

**EPISODE 1271**

[INTRODUCTION]

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**Sergio Altomare (SA):** I model what I do and how I think after the biggest companies I can find. Amazon is a great example. What they're doing is they're leveraging two things. They're leveraging their brand and their platform. My overall strategy is I'm buying a lot of properties and I'm creating a brand and infrastructure around it. So when I make an exit, now I'm selling it all. That's where there's real power.

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**Whitney Sewell (WS):** This is your daily Real Estate Syndication Show. I'm your host, Whitney Sewell. Today our guest is Sergio Altomare. After transitioning into real estate as a side business in 2012, he partnered with his wife Corinn to start Hearthfire Holdings, a real estate investment and property management company. We had his wife on the show back in June of 2020 when we talked about leveraging technology to scale and starting a blind fund. But in just eight short years, Hearthfire Holdings has built a portfolio of more than \$50 million in assets under management and syndicated over \$12 million in assets, returning more than \$2 million in profits and 25% IRR to investors. Sergio goes through talking about going from syndicating small multifamily to moving into self-storage and even leaving his federal position, which is just seen as a secure job, and why he would do that. Even working together with his wife and scaling. He's big into tech, and so I love hearing from guys like this who have a tech background, and then they come into real estate and they get to figure out all these things that just make our life easier that did not have a tech background. But I love how tech helps us to be more organized and have streamlined processes. So I love hearing from guys like this who are really good at that so we can improve as well.

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**WS:** I know you are gonna learn a lot about tech, but you're also gonna learn about operating a fund and just a vision and strategy through acquisitions. I think it's helpful. Some of the things

he talks about when they're acquiring a project and looking long term at that project. You're gonna hear that today. I think it's gonna help you when you're looking at projects and you're thinking about your overall vision for not just your business but your investors as well. And looking at different parts of that specific deal, and does it fit your overall vision for you and your investors. Even though it may hit a certain return metric, does it fit that overall vision and strategy for you and your investors? I know you're gonna learn a lot from Sergio today.

[INTERVIEW]

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**Whitney Sewell (WS):** I know many of you are pursuing to be an active operator in real estate, commercial real estate, or you're a passive investor, one or the other, and today our guest, he's done it. He had that job that probably many would dream about having. But he's now built an amazing business, and he's syndicating deals. His business is growing, just doing some big stuff. We're gonna get into numerous things about his business, how he's grown, and I'll tell you, we also interviewed his wife back on June 17th of 2020. I would encourage you to go back and listen as well. We talked about leveraging technology at that time and starting to build a blind fund. But today we have Sergio, thanks for being with us.

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**Sergio Altomare (SA):** Thanks, Whitney. Excited to be here.

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**WS:** Yeah, honored to have you on the show. Sergio, tell us, I want to go back a little bit. I want to get into your strategy now and how these properties that you're doing, buying your team a little bit, those things. But give us a little bit about the real estate transition that we all like to hear about 'cause I think it's encouraging. I hope the listeners would hear that, they are encouraged that, hey, I can do it too. They hear this every day on the show. But everybody's story's a little different, everybody's got knocked back a little differently at different times. All of us had to make that decision. How we're gonna get back up, gonna keep going, right? Tell us a little bit about how you did that.

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**SA:** My real estate journey initially started back in 2007 when working on a house hack and bought a duplex and it failed miserably. I won't get into all the details there. I talked a lot about that, and actually, that was a good part of the BiggerPockets conversation I had. But we ended up. Met my wife in 2012. She was on the same journey of house hack and she had a day job. I had a day job. We met through work. I worked for the Federal Reserve for 22 years, I was in IT. Through her and her parents, she was buying a triplex, living in one unit, renting out the others. A great story and this was in the city of Philadelphia. She's originally from Los Angeles. I connected her with realtors and different contacts that I had in my network to help her find that property. I needed some work, we spent our nights and weekends getting dirty and renovating it. I was always pretty handy. So at that time, we were like many people getting started in real estate and just doing your own work. Liked it initially. Almost immediately, I started implementing property management software because for me, I'm an IT guy, and so naturally having the technology to support the business made sense, started to do that.

