

EPISODE 1553**[INTRODUCTION]**

Whitney Sewell (WS): This is your daily Real Estate Syndication Show and I'm your host, Whitney Sewell. Today we have packed a few different shows together that we call Highlights to help you to get the most bang for your time and educating you on the topics that you want to learn from. We would love to hear from you. I am grateful that you are with us today. Have a blessed day.

[INTERVIEW]

WS: Our guest is Joyce Walder. Thanks for being on the show this morning Joyce.

Joyce Walder (JW): Thank you, Whitney. Excited to be here.

WS: Honored to have you on Joyce and her husband Bob, or part of a three-family partnership that forms B3 Investments out of Austin, Texas, and is diversifying their investments into mobile home park investing from only multifamily choice also has a background in legal banking, and then landed in dental hygiene for 15 plus years, she left the industry in 2019 to join Bob and B3. She is also a personal suit, Brad Sumrok, and attended the AHU boot camp.

Joyce, welcome to the show. It's interesting, just your background, you're obviously someone to just high achievements, you've made a lot, a lot of success in different things, and now even leaving those things to be a part of this business, obviously shows you believe that there's a big future in this business and in your investing business, it's also interesting, the three families join to create this partnership.

You don't see that too often, but welcome to the show, give us a little... Maybe give us a minute or two about that transition from a successful career, to moving into real estate investing.

JW: Right. As you said, I've done a lot of different things, landed in dental hygiene, which is very much a people business, and Bob had been doing the multifamily for several years and wanted to get me transitioned into that and couldn't quite find a role for me there because he had already been in it, I wasn't understanding a lot of it from his perspective, so we found the mobile home university boot camp, and we attended that, we met our partners through that connection.

And it was just such an easy transition for me to come into the mobile home parks. It was new for all of us. So a much easier transition for me, and what I learned very quickly, it's very much a people business, which I enjoy very much, and I've gotten so much out of it, it just... It's super fun to me and getting to know the communities that we go into is just incredible. I really enjoy it.

WS: You've been working on those people skills for about 15, 20 years, right, as you talked about in that business, and no doubt it's a people business that you were already in, no matter how good you are at that craft, the people skills are probably more important. Would you say?

JW: Oh my gosh, yes, absolutely. And that's the role I have definitely fallen into with the mobile home parks, is I am the transition person, I'm the one that goes in and builds that sense of community, even amongst the residents, there's a lot of talk about the owners shouldn't communicate with the residents, you hear that a lot, and I have to disagree with that. I have found it to be very rewarding, unless you ask your residents what is needed, you won't know, and your manager can only do so much, so that's a very important part for me.

WS: That's awesome. Well, let's just jump in there quickly, and you are the Operations transition expert on your all's team, why don't you walk us through an example, and I would love to talk about, is some of those things you just mentioned to by communicating with the residents as an owner, I think that's a big thing that most of us have this shield up, we're trying not to... We think we can never do that, or we're just not supposed to. Right? You're just not supposed to do that. So I'd love to hear your thoughts behind that as well, but is there an example recently, maybe we could talk about a specific part or you could walk us through some crucial steps when we're thinking about that transition as you all purchased a mobile home park.

JW: Absolutely, we actually have fallen into a great process, not by planning, but by learning like everyone else, and our partner Bill is usually the one that goes out to the community first and decides, yes, we want it, or No, we'll pass... Once that deal closes, Bob and I go out and again, walk the property, and that's when people in the community notice, Okay, what's going on? And they will come out, they wanna know, who are you? What's going on?

And I had to convince our partners that it was okay for me to take that role as owner, and it took a lot of convincing because of... Yes, everything we've learned that, No, you don't do that. And once we did that in a park, in the first one we did that with was our park in Iowa, and Bob and I literally walked around the community, took pictures of every home, and I can't tell you how many residents we met, they came out because they wanna know who you are.

And I was not afraid to tell them, we've purchased the community. In your opinion, what's great about the community, what's missing about the community, what can we do? And I always try to preface that with, I can't promise you I'm going to solve that issue in the way you want it solved, but I can promise you, I will acknowledge that it is an issue for you. And try to find something that works for everybody.

WS: I think that's a neat... you say that right there. So important, to acknowledge that. You recognize their problem. We may not be able to fix it right away, but I understand. And we're gonna keep that in mind at least.

JW: I will add it to my list.

WS: Yeah. Yeah. Tell me, was there any prep work done as far as with the residents, so they knew that the potential new owner was coming or... I would just imagine, I'm just picturing me walking around the mobile home park and did they even know who you all were or it's just obvious how these people are not normally here, what we have found is they absolutely have no clue.

