

EPISODE 1287**[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]**0:00:24.0**

WS: Our guest is Craig Haskell. Thanks for being on the show, Craig.

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Craig Haskell (CH): Thank you so much for having me.

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WS: Craig is the author of The Inside Game To Real Estate Value Investing, Syndication Wealth, and How To Make An Apartment From Money Pit To Money Maker. Craig is the founder of Value Hound Academy, a leading training and coaching platform for new and experienced real estate professionals eager to seek inspiration and education on syndication to capitalize on today's real estate market. I'm excited to have Craig on the show, he's a perfect guest, and he's coached many people and been in the business a long time.

And thanks again, Craig, for your time, and I know the content that you're gonna provide and value to the listeners, and would you give us a little more details about your background and how you got into this thing we call the syndication, and for the listeners, that's never heard of you.

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CH: Yeah, thanks so much, Whitney. I look forward to offering up some ideas and strategies for your listeners to take advantage of and their syndication business. But I got started back in 78-79. When I was in college, I was reading a book called Nothing Down. It was written by Robert Allen, he was a big guru back then, you know, How To Become Rich Buying Properties With Nothing Down. I don't know if you ever heard of that book, Whitney?

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WS: I haven't. Never heard of it.

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CH: Yeah, so it was big time. And in Southern California, where I'm from, it's pretty tough to go out and find deals with nothing down. But I did a graduate from college in 82, and I thought, I'm gonna do this on my own. And so I said, 'cause I wanna be rich. Right, and so I'm gonna go out there and try and find these houses, I created a company called Paramount Investments, and we're out trying to find properties. We got some deals tied up, but we never got anything done, and I got started getting frustrated about a year, a year and a half, and I started, I wanna do this full-time on a more professional level.

So, I decided to get my real estate license, my real estate broker license. And I got that in 1983, and I started working for a regional company in Southern California, Newport Beach area, the name of the company is North (inaudible) and Simpson. And my specialty was when I started working with the retail space and the office space, and I work with a lot of syndicators, and that's kind of how I learned the business when I was there.

I worked for these indicators and learned what they were doing. If you think about it, most buildings in the commercial space, the larger buildings were all syndicated. There are all different types of syndication and different types of investors, different structures, but it's all basically syndicated. And so I learned this business from very sharp guys, and about the middle of the decade there, about 85, 86, I decided to go out on my own. I started a real estate brokerage company and a real estate management company, I started managing properties and brokering properties for these big indicators.

I had a big client up in Century City, Beverly Hills area, and they had like 200 properties around the world. I have managed and sold a lot of these properties. And I've always got to learn the business. And we got to the late 80s or 89, I would say, and I said, "You know, I wanna start doing my own syndication, I'm tired of getting paid fees and not really going so well."

So what I did was I started to learn and I said, "You know what, I've always wanted to buy a house. So I syndicated a house." I found a little VA repel, Veterans Administration Repel, (inaudible) Hills in California, about a 2000 square feet home formed him two bath, needs some love. We gave it some renovations and we bought it for about 70 and up selling for about 120, and I raised the line to buy the deal, we partnered solid six months. We each made bucks, \$22,000 and that got me going. I thought, I ever like this and I didn't have to buy this money, no money down. I went out and found investors and we bought these properties.

So I started thinking about the go to the late 80s, and we're starting it in the 90s, when we had the RTC days, the Resolution Trust Corporation, which was an organization that was set up to help dispose of all the troubled savings and long loans, right back in 1986. And now, if you remember in 1986, we had a tax law change. But before 86, the (inaudible) office, they allowed to invest their own money into real estate and never will not do that before, but they let him for short carnitine to do that. We were going and buying this real estate, but what made things worse was during that time period, the tax code allowed losses, so you can go out and have business losses, then you can write them off four to one, so all these syndications were being

set up by doctors or attorneys that had tons of money that a tax probe offs, they got four to one tax run-up, so they had that older in the early 86.

And all of a sudden all these probes that they built over the years were losing money. Now they had to make money, right, because he couldn't take the reduces anymore. So now all of a sudden, the same is longer, take him back, these properties, they get overloaded with properties that create the RTC Resolution trench corporation that you're out of all these things. This is about 90, 91, and I'm thinking, (inaudible) a great time to get in to buy some low price deals. And I looked around in the marketplace, so I thought about going to Huston but from Southern California, it was a three and a half hour flight, so I didn't like that idea. So I looked at Phoenix and Phoenix was only an hour of hour flight or maybe a five to six-hour drive, so I started setting up shop in Phoenix. And so I put together some partnerships, we went, buy some properties, bought in 150 units, we got them turned around and we sold them in the late 90s, made about six times our money.