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**WS:** If I had an IT background, that would be so helpful.

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**SA:** It's kind of one of those unfair advantages for me. When we talk about when we got into self-storage, how it really comes into play. So, bought a triplex together the following year, and our story is interesting. So, we started dating, we started doing construction. And a lot of our dates were doing construction, and then we bought another triplex. We started another syndication business when we had more deals than we had access to capital at that time. And these were small multifamily deals. So, we started business then got incorporated, LLC, the whole bit, logo. And immediately, I just always wanted to brand and take things, if you're gonna do something, do it right. I never was gonna start with spreadsheets and do things half-assed, if you will. So from there, we started syndicating and then we bought a house together, and then we got married. So, the whole sequence of events is very unconventional. We started

syndicating small multifamilies that we were both working full-time day jobs, me in IT, did everything from tech support, network engineering, security, project management, you name it.

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**SA:** I was still very much a career person. This was still kind of a side hustle. My wife as well, she was an IT project manager also for the Fed. That's where we met. As things started to grow and we started syndicating these other deals, it wasn't a big deal. These were a lot of full gut rehab. So, there were newer constructions and we were buying them, essentially at CFO, and we were growing this. And next thing you know, Corrin's parents were selling properties and buying out in California and buying properties near where we lived, and we started assuming management.

So now I had a management company. We were managing these syndication deals. Next thing you don't have like 50 units under management and we're still working full-time. And at that time, we didn't have any kids. Got married in 2017. Through the course of all this, we just kept going. There wasn't like, I wasn't keeping score and keeping track of all this. But we knew that we were starting to get stretched a little thin. Corrin quit the day job actually before that. She quit in 2016 to go at it full-time. In 2017, in March, our daughter was born, Stella, love of my life. And it was at that time when we realized that having a day job, a night job for me, Corrin had to quit the day job, and then having a daughter on top of all that was not sustainable.

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**SA:** So, I had to make a choice. I had got to the level of an executive at the Fed and had the job security, the benefits, the whole bit. So, we said, okay, well, what are we gonna do? And it was a pretty easy answer. We were gonna go all-in on the business. So, we wanted to go in, all in on the business, and I'm very big on strategy. So, I'm not throwing things on paper and here are some crazy goals. But it was a matter of, alright, what is the game plan to get us there? And my transition plan was making sure that I had enough of a runway in money and taking advantage of the fact that I did have a W2 job so I can get better leverage and take advantage of that. So, we refinanced a couple of our triplex, pulled out some cash I had in my bank account 'cause I needed to make sure that if I stop this and it doesn't work, I gotta be able to

pay bills. So, that is essentially what bridged the gap. I knew that I could sleep at night because I didn't need all this extra income. Quit the day job.

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**WS:** For a while, anyway.

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**SA:** Well, for a while, right? And so even to this day, I still don't get quote-unquote "paycheck". I'm able to just leverage capital events and windfalls that way. So 2017, I quit the day job. 2018 was, we went through a rebranding exercise. Initially, I created the website, the logo. We did that together, and it was pretty cheesy. It looked like, you know, it's like when you build your own website. Even if you do it on Wix or whatever, you could tell something you built your own website. So I said, alright, well, if we're gonna do this, I gotta take it seriously. There were two pieces of it, there was a re-branding to look professional, and then there was how do we take the next step up which is larger commercial properties. At that time we were going into, it was middle 2018, probably earlier, and I was looking at larger multifamily properties. I did all my underwriting at the time. When I looked at these deals that I was looking at, and my underwriting, which is very conservative, I couldn't make any numbers work. I said, compared to what in hindsight, by today's standards, they were very well worked.

