

EPISODE 1491**[INTRODUCTION]**

Whitney Sewell (WS): This is your Daily Real Estate Syndication Show and I'm your host, Whitney Sewell. Today we packed a number of shows together to give you some highlights. I know you're gonna enjoy this show. Thank you for being with us today!

[INTERVIEW]

WS: Our guest is Anthony Metzger. Thanks for being on the show, Anthony.

Anthony Metzger (AM): Thanks, Whitney. I appreciate being on your podcast and thanks for everything you're doing, you know, your podcast is adding a lot of value to me and other people in the industry. So, as an industry, we appreciate what you're doing.

WS: Well, thank you for those kind words, and I'm grateful to meet you and to have you on the show. Especially as a listener as well. But, also, Anthony's first deal was a 218-unit apartment complex, located 800 miles from him and his home state.

Today, we're going to dive into his story and learn how other people can start off by doing big deals, just like Anthony did. There are so many thought processes against that, right? Most people will try to discourage you from jumping into that large apartment community. I know they did me, and we'll get into that, but Anthony, give us a little more about who you are, your background and let's figure out how you got to a 218-unit complex for your first deal?

AM: Sure thing. So, actually, throughout my 20s, right out of high school, I was in the wine industry. I actually went over to France, worked as a sommelier, studied, and became a sommelier over there. Then, I went around the world and made wine as a traveling winemaker, which is really fun because it allowed me to travel the world and have a good excuse while doing it, because I got to make some money while doing it, so it kind of supported that.

But, a lot of fun in the wine industry toward my late 20s – I'm 31 now, but towards my late 20s, I came home after all my adventures and kind of sat back and realized, you know, I need to go in a different direction, a direction that will allow me to pursue – I have always wanted to be really rich and so being in the wine industry, I couldn't.

Getting a job, it didn't allow for that. Started to think, and started to kind of reflect on what it is I wanted to do moving forward, and I started listening to the podcast, business podcast and

audiobooks, Rich Dad Poor Dad obviously, and that led me to some real estate podcasts similar to yours.

Just listening to what people were saying about syndicating, it really opened my mind and said, “You know, this could be an avenue I could pursue and go down.” So, that’s essentially – you know, that’s exactly what I ended up doing. Just by listening to podcasts, it kind of led me towards doing my first syndication deal.

WS: Nice. So, let’s go early in that process a little bit. I would imagine, you’ve done all this work, you’ve gone to another country. I mean, you’re going all over the world, you know? In this other career path essentially, right? Now, all of a sudden, you’re telling your family, I don’t know if you’re married at the time or parents or whatever, but you’re sharing with them, “Well, I’m going to take this other path.”

Can you elaborate on – did that happen like that or what was their thoughts or were they encouraging or not, and how did you handle that?

AM: Right, you know, I’ve always been an entrepreneur, I’ve got entrepreneur blood in me. So, that really helped. The one thing I will say that helped convince people, especially like my mom, is that I didn’t quit my day job and just go full-time into a career path in which I wasn’t making any income. So, that definitely helps. But, no, they were very supportive, I do this, this was my side hustle after work. I’d clock out of work, I’d go home and I’d work on this.

Very supportive in that aspect and, especially after I end up closing my first deal, it kind of goes from this vision to now, you own real estate. It’s real. So, that also helped. But no, yeah. Very supportive in that transition. So, yeah, very lucky for that.

WS: Nice, let’s talk about that first deal a little bit and how did you really get to the point where you felt confident enough to do the deal? What were some of the first things that started to happen to get to that deal and, obviously, you had to find the deal, you had to fund the deal, you know, all these things. What were some things that initially happened that helped you to get to that deal?

AM: Sure. So, the way I got into this business was, again, listening to podcasts, and I was listening to a certain podcast and the gentleman hosting the podcast sold a program, it was an educational program that teaches you how to underwrite deals and how to syndicate multifamily deals.

I bought that program, it was a thousand dollars, and I went through the course, it was a video course, just went through the course from beginning to end, and then, reached out to the

individual and said, you know, “I know you guys are looking for deals. Deals right now are very hard to come by. If I can find a deal that matches your criteria, can I bring it to you and would you be interested?” And they said “Yes”.

So, that’s a very powerful thing with syndicating, is it’s more of a team sport. Everybody has a role to play on the team, and the value I could add was to be a deal-finder. I’m going home after work every day and I’m putting in my own time, I’m not on anybody’s clock, and I’m just analyzing deals, talking to brokers, and just looking for deals. That’s how it really happened.