And all during that time here, I was doing some consulting for some of the bigger companies and family companies and helping him with their real estate businesses. Started back up again in the 2000s, and we started buying bigger properties. And so I did that for a number of years, helping other people, coaching people, and I got to the point, my son had died, so six years ago, he died and he was like 24 years old and it hit me hard. And so I started to change my life, and while I was changing my life, I found out I had cancer. For sure, we're changing my life, I saw all my fancy stuff, I got rid of everything, and now I have a red (inaudible), that's how I get around in town, travel over the place when I spend my time helping people out, but that's kind of the big picture. I want how I got started.

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WS: Wow. You've been doing this a long time. I'm excited to hear about just helping others get started in this business, and you've written the book, so you've helped, you've coached so many people, and obviously you've been a part of so many syndications since you said what you first deal when you found that house in the late 80s, that's when you started That's incredible.

So I'd like you to speak to the listener that really wants to get into the syndication business from all your experience, maybe you can just help somebody just how to get started in this business, some things they need to think about and moving forward and how to get started and start a successful syndication business?

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CH: Okay, well, if you really think about starting a business, obviously, we're here today because we wanna start a syndication business. But if you really think about starting the business, first off, you gotta know, "Okay, what's life focus? What am I gonna do? What is it I wanna do? How am I gonna do that? Why do I wanna do it?" You gotta understand why you wanna get in this business, it's so important to understand that it's the backbone of your

business. There's a great book out there that I've recommended, people called Start With Why by Simon Sinek. And you can actually go to YouTube and find a video and watch it, he talks about finding your why is so important.

If you think about all the movements that are going on around the country, some of the environmental movements, animal rights, Black Lives Matter, or women's rights matters, all those kinds of movements, I don't know if you ever watched them on TV, on the news or something like that, they're having rocks thrown at them, they're getting beat up. But they're passionate about what they're doing. They have to die doing this because it's their why, this is what they have to do because as part of who they are, that's their why. You gotta have your why and why you're doing this, right? So that's the first thing you need to think about, you need clarity on what that is, then you need clarity and your plan is gonna be on how you're gonna do that.

So I have a system that I just ran a book, your recent way, it's coming out in a few weeks, it's called Ecopreneur Breakouts, and it's all about breaking out and getting more stuff done, how to become a high achiever. You know, there's a lot of people that are stuck and then wanna break out, wanna start doing stuff, and so how to do that. Inside that book, I've got an eight-step process on how to do that, and it's based around what I call the ready, aim, fire principle, Ready, aim, fire.

Too many people out in any business, including the syndication business, go out there and just start firing, they have no idea what they're looking at or what they're going after this, anything that comes out, the guy's gonna shoot anything and move. Well, you gotta have some focus.

Then on the other side, you got the people that are always getting ready and aim, they just gotta study, you gotta get one more thing for A and get started. They never get going. Right, so the right answer is we need to be ready, aim, fire.

And the first part of being ready is getting your mindset right, this is something you have to be committed to doing guys. You have to really be committed that I wanna do this. You gotta be 100% committed. You can't be interested, right? You guys, yourself, "Am I interested? Or am I committed?" Most of us are committed. They think, "Oh, I wanna go in and do this." They get started, they start working on it, and all of a sudden get a roadblock, they get stuck, they hit the wall of pain and they give up, they were never really committed when they started.

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WS: I feel like a lot of people feel like it's gonna happen overnight or maybe in the first couple of months, and after a little bit of hard work over three or four months are like, "Okay, I'm ready to do something else."

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CH: Right, and a lot of guys that come to me, they want me to help them with her business, they all may come billionaires in three weeks. It doesn't happen like that. You start small and you grow, just like all these big restaurants, they are changed now, they start as a hole in the

wall, right, everybody starts a business out of their garages or out of their living room. That's the way you start.

And so you've really gotta get ready and aim and fire and have that system lined up, so that's the first thing is, is get your mindset right, be 100% committed to what you're doing. And once you get that, that's part ready. You gotta get the training, you guys know what you're doing. If you're gonna go on buying a multifamily property, it's a business, it's got income, it's got expenses, it's got a debt of service, it's got customers that take care of, you gotta leave units, you got repairman, you gotta pay tax, there are all kinds of things. You gotta know how to operate that is, or at least understand how to operate that business because the better you are on operating that business and more successful you'll be, the more money you're gonna make, people will run these probes like their investments, you can't. You gotta run like a business, so you gotta get the training on both the deal side and how to buy these things, then get them set up and on the operational side unless you're gonna get a property management company that will come in to do that, but you'll find that the most property management companies are (inaudible). But I really want you to get the train about this business and understand what it is you're doing.

And the third thing is about getting ready, it's getting the support, you need to have people around you that will support you.

[INTERVIEW 2]

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WS: Our guest is Steven Libman. Thanks for being on the show. Steven.