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**SA:** At that time, I was looking for a 25% IRR and stupid things, and I said, alright, from all my years working at the Fed, I knew there was an economic downturn happening. I didn't know why we were just 10 years in a growth cycle, and that's just the way it worked. So, I said, alright, well, if we're going to have a recession at that time, I was predicting that multifamily was not the way to go, what other asset classes should we look at? As I did research and learned through BiggerPockets and books and whatever, it was self-storage. So I landed on self-storage. Actually, mobile home parks was another one. Having had the amount of experience I had in multifamily and tenant management, I wasn't sure I'd be able to work with mobile home park tenants at that time. So, landed on self-storage as I got into learning about the business of self-storage, it's very much technology-driven. So our first property, we

eventually learned that and there are some offers made and trying to get in good with some commercial brokers 'cause a big part of it is them taking you seriously that you can close. Landed on our first self-storage facility in 2019. Literally had to operate it ourselves when we couldn't hire right. And we decided that, let's just do it ourselves, back and forth at the facility was about an hour and a half from my house. I ended up buying an RV to be able to manage this. So we ended up staying in the RV.

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**WS:** That's commitment right there.

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**SA:** Yeah. Well, I mean that was like, you gotta do whatever you gotta do. I'm not gonna lose. We have friends', family's money that invest with us, I'm not gonna lose somebody's money. So we bought the property in 2019, 2020 happens, and that's a mulligan in life with Covid and everything. Throughout that process, we realized that in order to grow and scale, we needed more help, we needed a team. So, we started to look at, who can I get for operations? Who can I get on the acquisition side? So, we started to create allegiances with individuals that had that expertise. 2020 was a year that eventually we launched our first fund. We acquired through that fund end of 2020, early 2021 is when we actually closed three storage facilities then throughout the year we ended up acquiring another. And now we're just in hyper-growth mode. We've just been working on assembling the right team. Our business strategy now has transitioned into looking at things and not in isolation, but as part of an overall strategy. So I know that we're gonna dive into a lot of that, that's kind of how I got to this table.

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**WS:** No, that's awesome. Sergio, I want to back up to the numerous points that you listed there, and we won't spend a ton of time on this. But you mentioned syndicating small multifamily, where you all syndicating, like, what size when you say small? What were those?

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**SA:** In some cases, the smallest was a duplex.

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**WS:** Wow, okay.

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**SA:** And it was just basically bringing in three other partners. It was set up with a GP, LP. It was set up expect the legal fees and everything to do it and do it right. And yeah, in hindsight, the overhead of putting all that was expensive, but that's how we had to learn.

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**WS:** Wow. No, that's incredible. I just want, 'cause I get that question often. It's like, well, what's too small, or when do I start needing to syndicate? And I tell people it's not so much the deal size at all. It's about where this money is coming from and the expectations behind that money. And is this person active in the deal or not, and those things that, obviously, consult with an attorney. I'm not an attorney, but I'm just telling you, you need to ask your attorney.

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**SA:** Well, absolutely. And I think it's experience. It's one thing to read something in a book, and it's another thing to go through the process. So the process that I went through just at looking at a deal, underwriting the deal, bringing together marketing materials, even though it was people that I knew, we weren't just talking about it over a bar, at a bar, it was presentations, making that strategy evident and then taking investor dollars as little as \$5000, \$7000. You have to have a track record starting from zero and trying to raise \$3 million, \$5 million. You may do it if you have a big enough wallet, can support something like that, but generally speaking, you would ask yourself, would you invest with you?

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**WS:** That's a good question right there - would you invest with you? I think that's a good question to ask when you put together all your materials, you're about to present it to your investors. Look at it as somebody seeing you for the first time, right? Would you invest in this project? That is a great question to ask. Well, I wanna jump to though, if you and your wife

working together, you're looking to scale the business, speak to that part of the growth trajectory a little bit and how you are working together. What that looked like, how you all started to scale?

