

EPISODE 1518**[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 Anton Mattli. Thanks for being on the show, Anton.

Anton Mattli (AM): Thanks for having me on, Whitney.

WS: Yeah, I can't believe it's taken 850 plus shows to get you on the show and we've been in a mastermind for a good while now together and heard him speak numerous times about financing and help so many people just think through and better understand financing for syndications and the pitfalls, he is extremely experienced, which you're going to hear a little bit about. Looking forward to this conversation, Anton, pleasure to have you on the show.

A little about him, he's the CEO of Peak Financing and has decades of experience in commercial and investment banking, private equity and commercial real estate. After graduating from Zurich Business School in banking and finance, held a senior management positions at major financial institutions in New York, Tokyo, Hong Kong, and Zurich.

During that time, Anton was heading a bank branch, managing cross-border teams financing and restructuring commercial real estate worth several billion US dollars and overseeing loan portfolios consisting of aircraft and ocean transport vessels.

Anton also directs in structuring complex cross border commodity and trade finance transactions for Fortune 500 companies. Anton, thank you so much for your time and being on the show and being willing to share with us and help us to better understand, just the financing piece and things that are happening right now on our market. I know you keep up with those things better than probably any of us can.

Give us a little more about your focus in this industry right now and let's jump in to just the current financing situations and pitfalls for syndicators.

AM: Sure, absolutely. Thanks again for having me on. Our focus is to do finance as we call it, the middle market segment. I come from institutional background and that typically when

comes to asset sizes, 50 million end up. Below that, we call it the middle market and that's where we – our firm are primarily focused on – and when it comes to the syndication space, that's where we help a lot of syndicators. As you know, a lot of syndicators are active in the multifamily space so that's only the biggest chunk of syndication financing we do.

But we also do other commercial real estate like office buildings, retail, mobile-home parks, self-storage and all that, it's just that multifamily is suddenly a big piece of what we do.

WS: Now, just the terminology there, just a little bit, you talk about middle market segment and you said, that's 50 million and up? What were those ranges?

AM: 50 million and below, right? The true institutional players, they tend to focus on assets sizes that tend to be 50 million and up, sometimes, they may go for 35, 40 million assets but most of them really focus on much larger assets. Once you are in that as we call it the middle market segment, it's more a syndicators, private individuals, maybe family offices that invest in these assets and that's where we are at the most value because institutional place –

They typically have to raise house financing in place so they do not really need that much of our systems because to have a large team that does it on a daily basis, essentially doing what we are doing for our clients and that's the reason why we focus primarily on the middle market.

WS: No, that makes complete sense, I appreciate you elaborating on that. Sometimes that – especially the listeners, you're getting new into this business, you don't understand some of the terminology and what that means. Let's jump in to just the financing situation as we speak. Obviously, we're in mid-January right now when we're recording this just so the listener knows but Anton, why don't you just give us kind of an update and I also love to learn, just how someone like ourself that's in the syndication business, we're doing deals –

However, we're not in the financing side of it like you are or how can we gain more knowledge and just stay up to date on more of what's happening, how do you do that or how do you suggest that we do that?

AM: Yes, one of the best ways to stay up to date obviously just stay in touch with the rest of the advisors, always live with us on the financing side, read a lot of reports from lenders, also read whatever report we can get. It's important that you are aware of where the interest rates are in the market place, whether it's the treasury yields and other interest rates that are driving the real estate financing market.

That's really the crucial piece, at the same time when you stay in touch, really ask the right questions, both has changed over the last couple of years or couple of months. As a perfect

example is that you may have heard me talk about Freddie SPL as an example, that is a perfect entry point for someone who doesn't have experience in multifamily syndication.

Use Freddie SPL, essentially allow for an inexperienced investor or syndicator to do that first deal as long as they're a third-party management. Well, that is now out the window and we still get calls and request from individuals that have heard us, me or one of my colleagues a year ago or three years ago, thinking, "That's the way to go," and now, today, we have to tell them sorry, the situation has changed.

It's important to stay up to date of what is happening.

WS: No doubt about it. I appreciate you bringing that up because I'm sure, there's probably many listeners who try and get into this business, making – especially their first deal or two happen, they probably heard of that and some of them are thinking maybe that's a good option. At the moment, that's gone. Do you see that coming back at all or is this just kind of off the table right now?

AM: I don't see that it comes back any time soon, we never know what's happening in a year or two years from now but talking about particularly the last year when we look at – through COVID-19, that is on everyone's mind, the loans that have had the most difficulty is already pre-COVID but it's only has shown up even more so during the COVID-19 situation –

Are the smaller loans and the smaller loans with "newbie" as we call them, buyers that are the first-time buyers, really make up a big bulk of the problem loans. As a result, obviously the agencies and all the lenders too are now much more careful with someone who has no experience at all in multifamily or any commercial real estate so they just take a more careful approach.

WS: That individual that's listening now is thinking, "Oh no, Anton. I was hoping that that would work for me to get that first deal done." Are we going to go to – they're going to have to partner with somebody that has the experience, bring somebody in that has the experience, is that kind of going to be the route for them now?