I listened to the podcast, I got educated through their program, reached out, and found out how I could add value, got that answer, and I began working towards it, and that was to analyze deals and find them a deal. After a year and a half, from the moment I bought that program to the day we ended up closing on the deal, I was just analyzing deals all the time, and it took a year and a half to find this one and close on it.

WS: Wow. Well, a couple of things I want to highlight there that you said and that you did because I think it’s just incredible. You found a way you could add value. But before that, you know, you took this course, and already, that gave you a connection to this coach or mentor, right?

I mean, you already took his course, right? There’s already this connection, he already feels an obligation, a little bit there, you know, just to at least take your email or call or something, right? But then, you found a way you could add value. You didn’t have the network yet, you probably couldn’t raise capital at that point. You were brand new to this industry, but, you said, “You know what? I can hustle and I can find a deal,” and he said, “Well, of course, you find us a deal.” I mean, who is going to say, “No, we don’t want to see it, if you find a deal.” But you took that step to reach out, and I just want to highlight too, a year and a half.

A year and a half. Most people are not going to keep hustling for that long, I just want to congratulate you for hustling and making that happen, but can you go through that process a little bit? I mean, a year and a half later, through that process, you’re probably discouraged at some point, you’re probably thinking, “Man, you know, this just never going to happen”.

What kept you encouraged, what kept you going, did you take deals to him that didn’t happen before this one, what did that look like?

AM: Yeah, and I appreciate what you said but, yeah, a year and a half, the toughest thing is you sit there, you analyze a deal, you dive into it, you get excited about it, and then it doesn’t work out. That can be, you know, there’s that high, and then it’s a real quick low.

A year and a half, the toughest thing I would say was that, for me, in my position, at that time, it was a lonely sport, because I'm going home, I'm just analyzing these deals and I didn't really have anybody to communicate with, to bounce these deals off of. Because when you're bringing a deal to a sponsor, you don't want to be bugging them every day, no one will waste their time. When you bring them something, you want to make sure it's foolproof and that you've done all your due diligence and invested your time into it, so that it's as easy as possible to bring it to them and transition it to them.

It was a lonely sport during that year and a half. That was definitely a challenge. I did get close on a couple of deals before landing this one, but again, they died, which made it even tougher because again, it's that nice high. I went to walk the property, which was out of state, and the whole time, I'm really excited about it, but then, in the end, we couldn't get the deal.

That was definitely discouraging. What I did is I looked at my other options as an entrepreneur and I said, "You know, this is tough, but what else am I going to do? I'm not going to quit, if I'm going to not do this, I'm going to go try something else." But at the time, this still made sense. This isn't going out and inventing the next wheel. This is a proven system that if, over time, you're consistent at it and you work towards it, eventually, it seems like, it feels like, you will land one. From there, the momentum grows and you can finally fulfill all those dreams of being a multi-family syndicator.

WS: Tell me about finding the deal. Were you working with a broker? Did you find a seller that wanted to sell, how did you build that relationship with no experience?

AM: Right, and also, great question because, before this deal, I had no deals, no experience. So, I just got actually on some national e-mail lists and brokerage e-mail lists. So, Newmark, Knight Frank, Marcus & Millichap, you know, you can go to their websites, you can ask to join their mailing list.

I get deals sent to me every single day from these national mail lists. One of the issues with that is that everybody's seeing these deals, so they're very competitive. But, at the time, I had no other option. I wasn't getting off-market deals because I had no credibility, but this deal was unique because it came to me as a portfolio, actually. It came to me as a 350-unit portfolio, it was a two-property portfolio in the same market. I analyzed the deal as a whole, and it didn't make sense, but then, what I did is I took a knife to it and I dissected it and I analyzed each deal separately.

One of the deals made absolutely no sense to us. The other deal did make sense. So, it was kind of a hidden gem within this portfolio. I reached out to the brokers and said, "Hey, look, this deal, I can offer this much, I'm landing around this price, what do you think? Are they willing to

sell each property individually?” And he came back, he said, “Yes, they are willing to do that. They’ve got multiple offers on the other property, they got a couple on the property you’re looking at.” So, at that point, once I know that I’ve got a real shot at this deal, I start analyzing and diving deeper, I start reaching out to multiple property managers to get their perspective. I started reaching out to lenders so I can get a little more accurate in my underwriting.

Once I had everything lined up, at that point, that’s when I brought it to my sponsors. I said, “Here, I got this deal, I’ve done all this due diligence on it, and we’re within the striking range with the price.” And that was the point in which I brought it to them and then, they came in and really finalized the negotiations with all their experience. You know, they had over a thousand units at this time. They had another property manager that was very reputable. From that point, we got on to it, it was a buyer’s interview. It was really nice having this experience sponsored, and being on this interview with the seller.