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**SA:** And a lot of it is I've learned a lot over the years, and GoBundance has been instrumental in that, and that is reading the right books too. You can read a self-storage book to learn to self-storage business, but it doesn't teach you the business itself. So reading books like "Who Not How", "The E-Myth". The E-Myth had really resonated with me because I was a technician. And that's what I was doing. and we knew that we were getting stretched thin. You can only wear so many, all of the hats for so long. And even though it was two of us, that was good, but you eventually reach the point where you know it's too much. And I don't know if it's an innate feeling or just crap is just falling all over the place and you just feel overwhelmed, but it becomes pretty obvious. We reached that threshold probably at a higher level than others, but I worked on systems throughout. Where there is a property management business or syndication business, everything that I do, and this is from my IT background, if you know that there's a chance you're gonna do something more than once, it's in your best interest to work through the entire process, perfect the process, document it, and then try to automate it.

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**WS:** Love that. You can't prove it if you don't document it, typically, right? And more times than not in our business, we do repeat processes and tasks nearly daily for many things, or just the process of getting a deal closed or a process of raising money, or a process of how we communicate with investors or all those things. Man, I just stress my team all the time. It's just a constant battle for improvement, like, hey, we found a problem. Write that down. How are we gonna do it next time so that doesn't happen again.

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**SA:** I like to say when I was in - a lot of this training correlates to what I did in IT - and I always tell people, your job is to train your successor. And if you do that well, give yourself a promotion. If you're gonna give yourself a promotion, how do you pass your job onto



somebody else and that ideally without sitting with them and training and whatever? You just look at the models of any large company and a franchise, for example. There's an operating manual and you could train a monkey to do some of these things. So, the idea there is to continue to create those systems, processes and workflows. And you keep creating more capacity because when you don't have to think about things over and over again. So many people just keep reinventing the wheel when it comes to it, and it could be something as simple as maybe simple but some people I see that when they're doing their own underwriting, they're creating a spreadsheet each and every time. Just buy a damn template and use it. And so you can be able to do it. And that's how you scale.

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**WS:** Learn it inside and out, and then you're gonna start making small modifications that are gonna help you. On that note, you're talking about processes, and especially with your background in tech. I would love to know like what tech do you use to automate those processes or document those processes. What are your favorite tools to make that happen?

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**SA:** The number of tools that I've implemented, used, and abandoned over the years is, the list is really long. Right now, when it comes to self-storage, there are tools that we use at pre-acquisition, and some of it is rudimentary, like a spreadsheet and tracking which deals we wanna look at and what is our buying criteria relative to those deals. And so I put the property on that spreadsheet and choose a yes, no box. If this is, is there expansion capability on this particular facility. So, it starts there. The next level is having models for the underwriting, some of the hand-off parts of it, there's still some manual stuff. Then we use tools like Notion. I don't know if you're familiar with Notion. Notion has been so far to me like the nirvana of (unintelligible). Notion is really what it comes from. It's kind of like Evernote, One Note.

It's a lot of different tools that have come together over the years. It's not a trivial tool, and it's got a database background. But it's good for me, some guys on my team rebel against it, but it allows for organizing a lot of the pieces of an acquisition or a project in a single interface. You end up with documents on Google Drive, Excel, whatever, so it starts there, and then when we

get into. We use that for our acquisition checklist and due diligence, and being able to import documents right into each task. So, review utility bills, and you can import the utility bills. So, at any given time, I can do a search in the interface and find what I'm looking for. It's about speed during the course of business. Then you get into the tools around operating the facility, and we've got technology, everything from our website to where someone can browse and inquire about and reserve and move into a storage unit, electronic signature, so you could find and reserve, this is not new, we didn't invent any of this, reserve and move into a storage unit all without talking to me or anybody.

And then we, I'm a big believer in integration, not that I'm gonna believe it, It's common sense, right? So if I'm looking at multiple tools to support a process, how do they integrate to make sure that my Google platform and my calendar synchronize with this other tool. There's no redundant information, and it's where it needs to be with depending on what you're using.

