

EPISODE 1394

[INTRODUCTION]

Sterling White (SW): If I want to be rich and wealthy, and I want to actually make something more of myself, that's why I want to become more of the investor. But then, here was the issue that I faced or the challenges. One, I didn't have the money. I didn't have the credit. I, actually, owed the bank money just not being financially smart as a college kid. But, I had started to adopt the growth mindset that, okay, those are challenges, but how do you solve them now?

Whitney Sewell (WS): Thank you for joining us again today on The Real Estate Syndication Show. I am your host, Whitney Sewell, I hope that you have liked and subscribed to the show so you know exactly what content we're putting out that can help you to increase your business and to grow personally and professionally. That's my goal today with our guest. He heard gunshots as a child and was fearing for his life, fearful. Now today a successful real estate investor with a large portfolio. We're gonna go through many topics with this guest, Sterling White. He's a multifamily investor in the Midwest and manager of over \$10 million in capital across 500 units deployed over \$16 million in assets under management as portfolio. He's been a Biggerpockets contributor since 2014 with over 200 posts and has been featured on Biggerpockets and Grant Cardone, Jake and Gino, Joe Fairless, many of those that you have heard of. Sterling White goes through many things today in this series that we do together. We're gonna get a little deeper into his background than I've expected. But I think there are so many people that can relate potentially to his background, and I want them to hear his amazing story, what happened and how he came out of that, and but man, some actionable steps that he took to get to that first deal that were crucial, that I know is going to be so beneficial for many of you. And then over the next few days, we're gonna go into many details around finding deals, single family versus multifamily, and then even some creative financing that I know is going to help you to get some deals done even if you're a bigger operator. You're gonna learn a lot even if you are a passive investor. You're gonna learn a lot from these stories and from his experience. He has 150 single-family homes from nothing, no credit, no money, 150 single-family homes, and pivoting to a successful multifamily portfolio. I know you're gonna learn a lot from Sterling today.

[INTERVIEW]

WS: Sterling, welcome back to the show. It's been too long.

Sterling White (SW): Yeah, super excited about being on here. And all I have to say for everyone is go ahead, get your popcorn ready. We're going to take you along for a journey.

WS: Awesome, grateful to have you on. And I just respect the journey that you've taken and how much you have pursued. I mean, just the passion for real estate and how you're even helping so many people and just educating, to your bigger pockets, contributions and all those things, the portfolio you've built. So looking forward to diving into it with you today. So the Sterling get started, let's hear about how you gotten into real estate a little bit. I want to dive into that some other actionable steps that you took to get there. I know there's many people that are going to relate to that. And then you know, in the later segments, we're going to dive deeper into specific topics that I know you are an expert in. But first let's hear about how did you make this happen? Let's go back a little bit in time.

SW: So it comes down to, I don't want to give too much of the story because I have been featured previously but just a Spark Note version or I believe it's the Clip Note version for everyone. Born and raised in Indianapolis, Indiana in the parts of town when you're driving through those neighborhoods, you would lock your doors and roll up your windows. Single mother, fraternal twin brother and I remember every other day, had to get down on the ground during the nighttime because it sounded as if fireworks were outside but it was actually gunshots. I was in a situation where I didn't even know if I was going to make it past the age of 18 because I almost lost my life several times just being in that environment. But luckily I ended up making it out. This is where I really came into entrepreneurship because I had to figure out a way to earn money in the legal sense because there was tons of illegal activity that was going on around me but didn't take that path. So first started selling Kool-Aid and Pokemon cards and then fast forward. I got into real estate, I was a laborer on the construction side. And that's when I ended up falling in love with it. But I knew that's not where I wanted to be. And so I started investing and started buying a single-family, started to scale to 150. And then at that point in time I was like, took a step back and said this is a nightmare because I was doing all this self-managing and then started buying multifamily and scaled to about 500 units about three and a half four years. So, that's where I'm at today and then selling over the years just due to the climate that we've been in.

WS: What an amazing story. I'm so thankful that you kind of made it out of that right and no This doesn't seem like it has anything to do the real estate and you tell me if I shouldn't ask you this but I want to ask you because I wonder about this and even think about so many people that are like caught in that environment right. You're living in an area as a child where I mean you're hearing gunshots and or near death at times and I mean I just can't even fathom you know, as a child can you share how you came out of that? I mean it's often it seems like folks are stuck in that right like they're stuck right and man I just hate it right? What was that thing maybe if you're okay with sharing that helped you to see this thing that you could create that's outside of that?