Because, you know, it’s funny, having a buyer and everything, you really got to be interviewed as a buyer because, the seller wants –

WS: Yeah, we can do that.

AM: The seller wants to know if you can close on the deal. So, it was nice having them there and then we got under contract and from there, due diligence to close.

WS: Nice. Well, give us some details of the deal and why it worked. You know you were underwriting the deal, what made this one work and the other ones not?

AM: Sure, so deals are different for everybody, everybody underwrites them differently. We look for certain returns. So, we look for a certain percentage of cash-on-cash or a certain percentage of IRR, so it is quite simple. We just – I enter in the numbers, I look at what we could achieve after renovations, and, through the calculator I used to analyze deals, if we can hit those numbers that our investors expect, then the deal works.

It is that simple but there’s a lot of due diligence behind those numbers to make sure that it does end up working.

[INTERVIEW 2]

WS: Our guest is Josi Heron. Thanks for being on the show, Josi.

Josi Heron (JH): Whitney, thank you so much for having me. This is a pleasure.

WS: Yeah, it's a pleasure to have you on the show. Josie left her corporate job to pursue multifamily investing and has built Waypoints Equity to empower other investors to join her journey. She has a background in engineering, finance, leadership, and asset management, and is still a drilling reservist. She has found that an impact is made between the waypoints of our lives, and she enjoys growing her business while giving back to veteran and community organizations.

Josi, first off, thank you for your service. I'm just always grateful for our servicemen and women who are ready to sacrifice all, you know, and serve in that way. So, thank you for that in a big way. Tell us a little bit about your background, though, cause getting into this business, leaving the corporate job – we talk about it often on the show – but it's still such a big decision. Most people are very hesitant, right? You know it's like, 'Wait a minute.' You get so much pushback from family, friends, other people. Give us a little background about, you know, your journey into syndication and how you did that.

JH: Oh well, Whitney, thank you. I'll try to summarize. I'm sure we could talk for a long time. So, the last, you know, five-six years, I worked at a Fortune 500 company. I was an asset management consultant. I was on the executive track. I ran a program. I ran, you know, very large contracts with infrastructure. And it was great. You know, before that, you know, my background you mentioned it – I have an engineering degree, I did get the business degree, and I've kind of, you know, had a career focused along those paths. But for me, making that jump, you know, one it's so tricky, you know, talking to people because I feel like folks want a change or they're looking for something. For myself, I've had a number of, you know, moments in life, that everything just pauses. And it's when something in your foundation, you know, is shaken. For myself that was, you know, a couple really close and hard losses. And then followed by me overachieving in my job and hitting burnout. And it took me a while to recognize that I needed a big change. And I think also having those experiences – and I know everybody has their own life story and things that they're working through – but what it did is, you know, after a certain number of these kinds of hard things to deal with, I just realized I really needed to change. Like, I really feel like there's, you know... Life is so precious and so short, and so unpredictable.

And so you know, I was throwing myself into this job which I loved. It was an amazing company, amazing people that I worked with, you know, but it was for me to feel challenged and successful there, I was making sacrifices that I, at one point, did not want to make any more. You know, I have three daughters. I have a husband. I love them, they love me, they like me to be around. You know, and I think there's a balance there, but I was traveling all the time. And so that was really hard. And so... I named my company Waypoints because I had... I can literally name like four epiphanies that I had that brought me to where I am now. And those are my waypoints. And I do really focus on right now enjoying the now, you know. Yes, I did leave

my corporate job and I'm all in on syndications, but I know the end goal is something I'm going after, as so many of us are. But I'm also really trying to be intentional about my time and my effort and how I show up with other people now.

And so that's a little bit about, you know, me and I could talk in detail about why and when I left my job. You know, I would say, with the last epiphanies I had when I had started to get into real estate and was looking at syndications the benefits of bonus depreciation if you are a real estate professional. And I needed to have more time last year as a real estate professional than anything else. And so, that really accelerated my decision to jump because the offset in my previous income, you know, was a benefit in taxes, was a benefit... You know, it was enough to put me over the edge to make that jump. And of course, you know, then you kind of start over, to some degree, but I'm, I'm well on my way to being established.

WS: Nice. Well, it's such a big decision, like I mentioned earlier, right, as everybody knows. Leave this corporate job, you mentioned. You know, you were on your way up, you know, this large company. You were in charge of lots of things, very large contracts. You know, most people would say, "Man, you know, she's really successful. She's got so much going on, right?" So, big decision to switch to real estate full-time.