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**WS:** What about CRM or task management? Those things specifically. I think not everyone listening is into self-storage. But however, I encourage everyone listening to have some kind of CRM, some way that you're managing your contacts. There are many free ones that are even good to start out with. What's been your choice of CRMs and even task management? On that note, we use Asana for lots of things personally. Our entire team does. But there's Asana, there's Monday dot com, there's Trello, there are all these things. Do you use any of those?

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**SA:** Notion replaces all those. So Notion that is that when I say that nirvana. It captures the essence of a lot. It's actually template-driven, so you could have a CRM template. You could have a budget temple, you got a checklist template, you can do a lot of things within the platform. We were the same way, and a lot of times this goes back to my days at the Fed. Every tool has its optimal use and set of capabilities, and when you try to use a tool for what it's not designed to do, you kind of say, okay, well, this tool isn't working. Let me find another tool. You gotta use the tools for what they're intended for. So, when it comes to CRM, you can, depending on if we have multiple CRMs, is it an investor, is it a client, a customer that's for a

storage facility. Some platforms have a CRM component built-in, others will use like a pipe drive, something like that, there's a lot of options. And the best tool, I would say, is the one you're gonna use. That is it.

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**WS:** That's so true. You don't use it, it's useless, it doesn't matter. And I would agree with what you just said completely. And I'll give a shout out to my friends at Invest Next. They are our investor portal. We have used them for a couple, a few years now, and just amazing customer service. I encourage you to look them out, talk to Kevin or email me and I'll introduce you to those guys personally. It's been a great investor portal where they can log in securely, they can see the deals, you can see the growth, see their distributions, they can put it in their banking information. All that stuff lives there. However, with my presence online and with my podcast, with all these things, I would say the CRM component of that is not robust enough for what I need. For most operators, it may be just fine. So we use HubSpot, which is a very high-end, very expensive CRM for that side of it, 'cause there are so many options, it's so robust on that side. But however, it does not have an investor portal. So two different things. And I wanna jump to your syndication business a little bit. Tell us though a little bit about what's been the hardest part of this syndication journey or process for you over the last couple of years? When you started growing the self-storage facility business, what's been some of the setbacks that we could all learn from?

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**SA:** I think the biggest thing that I've had to learn is how to scale responsibly. What I mean by that is, yeah, I, my wife and I, could syndicate a deal per year, two deals and whatever. But as with the syndication business, things are coming on, they're not always coming off at that pace. Once you get to say five years, then there's probably that, then there's the churn, properties coming on and off it. So, it's about managing scale. And to me, what I've learned about business is there's a big difference between having a job that you consider being self-employed versus a business that is scalable.

There's essentially three stages. You got yourself a job, you try to grow and you fail and you go backward. And we see that within real estate a lot as well. Or you find a way to break through that plateau and get to scale. And that's the hardest part because it requires a different skill set. That's E-Myth, that's where you're not just a technician, that now you have a business. And for me, there's been a couple of pieces. One is finding the right people to bring in as partners, some are salaried, some are actual equity partners. Finding the right people that are going to complement the skills that I have, and then elevating myself to being a more visionary strategist and not in the day-to-day and that's when I transition into being a leader and true visionary. So, getting the money equation right. And I'm learning through a lot of pain, the difference between, say, a bookkeeper versus a controller versus a CFO, then a CPA for that matter.

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**SA:** And you talk about money, those are the rules. And I've even seen through some GoBundance conversations that you're looking to, keep blaming the bookkeeper for issues that are not really a bookkeeper's responsibility. You can't get a hold of, I can't do forecasting, I can't do budgeting, it's not a bookkeeper's role. Bookkeeper's are accounts payable, accounts receivable, maintaining the books. A controller is more responsible for some of that. And then a CFO was more big picture, whatever. And I've had to learn the hard way how to get more, how to marry the sophistication of money management responsibly with the growth of my business. I can't spend my time looking at P & L's. Every acquisition is a new business. My taxes are, it's a ream of paper now.

