

## EPISODE 1395

[INTRODUCTION]

**Sterling White (SW):** The follow-up, that is by far, what will put you ahead of everyone else. Because most people give up after the second, most people don't even make the call. And then after that, they just give up too soon. And then after that, they just don't follow up enough.

**Whitney Sewell (WS):** Welcome back to The Real Estate Syndication Show. I continue the conversation with Sterling and he is sharing and being so transparent about so many things that I'm learning so much from. I know you are as well. I hope you have liked and subscribed to the show. Whether you're listening on YouTube or on your phone, one way or another, we would appreciate a comment and a five-star review as well. Please stick around, Sterling shares many, just many great tidbits that are going to help you to improve personally and professionally to getting to the next deal also.

[INTERVIEW]

**WS:** Hi, Sterling, man, you started with a single-family home, you found that mentor we were talking about and now 500 units. Wow, you definitely worked hard to make that happen. No doubt about it. What happened after the single-family home? Give us a few key things that maybe would help the listener to think through as well. They've got that first single-family home, we're gonna talk about how you started finding deals, and maybe even what you've learned, you know, up to this point about how you found deals. Give us a few of the details between single-family home to 500 units.

**SW:** I'd say the value of partnerships, when it comes to partnerships, working with people who complement your weaknesses, that's one thing that really helped with me. I ended up becoming self-aware of the things that I weren't good at. And then the things I were good at, so my strengths. and then I ended up finding the right people to build around me and vice

versa with their skill sets as their weaknesses were actually my strengths. So that was one thing and then also, the patience. that whole time from when I ended up buying that 150 single families and ended up scaling to 500, it was a blur because it was literally day in and day out. Just putting in the work. There's that aspect and the patient side of it and just going out there and just committing first and figuring the rest out later. And then thirdly is having a plan in mind. But also knowing that you're going to have to take pivots and took multiple pivots. So when originally started was okay, well we're going to do crowdfunding, okay, now we've done crowdfunding Okay, now we were doing some some flipping and then ended up selling on the buy and hold model and then from there buying single families. Okay, I was in Indianapolis. Okay, how do we expand? Okay, we went to different markets. And then okay, well, we've got all these single families, they're very difficult to manage and scale. Okay, let's shift to multifamily. So multiple different pivots. And so be willing to pivot. Second is patience and putting in the work and making sacrifices. And then third is just surrounding yourself with the right people,

**WS:** Man, it's incredible. We could just all do those things as fast as possible. So but you mentioned in there kind of in passing, you got up to 150 single-family homes, is that right? Yes. That didn't happen without a ton of headaches and a lot of work.

**SW:** A lot of transactions. And if we're lucky, would get a package of two, maybe a package of three here and there. Majority of the time, it was just a lot of one-offs, so you got to look at a lot of deals in order to just get that one.

**WS:** Okay, so, 150, I mean, you came from that one that your mentor helped you with. How long was it until you did the next deal after that first one?

**SW:** I would say a couple months. Bought the deal right across the street from it. So, the first one was 1720 North Leland. I believe it was 1741 North Leland. I forget the second house, but it was just right across the street.

**WS:** 150, I'm impressed. You gotta remember that. So, did your mentor help with the second one? And then the next one? Or were you all partnered on some of those? How did you move forward?

**SW:** So, it was just the first two and then right after that, that's when that meeting with Jacob. We had formed our company right after that, Hold Folio. That's where we ended up, that is the company that ends up scaling the 150 single-families and then scaling to multifamily.

**WS:** Incredible. Wow. So you found your mentor, helps him but then you found a business partner, Jacob. Maybe speak to that. I know that not our topic right now, but I wanted you to speak to and how did you know he was the right partner to move forward and scale this?