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Steven Libman 9SL): Thanks for having me. I appreciate it.

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WS: Steven's official member at Forbes New York Business Counsel at Integrity Capital Group, and currently Integrity Capital Group and its partners own and operate over 2,000 units valued at \$150 million in assets and have 1,000 units over-funded and in development.

Steven, thanks again for your time and being on the show, and for being willing to provide some great content and value to the listeners. Tell the listeners a little more about yourself and just how you got into this business we call syndication.

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SL: So my background was a single-family fix and flip. We actually still own one of the largest wholesale and fix and flip businesses in New Jersey, so we'll do about 200 fixes a year in that business. But as we all know, that business is very active, so there are moving parts to it, it's not passive. And I think whenever anybody wants to get into real estate, they're thinking about

the freedom that they're trying to provide for them and their families, versus this really great job, and that's what we've created is a really good job in that other business.

So just the last 12-18 months, Integrity Capital Group was born, and the three partners are all fixed and flip and also guys that recognize that the larger the freedom comes from these larger multifamily complexes, self-storage, and student housing complexes, and like that. So we decided to start focusing on those asset classes, and what we found was nobody cared about how much we were gonna flip, they didn't care about how many wholesalers are gonna do, how many deals are gonna do the ones to know about assets under management, and it became kind of a difficult thing to get deals, we couldn't see the deals that we wanted to see, they're going to be sponsors, they're going to guys that have a thousand units under management already. So we just couldn't really see the good deal flow.

And that's why we chose syndication, we said "if we can figure out a way to raise cattle, and we've been doing it for years on the fix and flip side, why don't we raise the capital and then go find a sponsor that has a good deal, that has a good track record. And just say, Hey, we have some money, we'd like to partner with you on your next deal." And that time came just about, I guess about nine months to now, and that was a self-storage facility that we're building out in Orlando to around 193 units humor. It's ground-up development. It's gonna be done in two phases, a really exciting project for our first one at the gate.

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WS: Nice. Let's go back up a little bit, 'cause I think many listeners can relate to you and how you got started in the syndication business specifically, but did you say 200 flips a year?

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SL: Yeah, this year we'll do about 200.

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WS: That's no small task or small feat, that's very impressive, just to be able to develop systems like that, and obviously it is a very active business job.

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SL: I just get off the red-eye from Denver, I don't know, 80, 90 block here in New Jersey, and I was just, I just spent a week in Denver with the mastermind group that made those business systems and worked in that way in 2016, in 16 deals. So we've grown pretty quickly in that business because of being around the right people, the mentors that have shown us how to systemize that and grow that. So that's been great, but that business, it's active, active at best.

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WS: No, I like that, and that's a whole another podcast just about the people you're around and how that's affected your business, and I appreciate you just speaking to that and going on a

from 16 to 200 that speaks volumes to the people you surround yourself around. You say you all started to move towards multifamily and what type of multifamily were you first looking for?

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SL: Yeah, so initially we were just looking in the southeast Midwest for 100 units plus of cash flowing value-add B2C assets. We're listening to the podcast, we were learning how to underwrite, we were going out and trying to find deals and beat the streets. So we're pretty much asset class agnostic, we're not saying "We just want this," but we were a little bit tighter with our parameters, it was just us as we understood how to underwrite multifamily, we aren't doing the feasibility studies on 193 units to be managed by. She was more in Orlando, so it was a little bit different of a shift for us is on to realize that we weren't getting the deals and wanted to see and we had to kind of pivot a little bit.

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WS: So I can appreciate how you all didn't just give up there and say "Okay, let's just keep flipping. Or, let's just do that. That's what we're good at." And I think that a lot of people, they try to branch out and then they fill some difficulties or some turbulence, and then they're like, "Okay, let's just stick to this thing over here, we're comfortable with it." And so, talk through that a little bit. How did you keep everybody on board says, "Okay, let's find a different path, and let's keep pushing."

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SL: Yeah, it wasn't an option to not do it. We always knew that the real freedom and the real passive lifestyle that wanted comes from passive income and passive cash flow, so maybe across our minds once or twice to say, "Hey, well, we had a lot of this deal, why don't we just keep them and ran them." Bt every single mentor of ours, hundreds or even thousands of units just like, yes, it's a little bit harder to break in, but you don't want 150 roofs, you don't want 150 boilers, you don't want 150 AC condensers. If you can figure out how to put this under one roof, the economies of scale really help and benefit, and the third party management on single-family is near impossible and property management over 100 units, get some sort. So yes, it's gonna take longer, yes, it's gonna be harder, but it's gonna be worth it. And we just trust those guys, just put yourself around people that are doing it, and you can systemize that process and you can see how it really does create true freedom in the longer

[END OF INTERVIEW]

[OUTRO]

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