When you get to that level, trying to track that and then you keep blaming the wrong people. Getting there right? And so to me, it's identifying those key roles. There's a reason why most companies, when you look at the top of the chart, it's CEO, CFO, COO, and so on and so forth. That's why you gotta get those roles right. That's been the hardest thing just to get to scale. And we now believe we have all of the right pieces in place. Then when you get all those right pieces, then you just throw gas on the fire, and that's when you could just keep ramping things up.

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**WS:** It's incredible. It's almost like some growing pains there as well, right. But it's growth that we are all gonna go through if you're gonna scale your business. You cannot do everything forever right? You do have all those hats in the beginning, of course, but as you scale, as you're talking about these things changing, and you're gonna find those people who are better at those specific things than you are, and then you say, I love that you said you're just gonna throw gas on the fire because you've built this engine that can withstand it, right? It's not just you doing all these things now. But on that note, you talked about now being the visionary strategy and just the acquisitions, and you did briefly mention this before we started talking, but I thought you could speak to it now.

Just about how you all look at a deal. You said that you're not looking at the deal just individually, but you're thinking strategy and overall strategy for the business and for you all and for your investors. Just speak to that a little bit 'cause I thought that was a great one.

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**SA:** Self-Storage is unique, in which it allows to evaluate it at a higher level. And so when you're looking at different asset classes, in many cases, you're evaluating a property and evaluating common expenses, cash flow, and then cap rates, whatever. When it comes to self-storage, if anything that you can get economies of scale from, I love that. So, with self-storage, as I scale, the same resources can be leveraged across the properties, brand, web infrastructure, the same website, for that matter. You just choose a dropdown in which location do you wanna buy from.

So, my thought process is, I model what I do and how I think after the biggest companies I can find. Amazon is a great example. So you look at Amazon, it started with books and whatever, but what they're doing is they're leveraging two things. They're leveraging their brand and their platform. My goal, and this is across all of Hearthfire Holdings, all of our Hearthfire property management. We even started an RV rental business. It's brand power, which we know through marketing and studying that, and then from an individual property standpoint, how does one fit into the overall strategy. So, as I'm buying a property, I'm able to look at it individually 'cause

you have to, worst-case scenario is, I'm gonna buy it, I'm gonna buy this one property then I have to sell it. But my overall strategy, I'm buying a lot of properties and I'm creating a brand and infrastructure around it. So, when I make an exit now, I'm selling it all. That's where there's real power.

And so I look at every property, and even as we're talking right now, we have a portfolio and there's some properties at certain sizes, some with CAPEX projects, some with expansions, some of whatever. I can also manage portfolio risk. So now we get into more advanced private equity strategies. It's kind of you're a mutual fund that's your 401k to balance risk and return. So I get to do all that. There are two pieces of it, right. There's us as an equity, as a private company. And looking at it from a principal and partner standpoint in our company, and then from an investor standpoint, 'cause I got to look at it from there as well, I wanna make sure that if I'm promising returns that, yeah, you may invest in one deal, but you're gonna get the benefits of all the other deals that we did because it all fits together, even down to the employee. Now, I could share one employee across multiple facilities in their same proximity. I leverage the same infrastructure, the call center, whatever. That's ultimate leverage. Everything is about leveraging up.

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**WS:** Love that. I love just the thinking about it as an overall strategy before you all and for your investors, not just as an individual deal. Does this deal work? And I love it, even thinking through things like that. What are the resources you have that make this not only a great deal, just say, under on the underwriting for you as a business, right, hey, we can leverage these other things here, so it's better for us. Something that's maybe 50 miles away, even the exact same project is just great to think that way. I think as we're all looking at new projects all the time and thinking about our team, having our team and our investors in mind.

So knowing what you know now, and what would you tell yourself, say four or five years ago about getting into the real estate business or growing or the asset class or anything you would do different or that you would say, hey, Sergio, you need to look at this.