SW: I don't know if there's some higher being or whatever it is, that God higher, myself or some angel that's looking out for me because I was always a good kid. It was just the people around me. But one of the things that my mother ended up doing which was an absolute really shifted the trajectory of my life was she ended up moving was out of the inner city. And it was the east side of Indianapolis, more of the suburbs. And we were still in lower-income housing. But the schooling was entirely different and the people around me was entirely different. So, that's where it really started. And the thing is, and this really shows you the fork in the road, because I have a twin brother, we're fraternal. Some people say he's as dark as Wesley Snipes, I don't think so. But there was a fork in the road because he went back to that environment that we formerly were in. He ended up taking a different path in life and is actually facing hard time due to that. So that's one thing I want to share with people is it really does come down to the people you surround yourself with. I'm a case study of that having a twin brother and the same age and everything and we took two different paths just due to that.

WS: Well, I appreciate you sharing that and just being so transparent about that. I just think there's probably more that are listening that can relate right, and they can hear your story. And hopefully, it's encouraging to them, if they're in that situation, or maybe they are living there and they're a parent, or maybe they're they have friends that are in that situation as well. And maybe they can even point them to your story, you know, and to you, man. What a great role model you've become for this children that are in this situation. So, so grateful. But then, you started selling Pokemon cards, and lemonade, then all of a sudden, you're buying real estate. Now, wait a minute, how long did that take? How did you figure out from Pokemon cards to real estate, hey, I could go build this thing in real estate?

SW: So, the Pokemon cards and all that was in, I'd say, middle school, and towards the end of elementary middle school. So I had to figure out a way to earn money because I wanted things at that time, materialistic things that really didn't matter. So, I had to figure out a way to earn money. That's when I got my foot in the door into selling that and then the bridge between getting into real estate was I was in college on, what is it, human biology degree, have no clue why I was actually doing that. At that time, believed that I was good in biology because when I was in high school, the person sitting next to me was actually good in biology. So, they actually helped me in a way we think. And during the summertime, my roommate's dad owned a construction company and saw that I had some free time during the summers. That's when I ended up getting my foot in the door there. Then I read the book, which very common book people are familiar with, which is Rich Dad, Poor Dad. So I came across that 4-Hour Workweek by Tim Ferriss. Then also I started listening to Earl Nightingale. From the book Rich Dad, Poor Dad got that, okay, well, I was exchanging my time for money. It's not very scalable doing that, and to become rich and wealthy is it's very difficult to do that by being a construction worker. Nothing against construction workers but that's where you actually, the investing is where you want to be. And then that's when I started shifting to actually now buying the properties instead of actually swinging the hammer.

WS: Wow, you started doing some self education, right? Self-educating, and you realize, there may be a better path and figured out real estate is probably it, at least on the investing side. You figured out you need to be in that space. Anything else had to happen during that time? I mean, like I was just thinking about the childhood you came out of. Now you're in college, you're pursuing these things, the mindset to being able to still pursue business. It's interesting, too, even in middle school, it's like, you know, that hard times build tough men and women and you know, you had to figure out a way to earn some money, even in middle school. You figured out a way of having to think that way, you're made to think that way. And now, you know, as you get older, you're still able to think that way, just at a bigger scale, which has been, I'm sure is very beneficial.

SW: I would say one of the things growing up in that environment was the unfortunate two sides of the coin. But I would say I had to rewire and remove a lot of garbage, for lack of better words for the limiting beliefs. As an example, this may sound like a dumb belief, but this is that rich and wealthy people in order to get that way they had to do unethical things. And just

imagine being a kid, and you're wanting to be that you're asking yourself as well. I'm an ethical person, I'm a good kid, I can never become rich and wealthy. So I had that belief. And then also, when it comes to money, I remember my mother driving around to all these different gas stations to save five cents per gallon. So it's just those type of thoughts and beliefs that were grounded into me. And then when I started doing the self-education and self-improvement, the Zig Ziglar, Tony Robbins, the Earl Nightingales, the Norman Vincent Peales, I had to remove a lot of that and then start putting the more empowering beliefs on top of that. So that was another pivotal moment that happened for me, that's a whole another story in itself. But in essence, I was at a college party, and this was in my early 20s and I ended up drifting away from the crowd away from everyone and there was this question that came down to me, Whitney, that says, "Sterling, is this what you want to do with your life?" And I said, no. And then ever since then, that's when I started self-improvement. I cut off all my friends because they were not going where I wanted to go but great people. Thirdly, I cut out the news, huge.