Are there any tips there you can provide to like manage both those things or to finally make that decision to say, "You know what, I'm done with this J-O-B. This is what is best. Yeah. It's not easy, you know." Any tips or any challenges there that maybe... just maybe one big challenge that you had around that, whether it's the scheduling, whether it's the family pushback. Anything like that that could help the listener to say, "You know what, this is when I'm going to make this move.

JH: Yeah, I would say, the biggest challenge for me was maybe my ego and my pride because I had worked so hard at getting to where I was and I didn't want... and people's perception mattered to me and I didn't want my peers... and also, you know, I come from a service academy, the Coast Guard Academy grad... you know, I don't want all those people in my, my networks that know my foundation to look at my choices maybe rushed or irresponsible, you know? And so I was...I really spent a lot of time working to get established, and to work on my brand, and to get really solid experience. And I have amazing partners now and all of that has really contributed to where I am now where, you know, I do have a business and a brand and I am, you know, speaking about it, but I was really intentional with that perception. And I really was. It wasn't an ego and pride kind of thing, but I really knew that I needed a change. I need to be able to own my direction and my time because for my whole career, I have knocked it out of the park for other people, for other agencies, for companies, and, you know, and teams. And it just...it was time to make that choice for myself.

WS: What about just getting into the syndication business, you know? What about some tips as to how did you have the confidence to start syndicating deals, to get into this space? How did you educate yourself? Maybe a couple of things there, but what gave you the confidence to do that?

JH: Yeah. So, another one of my epiphanies was, you know, that real estate was such a legit path and an investment. We kind of, by default, found ourselves looking for something to do with capital gains, and we listened to a podcast about opportunity zones and ended up investing in a syndication that was investing in opportunity zones and that would help offset capital gains taxes. But as I'm watching, you know, the webinar, as I'm reading the OM, you know, and at the same time, I was listening pretty intently to a lot of different real estate podcast. It just kind of all came together, you know. Actually, it was like... I remember looking at this pro forma, and I was like, "Oh, I get it. I understand how real estate works. I see the benefits. And that's what I want to do. And that was, you know, more than two years ago.

So, we invested in several syndications as limited partners, and the whole time I was studying, you know, "Like, what are they doing? How are they doing it? I went through an accelerator for real estate investing for military members, and it's named White Feather Investments and that was phenomenal. You know, it taught me the basics of cash flow analysis, underwriting, you know, market research, and had a great network that has continued, you know, afterward. That has been, you know, really a positive, in my experience. And that was focused on, you know, an entry like single-family, long-term rentals. But the whole time, I knew that I wanted to scale. I wanted to use real estate as my next step, as my next jump. And I went in with the lens of under learning everything I can in this course, and I'm going to do it with the perspective of how do I get that grow bigger, how do I go bigger with this, and make it my next thing.

WS: Nice. What was the next challenge getting into the syndication business or the growth, you know, to that first deal? What was that challenge and how did you overcome it?

JH: Yeah, sure. So, it was really getting the experience. So, I went to a bunch of conferences. And, you know, also I was challenged perhaps finding the next path or the next step. There was a period of time I was really confused about whether I should join a big program or another network or another mastermind. And a lot of those seemed phenomenal, and I think that they are amazing but I kind of didn't know which way to go. And so I started to take action. So, in the middle of this course, I was in, I started looking at fourplexes that are under contract. One in Colorado Springs, but then I was also learning, you know, the underwriting part, and I realized that it wasn't going to cash flow. Not enough for me to leave my job, right? So, not a four-plex either.

I went to a conference and had already made some connections in Kansas City after, you know, kind of a deep dive into what markets to move into and came back to the conference,

called the broker that I had established a relationship with, and just told her like, I'm looking for bigger, you know. This mindset shifts. You know, I'm looking for more units. Originally, I told her I want to try, you know, to get a commercial loan so five to 10 units, you know. Like, let's try that. I caught it back and I'm like I'm looking for bigger and more value-add, you know. I have a project management background. I can handle, you know, big rehabs and so that put me on a path to purchasing a 24-unit which then gave me the experience. And in the eyes of...The hustle in the eyes of some potential partners that, you know, it really took off from there, you know. As I was under contract on that 24-unit, I met my now partner. And eventually, have had, you know, syndicated with him now three times and we're working on our fourth, you know. We're at 220 units at the moment together. You know, there are four of us in that partnership. And then I am actually leading a 60-unit deal right now, as well.

[END OF INTERVIEW]

[OUTRO]

Whitney Sewell: Thank you for being with us again today. I hope that you have learned a lot from the show. Don't forget to like and subscribe. I hope you're telling your friends about Real Estate Syndication Show and how they can also build wealth in real estate. You can also go to LifeBridgeCapital.com and start investing today.

[END]