing of it never worked with flying. We would have to stay overnight. We would wake up at 2:00, leave at 2:30 in the morning, and get there around 9:00 or 10:00. We would meet with brokers, meet with other investors, local people, and tour properties. Come back and get home at 1:00 or 2:00 in the next morning. On one of those trips, we let the brokers know we're going to be out there. I got a call from one of the brokers and said, "I got the keys to this place. I haven't walked the units even myself. Would you want to walk it for me?" We were the first ones to tour the property. We got about a three-week head start until it went to market. By the time it went to market, we had already done all of our underwriting, our due diligence and felt comfortable with it. Day one, we put an offer in and we're able to lock it up quickly.

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WS: Did the coaching program that you had supplied all the confidence to be able to go through that deal and complete all of that?

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KM: That coaching program helped us out tremendously. Nothing prepares you for what you go through on your first syndication without going through it.

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WS: I couldn't agree more. It does give you some confidence to have somebody to talk to or ask them questions?

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KM: You need a network. You need a team. Real estate is a team sport. We can't do without that team. Even going forward now, we're trying to build even stronger teams, stronger relationships because the stronger those are, the better you need to do in this industry.

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WS: I appreciate you sharing about the drive and your own syndication. Most people aren't going to be willing to put that time in and that effort. I'm glad it's paid off. It does. You got to be consistent. You got to be willing to keep going. You got to be willing to keep doing it. That was not easy on your all's day off to keep doing that and driving that far. You're willing to do that to make it happen.

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KM: It's like that book Three Feet From Gold is what I kept telling myself is "Don't give up when you're right there and keep doing it." We continue to do it. We fly sometimes and stay overnight because this is my full-time job. I have the availability to do that. We drove to Phoenix to look at some properties as well. You've always got to keep grinding and keep doing it. If you keep doing those things consistently, you're going to breakthrough.

[INTERVIEW 2]

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WS: Our guest is Brian Briscoe. Thanks for being on the show, Brian.

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Brian Briscoe (BB): Hey, thanks, Whitney. Appreciate you having me on.

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WS: What about getting to that first deal and we all know listeners who have their first deal done, the second deal happens faster and you already have some systems in place, you have a so much greater understanding than you did just probably two months before, especially six months before. Getting to that first syndication, getting that across the finish line, what are a couple of things that you contribute to getting there? The coaching, the partnership, maybe part of all that, but help us to understand some of the key things that the listener needs to have in place that helped you to get to that.

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BB: Obviously, an understanding of how all the pieces fall coming in the process. My coach gave me this elaborate spreadsheet of A to Z, here's how you close. There were a lot of times in there where it just took a whole lot of effort. I think one thing that was key to me is I have a very defined date in mind, where I have very specific financial goals. I mean, I want to retire on October 31st, 2021. That date was regardless of whether I've officially applied for it or not, which I haven't yet, but that date was set in stone two years ago.

I mean, yeah, we got the template, the do A, then B, then C, which simplifies things enormously. End of the day, I look at that date on the calendar every morning and say, "We need to get this done, we need to get this across the finish line." Every day, I look at the what are the next couple of things I need to do to make this happen. Really, it was a combination of mentorship. It was the combination of the partners who are all hustling and doing their part and just the coordination between it. End of the day, it was that big why that I have.

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WS: I love that. Yeah, you got to have a place that you're headed to, right, or see a vision of where you want to go. Otherwise, if you don't have the map, how do you going to know which direction to turn, right? It definitely speeds up the process as well, having a coach, having a mentor. I could not agree more. It helps you to not make as many mistakes that set you back. Give us some details about that deal and maybe what your role was in making that deal happen.

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BB: It was a 55-unit in Spartanburg, South Carolina. Very old building. It's about an eight-year-old building, which I know a lot of people shy away from. My role in that is – If you rewind when that came under contract, it was still just me working for me. I had an agreement with Eric Shirley, who's one of my partners now that we would partner with that one. At the time, I was actually quite selfish with that deal. I didn't want it to be taken away from me or anything like that. I basically did 80% of the work on that one for purely selfish reasons.