WS: Wow, that question - is this what you want to do with your life? If all of us as teenagers or late teens for sure if we could just ask ourselves that question or I think through that a little bit, that could be helpful. What about the mindset, then at this time to jump into real estate, you know, thinking about man, you've, you've accomplished a lot, even to probably, you know, make it to college to be pursuing that right from the childhood you had. And you've come out of that mindset already. Right? And probably many limiting beliefs to be where you're at that well, what about them saying, you know, what, I know real estate can do this thing that I'm wanting to do, or can build the wealth that I can see what happened then mentally to say, you know, what, maybe this is not for me, or did you finish college as well?

SW: No, I did not. I was actually a super senior. So I was going into my fifth year, believe I have 12 or 14 credit hours. So I could go back and finish those, but it's just, college was not for me. And I remember there was one class that it was very warm temperature. And I would go in there and I would always just fall asleep, I was just not engaged. And I remember at one point, the teacher said, well, Sterling if you come in here again, and you go to sleep, I'm gonna have to remove you from the class. I tried all of these Red Bulls and did everything before the class went into the class and then fell asleep again. So it was just not for me on that. And so at that time, I was shifting to okay, what is next from this, because I don't enjoy this and at that same time, that's when I ended up starting on the construction as a laborer, and I had fell in love with

real estate from seeing, okay, this is originally how the project is, and then seeing the after effects and actually helped building that. And then simultaneously, I was just reading books, and I had that pivotal moment, that story at the college party. So it was really just a sum total of multiple things that happened, and then read those books and saw, okay, well, if I want to be rich and wealthy, and I want to actually make something more of myself, that's why I want to become more of the investor. But then, here was the issue that I faced or the challenges. One, I didn't have the money. I didn't have the credit. I, actually, owed the bank money just not being financially smart as a college kid. But, I had started to adopt the growth mindset that, okay, those are challenges, but how do you solve them now?

WS: Love that. I try to teach my boys that all the time. You know, it's like, let's not focus on what you think you don't know, focus on what you do now and figure out the rest. How do we move forward, but it is a mindset, it is a different way of thinking. And I think it's almost a freeing thing, right? And you're not crippled by this belief that you don't know. And so you just don't do anything?

SW: Yeah, there's the growth mindset and there's the, let's say, the victim mindset, which most, unfortunately, do have. Woe it's me. I'm going to blame that over there. I could easily blame the environment that I came from, and hey, there's no way I'm supposed to make something of myself. I can't get into real estate because I grew up in this setting. My dad wasn't around, all these different excuses. But I decided to look at the flip side. and Earl Nightingale talks about this. There's actually two individuals, both didn't have the best of environments. And there's two brothers as an example. One ended up using that as a story that said, okay, I'm actually going to make something of myself because I grew up in this and the other use it as a crutch and excuse that same. So that just goes to show you the different belief systems and mindsets from the same exact circumstance.

WS: What is that example again? Or what did you call that? So, the listeners can look it up.

SW: I do not remember, it was just a random recording when Earl Nightingale was just talking.

WS: Okay, now, that's awesome. What a great example, though. Is it the words that come out of our mouth are so important, right? You know, it shows what we believe and, and we almost convince ourselves of it, whether it's true or not. So, you didn't have any money. You didn't

have any credit, you've dropped out of college, even from the childhood you have, I would imagine, for most, this would be such a kick in the face, right? I mean, it would be like such a downtime, discouraged, I failed, I didn't make it whatever. Maybe that happened a little bit. I don't know either way, you didn't stay there even if it did, you took actionable steps. And I wonder like no credit, no money, you knew real estate was a potential path for you. But how do you get started, no credit, no money, what happened next for you to be able to start making it happen?

SW: So I ended up putting the pieces of the puzzle together. I knew I didn't have it. And it's either I can figure out a way to build it myself or find someone where I can offer value in exchange for those weaknesses that I have. And it just happened to be at the CrossFit gym that I was working out at and training for a world record. That's another story in itself that I ended up forming a relationship with this individual. Never thought that they would end up being my mentor. And I approached him one day and said, well, this was after we have really established our relationship and I asked him out to Subway I had no idea how I was actually going to pay for the Subway. Luckily, they ended up doing it and I said how can I be of value to you and your business and I could see they were on the fence when I had asked him and I said here's the kicker you don't have to pay me anything. From that I started helping him in his business and just when he was more of an owner-operator so I was able to put his units and make them more digital for being able to rent, so online posting on Trulia hot pads etc. And then he owned multifamily but interestingly enough, he wanted to diversify into single family, which normally is the other way, single family to multifamily, but he didn't have the time to find the deals, but he had the cash. I didn't have the cash, but I had the time. And then that's when I was able to that was the perfect match in that case.