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**SA:** For sure. I don't believe I can't change your past 'cause you don't know the result. But if I were, what really was a turning point was reading books like “Who Not How” and really less focus, I wouldn't say less, but I continued to focus on the technical aspects of, say, the asset class versus how do I scale the business? That's where the power of partnerships. And in some cases, people think of it as, I need to pay somebody X amount of dollars and I can't afford to pay X amount of dollars. Well, find a partner. Find a partner that's in a similar stage of growth in life and whatever, and you can be able to... Trust me, it happens all the time. You look at, whether it's Microsoft, Apple, these are all started with different partnerships. And in some cases, maybe there was one guy up top, but the people, the core was those key individuals.

So, I would have certainly started looking at partnerships and focused more on business growth and business sophistication and operating it as a more advanced business and growth business. And then, finding the right partners and started learning more about leadership soon. Because now my focus is very much on leadership, team dynamics and all of that because as you add more resources when you're not doing it all yourself, somebody else is, and you've got a lot of moving parts. And so now it's like trying to wrangle that, and in some cases, I'm learning on the fly, that is something I would have focused on a lot earlier.

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**WS:** It sounds like having a bigger mindset from the very beginning for the business right? Even your role specifically, and like obviously, we wear all hats in the beginning, and it's hard to do all of those things and do them all well. However, and maybe some thinking bigger in the beginning, maybe that would help change some direction at times. Yes, you can't change the past. However, we can learn from it, right. We can learn from each other and what each of us has done in the past. So, what about any predictions for you as far as the real estate market over the next six to 12 months? Are you all buying, selling or neither? You expect something major to happen? I know nobody has a crystal ball but just what are you thinking is gonna happen?

**0:29:36.8**

**SA:** So, I've got a unique perspective in that I work for the Federal Reserve system for 22 years and that gave me - even though I was in it, I supported every business line - and so I had a unique view of economic cycles, monetary policy, and all of that. We're in an unprecedented time because of Covid. There's never been a time where the entire world shut down for any given period of time, and we're still dealing with whether it's lockdown, restrictions, mandates. Whatever it is that is affecting supply chains, wages, there's great resignation. So there's a lot of factors right now to consider.

I'm a personal believer that the market has really gotten addicted to stimulus. And the Fed has talked about raising interest rates, and I think they can and will. I wouldn't look at it and say, hey, interest rates are gonna go through the roof. Let me buy everything now. I don't think that we're never gonna see anything remotely to double digit interest rates at least on real estate side. So, I'd be less concerned there. Still curious about it. I think in the housing sector, multifamily is where was to me, was not an asset class that I was ultra bullish or bullish at all for the matter during Covid. We're seeing the interest in renting continuing to grow up and homeownership shifting.

**0:30:57.2**

**SA:** There's some dynamics in Covid that allowed people to work remotely so people are in more suburban areas. There's a lot of growth here. I think there are, you gotta look at it from a macroeconomic and micro-economic standpoint and regional. So, depending on where you're at, there might be Amazons of the world coming in, different asset classes are gonna perform differently as a whole, real estate is always going to be the best asset or best investment for wealth to me. Any investment is better than no investment, obviously without over-extending it, whatever. Self-storage we love. We're very bullish on self-storage for obvious reasons. Covid did nothing but further fuel it. We're seeing people making offices out of their houses, classrooms out of their houses, and so they gotta move stuff around. And now people have gotten used to being at home more, so now they're treating remodeling and doing different things.



So, self-storage has a big role in all that. Whether it's businesses for inventory, parking for different commercial vehicles, so very bullish on that asset class. There's even I think some opportunities in repurposing different things. I think the office sector is going to come back in some form or another. We're seeing closed down K-Marts converted into self-storage.

**0:32:10**

**WS:** I've seen numerous of those myself.

**0:32:12**

**SA:** We're seeing malls turned into regional retail meccas anchored by apartment communities. So there's, I would look at it from a synergy of asset classes as well, where there was one asset class, now you add on another, so we're considering all that. I still love real estate. I think it's still, I'm afraid of regulation from a housing standpoint, landlords are a target, especially in big cities. I can't stand it. They're making it really, really difficult. So, you gotta watch for some of that.