**SW:** It was just something that I saw in him on stage. I don't know exactly what it was. And this is why it's key for, I would say, for you to put yourself out there. Attend all these different events because you just never know who you would meet. And this was a partnership that lasted a long, long duration of time and really helped in my growth as a human being and also a businessman. So, he was on stage. He had his operator that he was working with and he would consider a mentor in a way as well. I remember Jacob going up there telling his story. I said, for some reason in my head, I got to work with this guy. And my aggressive nature, during the break, he went to the bathroom and I followed him into the bathroom and said, hey, let's exchange contact information and I'll enjoy working with you. Well, he said okay, here's my contact information. This is the office I workout at. I later found out that he was not serious about it because everyone does, I mean, quite a bit of people do that and they just never follow up. But I was in the office the next day and then the next day and then the next day and then the next day, and then that's when we, so I was still working with Will, my mentor at that time and he was still working, he had his operation that was going on. And then, we actually started working together doing deals. And then that's when we started planting the seed, hey, let's go out and venture and start to do our own thing. That's when we formed our own company.

**WS:** Incredible. Do you think you would have come as far without that partnership?

**SW:** I don't have the answer to that, Whitney. But I would say it would have been difficult. There was definitely, the way we complemented each other and then also he had more experience than I had as well as knowledge. So, I would say it would have been extremely difficult for me to scale to where I am now. But, it's likely I would have figured out another way but it still would have been difficult.

**WS:** Yeah, no doubt about it, you would have found a way but appreciate the transparency. I'd say, you know what, we wouldn't have gotten near as fast without my business partner and vice versa. I think we just had complementary skill sets we both brought things to the table that the other did not have, right? I mean, it totally allowed us to move quickly. I mean, once we said hey, let's go do this together. But now you have grown so much. You all are much better at finding deals now and doing deals, all that stuff you've learned so much. So, let's talk about some of those best practices that you've learned about finding these amazing projects that you've purchased and let's focus on multifamily. I know another topic that we're gonna talk about the single-family versus multifamily because I'm going to enjoy hearing just your perspective because you've bought more single-family homes than most people I know that ever has. Now, you're doing multifamily. So I'm looking forward to your thoughts behind that. But right now, you know, let's talk about finding those deals, the diamonds in the rough that you've purchased or that are multifamily, probably some of the practices you've learned about single-family probably still apply potentially. But let's dive into that. Give us some best practices and let's flush those out.

**SW:** Yeah, so the approach that I've taken is just actually going direct to owner. So, haven't bought on the multifamily side, haven't bought anything on the market. So, the very first deal when shifting from single-family to multifamily was a 46-unit and how that ended up coming about was taking the driving for dollars approach. So, was driving neighborhoods in Indianapolis that, okay, these are, I wouldn't call them distressed areas, but these are solid C, C-plus neighborhoods that still had some upside. So, the price points were very high and we'd likely be priced out. So I ended up driving those neighborhoods at that time. This was 26, 27 2001 Honda Accord, love those cars, right on gas and drove past this specific property and saw that the parking lot was like an alligator's back. It was just very bland and so from that, I

ended up picking up the phone because all this information is all public record. Not so much their contact information, but it was owned by an LLC, you can find out who found that LLC. And then you can use databases such as TruePeopleSearch.com or BeenVerified.com to now hopefully their name isn't as common as John Smith. And that wouldn't be as fun to do some digging. But then you get their contact information. You just pick up the phone in that case, and I just asked him. His name was Chris, "hey, Chris just wanted to personally reach out to you on some single families nearby and wanted to see if you consider selling". It was very transparent straight to it. No trickery. And it just turns out that this was the very last property that they were selling because he was getting out of the business. And one thing I want to promise you guys is there were tons of deals that were actually, I wouldn't say failed, but got "no" to. So this wasn't just, okay, I just hopped in my car that very first day and drove past this property and called this first owner and that was the case. There were still some attempts beforehand.

**WS:** Okay, so you called Chris the owner and said, I'm buying some real estate, wondering if you might sell. What was the conversation like? How did it move forward?

**SW:** That's exactly how it was. I remember he first said, "All right, well, this conversation will not continue if you're not willing to put down \$50,000 earnest money." From that came my sales skills that ended up peeking out, "Hey, Chris, it's not going to be an issue from that." Then that's when I went into just some additional pathfinding. I had no clue I was going to come up with the \$50,000. I had some ideas but wasn't very concrete but just wanted to build that certainty in him and didn't skip a beat and said, hey, there'll be no issues and just jumped into hey, now why are you considering on selling? So, digging a little bit further to determine what his motivation was.