WS: Incredible. So what happened next? Or do you help them long term? Did you start working for him? Was that a paid position ever? Or partnership? Or was it just kind of infrequent? What did that look like?

SW: So, it was on a day-to-day basis. And how I was paid was I just stayed in one of his apartment units that he had so I didn't have to pay any rent. So that was my compensation in a way. And so this was over the course of I would say six to eight months of doing that working within his business. And then that's when I ended up finding that very first single-family house which was just sent over from someone I met at a networking event, sent it over to Will (he was

my mentor). So sent it over to him and then the numbers made sense. He funded the purchase price, as well as the rehab and I got thrown into the fire. alright Sterling go figure everything else out. So that's how I was able to get my foot in the door.

WS: Wow, incredible. The relationship that you were able to build there that got you started. I mean, he funded it. He obviously saw desire in you, he saw some talent, he saw, you know, maybe didn't have the talent yet, but he knew you wanted it. I think he's you know, he probably saw that, hey, you are willing to put the time in. And man, I'm thankful that he noticed that and invested in you. I just hope that I notice those people as well. You know, after getting started in this space, it's not easy. And I hope that my eyes open to see other guys and gals like Sterling or myself that also needed some help, no matter how, you know, already get started.

SW: This was the thing too. You can really see and I don't remember who provided this example, that when you're at the gym, as an example, you can tell the people that have that grit and just put in the work. I was one of those people that wasn't saying the same way. So he saw that, I'm sure. And then also, I was always that oddball that was actually at the gym and I would sit in the corner, I would read a book. So I'm sure he ended up picking up on those things and saying, okay, I don't know what it is. But when I approached him with that, he said, well, I've seen you around the gym. We already several times went to the library together, he was also an avid listener to Earl Nightingale. So we had all these things in common. So, that also helps with him having that trust and saying that okay, I'm going to go ahead and take a risk on this individual because, one, we've already formed a relationship and then also I've seen your work ethic and then your, I wouldn't say praise, but others have had nothing but good things to say about you as well.

WS: I'm so glad you brought that up. It's like man the way you were performing in the gym, maybe I need to talk to him yet but he sees you. You see each other every day. He sees your commitment to that and your work ethic in the gym. I just think that's such a great valid point. It's almost goes back to that how you do anything is how you do everything. I don't know if I agree with that 100% but man most of the time it's a big part of that. I mean it's so true right just your mentality, your diligence about most things.

SW: And these things take time and that's what I want to share with people. They think that oh that mentorship and he just approached them first day ask them and then it all ended up

working out. No, that wasn't the case. It was over months and I never even anticipated that being the case but it just happened to be and this goes into I don't want to go into food Daisy why ha all that, but I ended up putting it out there that I want to be in real estate. But I have these weaknesses and these gaps and somehow that my brain or the world is conspiring to help me put the pieces of the puzzle together and it just so happened to be that that person was there at that gym that was working on it and then we ended up forming that relationship. But this was over the course of months and then just not making it about okay how can I just get value from this person I actually approached, hey, give, give, give, give. Awesome if I get something returned but that's not how I want this to start right from the beginning because he had a lot of blow, a lot more leverage.

WS: Wow, certainly an amazing story. I'm so thankful that we got to dive into that a little bit because I just think it's so encouraging to so many man what you came from to finding that mentor to I mean, just the mindset shift to going and making it happen and not not just being so focused on the past right and letting that pull you down man you you charged forward. I'm so grateful for that example for myself and for many others as well. I want the listeners, hey, stick around. Sterling and I are going to talk about finding deals next and how he started building this portfolio that he has now 500 units or more with \$16 million in assets. Incredible, after starting with that single-family home, right? We're gonna jump into that. How can listeners get in touch with you and learn more about you?

SW: Yeah, so you can visit SterlingWhiteOfficial.com One more time now, SterlingWhiteOfficial.com and then also on YouTube, you can find Sterling White. Type in the search bar. And coming right up, tons of content that I'm actually putting out on a weekly basis. Sharing more of these stories and also more insights on just the journey from single family multifamily and how the journey continues.

[END OF INTERVIEW]

[OUTRO]

Whitney Sewell: Thank you for being a loyal listener, the Real Estate Syndication Show. Please subscribe and like the show, share with your friends so we can help them as well. Don't

forget, go to the LifeBridgeCapital.com where you can sign up and start investing in real estate today. Have a blessed day.

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