It wasn't until two months into that, that I realized that I could trust my partners. I liked them and I could trust them and have gotten to know them very well, where I really started at opening back up. My portion, I was the one that negotiated the contract. Then I'd reached back to my partners and say, "Hey, this is what we're doing. Are you guys all okay with that?" I was the one calling the lender. I was the one getting the insurance lined up, talking with the broker.

I did about 90% of the work that needed to be done. I just asked them, "Hey, just make sure the capital is there. Make sure the capital is there." I brought in a couple investors and they brought in the lion's share of the investors. Now the way we do business is completely different. We're much more of a team than we were first time getting across the finish line. That really started out as a bunch of individuals. After the four months that we were in the contract was over, we ended up – we were a team. That was our first taste of how things worked.

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WS: Maybe you can elaborate on that a little bit. That's another – such a common question about partnerships and different roles, or how do you do that? Because it's difficult figuring that out in the beginning. You got to have some tough conversations as well and just be very upfront. How did you all say – if you can elaborate on the structure, your partnership, or how maybe it even changed after you did the first. You talked about you do things differently now. What changed and maybe a little bit on the structure, if you can?

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BB: Well, what we did is we looked at everybody's strengths and also, availability. Because of my – I'd to call it 9-to-5 job, but I'm at work long before 9:00. Because of the lack of flexibility,

my schedule gave me, we basically looked at what our strengths were. Eric ended up saying, "Hey, I want to be our acquisitions guy." Eric's very strong at underwriting. He's got a lot of very technical mindset. He also had a lot of time and his day job has been traveling all across the Carolinas. It naturally fit for him to be able to talk with the brokers. He'd get in the car and he had to drive two or three hours. He just called one broker after another one. That was a perfect fit for him.

Upfront, I started doing the asset management, because I knew the property – the first property we had under contract, I knew it extremely well. It was just natural for me to do the asset management. Brian and Todd, between them were doing all the investor relations. They're managing the portals, the websites, everything else. That's how we started. We've gradually shifted duties again to where Todd and Brian are actually doing most of the asset management.

Eric is still doing the acquisitions. Because my schedule at work changed, I'm doing most of the content, the outreach, which includes the podcast that we're about to launch. It's really been a dynamic situation. When something changes, we come to the table very quickly and say, "Hey, look. This is working. This isn't working. We need to make some adjustments."

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WS: Is there a specific way you all communicate, or a frequency, or a method, anything like that that's been useful or productive?

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BB: At a minimum, it's once a week over Zoom. That's the minimum. I'm calling them very frequently. We would have a text string. It's not something that we – besides the weekly call, we're still working on the internal systems. Every time we have a call with either a lender or a property manager, we're taking notes. We've got a Google Drive account where we're sharing all that. We have a couple of Google Docs upon each property, where every conversation we have is documented on there.

Any one of us, if we weren't available for the call, one of us can go to that document and just scroll down and say, "Okay. This is what we've done. This is what we've said. This is what was agreed to." That's one thing. We've got an investor portal. We use AppFolio for that, which also has a CRM in it. Same thing with investors. One thing that's worked well for us with investors is a handover.

If I need somebody who is interested, eventually I'll talk to them one or two, or sometimes three times, but eventually, I'll hand them off to Todd or Eric, who will also talk with them. Our goal is to get them comfortable with the whole team. Not just me or not just Eric, but get them

comfortable with the whole team. Like I said, once I'm done talking with somebody and they're interested in investing, you let them on the call with Eric and then Todd and then push them over to Brian Mallin for onboarding into the investor portal. Every investor who comes in talks to three of – at least three of the Four Oaks.

[END OF INTERVIEW]

[OUTRO]

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