**WS:** What was his motivation?

**SW:** He wanted to get out of the apartment investing or operating a business to focus more on being a debt collector, to actually go after those tenants that were behind on actually rent. So,

he enjoyed that more. And this was this last apartment that he had, he had sold about two to three right before that.

**WS:** How did you end up? What were the terms on that day? Or did you do any seller financing or did you buy outright? How did you come up with the \$50,000?

**SW:** It was a seller financing. It was 63%, 65% occupied. So, it would have been very difficult getting conventional financing, near impossible in that. I ended up negotiating with them and said hey, we'll do seller financing on this. So, ended up agreed on the purchase price of \$900,000. Yes, \$900,000. For people that are out there, this is in Indianapolis. So you can get properties very affordable. I know there's some places such as California, you couldn't even get a house for that. So the purchase price was \$900,000 and then raised \$200,000 as a down payment. So, that was what was needed as a down payment for terms on the seller financing. And then additional \$485,000 was raised to take care of improvements on the property.

**WS:** Wow, how'd you raise that much money at that time?

**SW:** So, it came from relationships from investors from the single-family side. And then also, at the same time, I was marketing myself as a personal brand to bring on investors on the multifamily. So, I originally started in my branding, in content marketing in single-family. And then as I made the shift to multifamily, that's when I started changing the messaging to bring those types of investors that were interested in that type of asset class.

**WS:** Okay, well, they might bring that deal up again, later on. But because I want to stay focused on, going back to finding the deals, and let's hammer on that for a few more minutes. Now that you've purchased many multifamily projects, what are some best practices now that you're still using? Shed some light on what are some of the things you're doing now to find deals today?

**SW:** Yeah, so, today it's been very difficult. So, when it comes to acquisitions that has dried up significantly formerly than what it was. and the ROI has been, when it comes to going off

market direct, it's quite a bit of undertaking from the amount of rejection that you have to face, the amount of calls that you have to make. And now what I've seen just from the sellers expectations, that return on time just hasn't been there. So I've slowed down on that, and actually been shifting to actually more so selling. And so, I would say the common thread through all of those owners is that there had to have been some type of motivation. And whether that's one, they're just they want out of the business. Secondly is that they may have just inherited the property. At all points in time, they just want to have the business. That's usually the core issue.

**SW:** And then, the follow-up, that is by far, what will put you ahead of everyone else. Because most people give up after the second, most people don't even make the call. And then after that, they just give up too soon. And then after that, is they just don't follow up enough. Because I've had some cases to where and this was an example of an apartment that was in Cincinnati that didn't acquire but ended up it was husband wife, they said that they would never sell the property. And then that was one of those I just put on the backburner for a while and then ended up following up with him a couple months. And fortunately, they were facing a divorce. And then someone ended up swooping in and getting it under contract. So that just goes to show you is you still even have to follow up in between that, that will really separate you from everyone else. And secondly is just having the mental toughness because it's tough hearing a lot of NOs. And also I would do personal visits. Well, the personal visits to owners wouldn't go bad. But I had one case where an owner said just write to me said, Hey, I told you on the phone to not even come out here if you are going to put that offer in on the property. So just imagine you really have to have the mental toughness and grit in order to keep pushing through that.

**WS:** Yeah, that's so helpful. So, you're preparing for that before you go in, right? If you already know you're gonna get hit in the face, it's easier to maybe it's easier, I don't know.

**SW:** Brace yourself.

**WS:** You should know to duck, right? Where do you go out the door? The follow up, you mentioned, is so important. I could not agree more. It's so important. How long do you follow up? Man, you found these deals that look like, they'll work or whatever it is, you know, the parking lot looks like that they're all grown up. Well, it's like, okay, you know, this seller obviously, there's something going on here. You put them on your list, you start following up. How often? How long? What are you sending them?