AM: Absolutely, that's the right approach. Frankly speaking, we always recommend that that even be previously, right? Even though it was available for someone to do it on his or her own, you always recommend to partner up with someone because you avoid so many mistakes if you partner up with someone who has already gone through that situation.

Now, it's just a must and that's really the best way, right? That's – if you have a good deal or a great deal that you find, as you know, Whitney, there are so many people out there that are

willing to partner up with you. It's not that you're not able to find partners but what is required is that you expand your network well before you find that deal so that once you find that great deal, you already have the ability to reach out to someone, right? You cannot just find a deal and then start calling people then they don't know you and unlikely will partner up with you.

WS: You know, that's great advice. Expand your network before the deal, right? While we're on that topic too about, you're saying about asking the right questions, I wanted to go back to that, when we are speaking to someone like yourself, help us to think about what questions are the most important just so we do get a really good glimpse into what's happening right now just in the financial market?

AM: Yes, really, what is important for anyone to understand, just because you receive a T12 and the rent roll, that doesn't mean that the lender will take that T12 and rent roll so the financials, and say, "Yes, we will provide finance and based on these numbers." Ask, how would a lender underwrite this particular deal and that is probably the most important question that one should ask because that's where we see the biggest mistakes where someone is underwriting a deal, makes an offer, sometimes even go under PSA, and then they start seeking out financing and then they are all surprised when the loan proceeds and all the terms of that long due to come in at the level that they originally anticipated.

[INTERVIEW 2]

WS: Our guest is Yan Staviski. Thanks for being on the show, Yan.

Yan Staviski (YS): Thank you for having me on man. Appreciate it.

WS: Yan has a very interesting story, having gone to college and obtaining two degrees, only to end up in \$82,000 worth of debt, trying to become an entrepreneur at age 22. By 25 years old, he now operates multiple six-figure businesses around credit in industries like real estate, ecommerce and online education. He has accomplished all of this while traveling to 47 countries, nearly free, with travel hacking.

Yan, first time I really heard of travel hacking and I know the listeners' ears are perked up about that as well. I want to hear a little more about that and you've been to so many places and nearly for free.

But then, also, I know you have a super power of just establishing relationships with banks and getting the best terms and that's something we can all, if you're in the real estate business, we all need to know how to do. Looking forward to just hearing about that and how you've learned to do that.

Give us a little more about who you are and what your role in real estate is and maybe a little more about your businesses and let's jump in.

YS: Yeah, man, for sure. Before I even got into anything business related, in terms of leveraging credit to go pick up properties, doing ecommerce, any of that stuff, when I was 18, I always wanted to travel the world. And I did so by spending my first 3,000 bucks that I made to go to Thailand and it was an amazing experience, I came back but I had no money left and I'm like, "What do I do? I really want to go travel." I was in college at the time, I was not going to my classes, I was like coming in first day, I'm like, "Hey, look, I got this emergency or whatever, I can't make it for a month of class," and in reality, I was going to Thailand.

I came back and I had no money but I had an envelope from American Express that says, "If you go and spend 5,000 bucks, you got a hundred thousand points." I did that, I bought my friend a laptop or something like that and I got these points. I went into the same exact trip again. I did not pay for the flight this time, I did not pay for the hotel this time, I did not pay for the car rental this time.

When I came back, I'm like, "There's got to be a way to continue doing this over and over again. From like 18 to 22, I was learning the credit system basically the reward system and how I can accumulate more and more points. Basically, it's correctly applying for credit cards, minimizing your inquiries, keeping your score above 720 at least, understanding all the internal bank rules and I've accumulated about 55 credit cards from 18 to 25 right now, but by 22, I had like, I probably had like 20, 25 cards at the time and that gave me enough to go travel probably like 30 times a year from 18 to 22.

WS: But you had to be spending a lot of money to be getting points, right?

YS: I wasn't spending any money, that's one of the kind of advanced secrets that you'll kind of learn when you get into travel hacking with credit. You'll learn that there is a bunch of different ways to actually go and get points without spending money. One of the first hacks that you might see. If you Google, travel hacking and getting points, it is buying gift cards and kind of returning them, getting money orders, cashing them out, kind of this whole ordeal.

That's what I was doing at first and I got millions of points that way. There's ways to minimize the amount of points you use. There is ways to get even better flights with the same amount of minimized points to get the statuses, it's all crazy man, that's how I started doing what I'm doing with credit that I took from 22 years old, I'm flying first class to Dubai. People were thinking, "Man, this guy is probably a billionaire or something like," that but in reality, I had like – I had no money whatsoever at all.

By the time I finished college, I went to Berkley and I went to San Francisco State, I got a finance and I got a marketing degree which I realized were absolutely useless because after I applied to like a hundred different jobs, I did not get a single response back. I'm like, what do I do from here? I spend \$100,000 on my degrees and nothing came out of it. I wanted to start my own business, I've always wanted to be an entrepreneur, I've always kind of been an entrepreneur at heart.