JW: They have no clue this transition is happening until they see a car full of people pull up, and in our case, it's again, three families, so there's quite a few of us that go, and of course, usually our broker is with us and you start walking the park and you've got, I'm an old-fashioned take notes on pen and paper, they see somebody out there with a clipboard and somebody's taken pictures, they get very curious. So what we have found is no residents typically do not have a clue that this transition is happening, and people don't like change.

I tell everybody, it's taken me 51 years to figure out. People do not like change, so I try to go into a community understanding that the residents get very scared, they don't know what's gonna happen, some of them, as we all know, I lived in that mobile home for years, and they're afraid of those changes, so I do try to let them know we're here to help. And as I mentioned earlier to you, our big goal, we want to provide safe, clean, affordable housing options, as we know... That's such a big deal in our country right now.

WS: I would imagine that if somebody's lived there for 10, 20 years or longer, they've gone through a few potential ownership changes sometimes, sometimes maybe it's been the same person for 30 years with these parks, depending on the... Maybe the park that you're buying, but maybe been through some bad transitions of ownerships, you mentioned like letting them know you're here to help, how do you... Have you done that?

JW: Again by acknowledging. You know, tell me what do you enjoy about your community, what you wish was different about your community, and it can be silly things to a resident, I'm

tired of driving through the plot holes, I'm tired of our mailbox area not being covered... It can be really little things, but I found if you just listen to them... And again, I always, I never over-promise. I let them know I will add that to my list, and if we can budget that in to improve some of these things for you, that's absolutely what we wanna do.

WS: Is that done when you're walking around that first time or is that...

JW: Absolutely, when they come out and start wondering, who are you, why are you here? What are you doing? The funny thing is there, why are you taking pictures of my home? And it's very interesting, again, that fear, we've had so many people, is my home, Okay, are you gonna kick us out? They get very scared. And that's heartbreaking to me. Because again, that's not our goal.

When we go into a community, we really do want to improve it, and to your point of a few minutes earlier what you said, we have found the mobile home parks we have acquired so far have literally been the Mom and Pop have owned them forever, so they actually have not gone through a bad transition, this sometimes is the first one...

WS: And that could be very scary.

JW: Yes, but as we all know, a lot of times in those communities, you know, we got a good deal on them because there's a lot wrong with them, and so the residents do have a lot of concerns and they do have a lot of wants and needs.

WS: But how did you find the majority of them?

JW: We actually, at this point, we've put together such a wonderful team, we literally have someone on our team that is our acquisitions person, and that is all he does all day long, is analyze underwrite deals all over the country, and if the deal works, we go for it.

WS: Nice. No, that's awesome when you get to that scale and you can have somebody that's just dedicated to that... Well, let's dive into that transition a little more, any other pieces to making that a successful transition?

JW: Yes, one other thing that we have discovered that we have not heard anyone talk about is developing a relationship with the community, and when I say that, I mean local law enforcement, Chamber of Commerce, use the local companies, we even in Iowa used the local print shop to get the leases printed because we want to let people know we are there. I have really taken time to go and meet with the chief of police, and the fire department, once we

acquire a property that is on my list when I go visit and let them know if you see anything going on in our community, you let me know what I need to do.

As we all know, mobile home parks, the private property is a big issue. What I have found is I need to give local law enforcement my permission to access and enter my property 24/7, they have my cell phone number, and they know they can call me at any time if something's going on.

WS: That's an interesting thought, you just assume they can kinda go anywhere they want, you don't think about them, like thinking, well, I can't just drive it through there, and actually going and saying, hey, you know, hello, we welcome you to come to do this.

JW: Right. And that's what we have found has been so beneficial, as we all know, mobile home parks can have a not-so-great reputation for things that can go on in the mobile home parks, and I have just found it to be so beneficial to communicate with the local chief of police, I send him an email once a month at least, and we communicate probably a lot more often than that, and that has served us so well by taking some steps to get rid of some less desirables in the community because that happens too. Sometimes when you go in, you do wanna have a turnover a little bit.

WS: Yeah, that's a great point, and I wanted to ask you about your communication with law enforcement or the fire department and things like that. You mentioned like you said, like once a month, you all are communicating.

JW: At least that. I usually get an email from him if there's anything that goes on in the community, and my manager has to call the police, or if another resident calls the police, I will get a phone call or an email from the Chief and say, hey, I wanted to let you know we had to go out to the community. He'll tell me what lot number, he'll tell me their names, and we just have very open communication, and it, residents love that again, to provide that safe environment, I want them to know that law enforcement is welcome out there.