**SW:** So, it does vary by case because you've got some owners that say yes, I want to sell but just not right now, just in the next couple of months. I've got to figure some things out. You got some owners that say, yes, I would like to sell but just not anytime soon. Or just remind me after a year because I've got to get through these other things. So there are different nos and that also you change your tweaking on the cadence. But, I would say especially from the initial beginning is every two weeks especially if you've already started to build that relationship and they say that okay, now it's just not the right time but I will end up selling. Yeah, I would say two weeks.

**SW:** And this is the other part that I learned, you have to be creative in your follow up. You keep beating them over the head and with the same interesting. Not interested in selling my property, not interested in selling my property, not interested in selling my property, not interested in selling my property. Yes, it sounds even annoying when I say it, but that's the same thing that people do. But if you take different angles, such as I follow up in different ways and say, hey, John, actually in this one I will use, it was Bill in Louisville. I would say, "Hey, I'm in Indianapolis. I'm actually going to be in on Monday. I'm actually going to be in Louisville, this upcoming Thursday. I just want to swing by and give you a cup of coffee and just catch up on how I can be able to help you. I know you're looking for contractors and just taking different angles on that." They know that you still want to buy the property and another person, Patrick, who actually owned the apartment just right across the street, he needed some help with his parking lot. He was looking for someone to do so, coding and restriping. So, I ended up helping them with that as well.



**SW:** So, these are all the things and they can be different. This is where I would say the differences from the single-family to multifamily, it's difficult to do that on single-family because you're targeting a huge lists a lot of time versus on multifamily where I'm targeting apartments, at that time, it was over 50 units. The list isn't big. So you're able to actually take more, invest more time from that.

**WS:** Love that and thinking through that single-family list versus multifamily list and being able to focus on what you said there to being creative with your follow up. Appreciate the example because it's not always just sending them that yellow card, right? Or the envelope that's not sealed, you know, we've got, we've heard many of those things, right? It's not just doing that and saying, are you ready? It's getting creative, saying, hey, I'm gonna be in the area, having their number already in your phone or in your notepad readily available. So, if you are going, you can reach out or any other creative ways that you thought of to connect.

**SW:** Well, I was going to mention that, Whitney, let's say it's Monday, and I would say I'm going to be in town on Thursday, as an example. I would have no intention on being there but once they accept, then that's when I make trip. And then that's when I start following up with the other owners too, and letting them know that I'm going to be there. So, this is the same thing as committing first, figure the rest out later. And then other ways to follow up is through direct mail. One is sending a Rubik's Cube. Many people have heard of me saying this, a Rubik's cube with a small note, "Hey, let's figure this out." And that's if we're close on terms or price. There's that little gap that's in between there, so, I'll send something such as that. Or you can send, let's say Tylenol, and say, "Hey, let me take this headache off your hands." So, it's one of those things, just doing a pattern to interrupt. A friend of mine, this was in a different field, he would send his clients potatoes. Yes, I said potatoes. It was just a pattern to interrupt. And some of the clients he had not heard from in a long time will call him and say, "Steve, did you just send me a potato?" He's like, "Yeah, see a potato, but now that I've got you on the phone..." and then he would go into his pitch.

**WS:** Wow, something completely random to throw him off a little bit. That's incredible. What a neat idea.

**SW:** The key thing to staying top of mind through this is that when they are ready to sell, you're one of the first people that come to mind because I know there has been some people on this that are listening to where someone else has gotten a deal. You're like, oh, I remember, but that's because the other person just came down to timing and they were the one that came to mind in that case.

**WS:** Awesome. Sterlin, grateful that you're willing to share all these things about how you have found deals even by sending potatoes, potentially to the seller so you can stand out. All right, so tomorrow, I want to jump into the single-family versus multifamily with Sterling and 150 single-family homes now buying numerous larger multifamily deals. Looking forward to getting his take on that.

How can the listeners get in touch with you and learn more about you?

**SW:** Yeah, so you can visit [SterlingWhiteOfficial.com](http://SterlingWhiteOfficial.com) One more time now, [SterlingWhiteOfficial.com](http://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](http://LifeBridgeCapital.com) where you can sign up and start investing in real estate today. Have a blessed day.

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