The only job I've ever had was being a lifeguard. Everything else, I had these little side hustles, I had a car washing business at 10, I had teaching art classes to adults at 13 and so I wanted to start my own real business. But I had absolutely no knowledge of how to hire a team, how to do marketing, how to go about using credit for business. I didn't have any money on top of that. But I had a bunch of credit cards and obviously a bunch of credit lines that I could use. I had about \$120,000 in available credit.

I thought to myself, "Hey look, if I just use my credit, I'm smart," my ego was way up here, my skills were way down here. Okay. I'm like, "If I do a bunch of things at once, I got \$120,000 to work with, I'll make something happen." I decided to go on Instagram, on YouTube and see what do these guys do that drive Lambos and they're doing the same thing that I'm doing like flying around in first class in Dubai because I'm assuming, they're not travel hacking, I'm assuming that they're just making a lot of money to pay for these things.

I started five businesses at once, like ecom, I did wholesale and real estate, I was putting those we buy houses signs, I spend like a thousand bucks drove around. But at the same time, I was doing Facebook ads for companies, I was doing Shopify, a bunch of different shit. In six months, because I had no skills, I'm doing five different things at once, I'm spending money that I don't have and I don't understand how credit really works in terms of using it for business.

I'm \$82,000 worth of credit card debt in six months. Not a single business is profitable. I'm losing money in every single direction and on top of that, I learned about interest and I'm paying the banks about 27% interest on the debt that I own which turned out to be about three or 4,000 bucks a month. And I was making no more than three grand a month at a time, working like 60 hours a week and the only thing that was working for me was my fitness training classes that I've always done.

I've always been about fitness that's been like the staple of anything I do. Whatever I do, I got to be on my fitness game. Then that's the only thing that I was working. I'm like, "Dude, I'm going to position where I'm making three grand a month of my interest alone," not even talking

about – I was living in San Francisco. Not even talking about my housing expenses or food or my car. I can't even make the interest on my debt.

That was kind of my rock bottom and I realized, "Man, if I'm not making completely different moves right now, than what I'm doing right now, there's absolutely no way that I will get out of this situation." I was about to turn 23 at the time and I thought, "Man, I really don't know what to do." I was at rock bottom sitting in my BMW that I stupidly bought, thinking it was going to motivate me to get somewhere.

Maybe kind of did but the point is, I had no way out if I was going to continue doing the same types of things. And keep in mind, at the time, my credit was now completely destroyed. I had a 490 credit score, I had collections, it even got so bad that I left, I travel hacked my way to Japan and just stayed in Japan because I didn't want to deal with the situation back in the US because I knew how bad it was.

I came back, I counted up all my debt, I'm like, "You got to go get a job." I wanted to become an entrepreneur but I realized, I'm at a position that I got to go get a job and I got to actually make some money. More importantly, I got to go learn how a business is run. I got to go get some skills, I got no skills, I mean, I have an ego and I got confidence but I have no skills. And that's what was missing from the equation and I was listening to a podcast similar to this one and somebody was saying, might have been like Grant Cardone's podcast or could be like Tai Lopez.

But somebody was saying, "Man, if you want to become an entrepreneur, you want to run your own business, you want to do your own deals, you got to learn sales. You have to absolutely learn sales, no matter what you do." If you're doing syndications in real estate, you got to convince other people that you are the person they should work with. They need to understand your vision, you need to understand that you are confident and you know what you're talking about, you got to learn sales. Okay. I'm like look, that's the move I'm going to take.

Finally, somehow, I landed a sales job in the cryptocurrency industry when crypto was booming, it was like 2016, 17. I got a job in crypto and I spent 80 hours a week, I did not sleep, I'm like, "I'm going to be the best person at this company in sales, I'm not doing anything but sales." Getting good, understanding how everything works in that particular business because I want to use that for my business later on.

At the same time, I'm getting screwed by the banks so bad that I'm paying like \$4,000 a month just in interest to keep my debt at 82 grand. The other thing I did besides my sales job is learn credit. Credit repair first and then I was learning how do I reestablish my relationships with the banks because I've screwed a lot of them up at this point.

I got a 490-credit score, I was thinking about bankruptcy which by the way, anybody that's considering bankruptcy, it is not – they should never ever be an option. Unless you got 20, 30 million dollars' worth of debt and there's absolutely no way you're going to make payments.

WS: Give us a couple of things. I mean, how did you get out of that, what was the turning point, what were the next steps that I mean, because obviously, that wasn't too long ago, right? But you've covered a lot of grounds since then.

YS: It's three years ago, yeah. I just turned 26 and this was when I was 23. The last three years have been crazy but the major turning point was I started focusing on actually getting some skills and learning how a business is run by working for somebody else. At the same time, I'm learning how credit works, besides just travel hacking.

The travel hacking is interesting but it should not be the primary thing. It works very well when you have income coming in, when you are leveraging credit for a business, then it works tremendously well. You know, I think of it this way, you should be able to afford all that stuff but you shouldn't have to pay for any of it.

[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.

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