**0:32:42.7**

**WS:** We have just a few minutes left so just a couple of final questions. Maybe you could spend a minute on, it's a big question, but I want you to spend just a little bit of time at least, how do you prepare for that downturn? What does that look like for you all when you're pursuing that next opportunity?

**0:32:56.5**

**SA:** The way that I look at it is, I love diversification. I, personally am, I've been diversifying my family through all kinds of investments. I invest in other passive investment deals. I bought into a green coffee company, bought into Detropel chemical company, I'm big into crypto. I'm an investor by nature, so I love to invest in everything. I'm not a real estate guy. That's what I do, and I love real estate, that's the most secure way of securing, well, building and growing and securing. To me, it's about diversifying even within an asset class. That's the best thing that you can do. You don't prepare for a market downturn, you just hedge against it, and this way, whichever way the market goes, you're prepared. That's the best way I would describe it.

**0:33:41**

**WS:** What are a couple of daily habits you're disciplined about that have helped you achieve success?

**0:33:45**

**SA:** First and foremost is my meditation practice. My meditation practice for me is - I just go into another podcast and talking. We talked about this in depth. And to me, that is, when you think big popular books and real estate and it's not a real estate book, it's "Think and Grow Rich". So, applying concepts of using your mind to achieve goals is very important. Meditation to me is not just sitting still and quiet. It is being present in the given moment, being aware of what I'm doing, how I'm feeling, and being able to - once you get good at - I've been meditating for 20 years in a big like I've got all the cushions, the altar. I'm a big believer in, I've read all the books, not just spiritually, it's a physiological piece of it as well, and it's basically conditioning two things, your breath, and your awareness. And it's something that you carry throughout the day and through understanding and growing that practice, now, I can literally - and some people may think I'm nuts - but I am literally manifesting whatever I want. And if something is going astray, I meditate on the opposite, and I will find that I'm literally adjusting my frequency and going there. That's the same concept of being around people that will help you grow. That's the number one practice. I go through The Miracle Morning practice, big into reading, audiobooks but just anything self-improved then I'm a junky for it.

**0:35:11.6**

**WS:** How do you like to give back?

**0:35:13.1**

**SA:** So giving back, I like to use giving back as a self-accountability in areas of life that I wanna say we don't pay as much attention to. It's easy to be focused on your business, money and all that. There's an area of life that we're always gonna spend a lot of time on whether it's sports, kids, whatever it is, the areas that support you as a person and human being. For me, it's my family, my wife and my daughter. We are, through GoBundance, we host FamBundance which

is the family event that we host and we're really going big on that. I'm the leader of the GoDads micro tribe. We're active in church. Every charity that I believe in contributing, I like to give where I can directly feel and see results. So, whatever it is, we're very big into that. In giving back, the number one rule of receiving is you have to give.

**0:36:08.3**

**WS:** Sergio, it's been a pleasure to meet you in person. I love doing interviews in person when I can. I think it's a very different vibe. It's been an honor to be here at GoBundance with you. And just an amazing group here. Thank you for being transparent, sharing about your path to leaving a 22-year Fed career to real estate. And not just doing this small thing to have some kind of passive income on the side but now you're like, you've built a business. You've built a brand, you're building a team, you're thinking bigger, you're building strategy, vision, and just going into that today, grateful for that. Tell the listeners how they can get in touch with you and learn more about you.

**0:36:46.9**

**SA:** Yeah, so the easiest way is InvestWithSergio.com that takes you to our Hearthfire Capital site. There's a sign up and subscribe to mailing list. PivotalCoaching.co recently launched coaching to be able to give back that way, provide coaching programs, personal group coaching. Through LinkedIn, just look me up that way. Any one of those will get you to the gateway of our companies.

**0:37:08**

**WS:** Thank you, Sergio. Hope you have a blessed day.

**0:37:10**

**SA:** Thank you, Whitney, appreciate it. It's been a lot of fun.

[END OF INTERVIEW]

[OUTRO]

**0:37:12.1**

**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!

[END]