[INTERVIEW 2]

WS: Our guest is Sumeet Makhijani. Thanks for being on the show Sumeet.

Sumeet Makhijani (SM): Hi Whitney. Nice to talk to you on this podcast. Thank you.

WS: Glad to have you on the show, Sumeet had shared he's been listening to the show for quite some time, it's interesting, I was... I was telling him I'm hearing more and more people who have been guest recently who've been listening for a long time and just doing big things in

this industry, and so a pleasure to have you on, Sumeet. He was born and raised in Chattanooga, Tennessee, and became a plastic surgeon before start in commercial real estate as a passive investor.

He did transition to active investing about five years ago all while working full-time, he and his partner founded East and living communities to acquire and operate mobile home parks. Sumeet, welcome to the show. Give the listeners a little more about who you are and maybe like why mobile home park?

SM: Yeah, Thank you, Whitney. I appreciate it. Yes, I was born in Tennessee, I went to college in Omaha, Nebraska, a great university, and that will kinda come back into the story later on, but I went to medical school, Tennessee, back at my state school, and then finished six-year plastic surgery residency in Albany, New York. And currently live in Cooperstown, New York. So the focus might have known about Cooperstown to the Baseball Hall of Fame, that's kind of our claim to fame, but we actually...

There are people who live here full-time, and I'm one of them, about 2000 full-time residents, a little small area. But yeah, I got into passive investing first, I knew some other doctors who told me that passive investing may be an option for me, and so I looked into that, actually hooked up with a multi-family syndicator out of Indianapolis, I actually heard him on a podcast, I thought he was real reasonable and seemed like an honest, straightforward guy, based on his conversations.

I called him up, we had a conversation and invested very quickly thereafter, probably learned a few things, probably shouldn't just jump into a syndication with the first person you talk to, but that's kind of what I did and then started as a passive investor, really liked what I was seeing through that in terms of income and the experience and the financials, and learning about multi-family syndication, and so I thought I was gonna become a multi-family operator myself, that was kind of my dream and intention.

So I actually went back to school, I guess. I just loved being in student debt, as I tell people went back into school and got a Master's in Real Estate, 'cause I thought I loved education, I loved learning, but didn't have a lot of experience in commercial real estate, so I wanted to get a degree to maybe make myself more confident, but also to provide a confidence to investors if I ever approach them for money. At least I knew I had invested a lot of time and energy into this.

So I went back to school, I took about two years to get my master's degree. And...

WS: This is after being a plastic surgeon?Is that right?

SM: Oh yeah, while I was working full-time, went back into that kind of part-time online, and finished that in about two years and thought I wanna be a multi-family developer, that was kind of what my degree was in leading me towards, and so I actually... I've met my partner, and at seven or eight years ago, we both had been interested in real estate, and so that kind of led to us starting a multi-family development in Omaha because we knew the area, I knew the market.

Knew some developers also in the area and so I just should have a 96 unit apartment development completed here in September, October this year is been a four or five year process start to finish. And so that was kind of my intention was to be a multi-family developer, but along the way, my partner, VJ, who I have a lot of credit to for carrying me along in this journey, I was really interested in mobile home parks.

He'd kind of been interested in it for about 10 years and says to me, We should really look into a mobile home park investing, kind of in a boot camp with the well-known mentor and... So let's get into mobile home parks. I kinda looked at it myself, I really had no idea about mobile home parks, but I really like the business, like the tenant based, thought I was really, really smart.

So we started easy living communities, and we've been in the mobile home parks space for about eight months now, we bought four parks in eight months and all through the Midwest primarily, and just looking to expand our business.

WS: So interesting, not only had you been to school for how many years as... To become a surgeon, right?

SM: Yeah, College Medical School and then six years of training... Yeah.

WS: Give me just a couple of things around. I mean, you're a surgeon now, you're working full-time, probably some pretty hard hours there, but it's like you know what you wanna get into real estate, you wanna have that degree so you can show some credibility to investors and just in this industry. How did you manage that? Give us a couple of tips around that before we move on, around managing that type of career, plus going back to school.

I'm sure you received some criticism from probably family and friends, and what are you thinking, you spend all this time and money over here for this career and now you're gonna go do this real estate thing, what was some of that like... And how did you manage that?

SM: Yeah. So managing it was... I think I've always been good at time management when you're in medical school and your training and you're working ridiculous hours, but I kinda like the grind and enjoy the hassle, so to me, it wasn't really anything out of the ordinary actually working one job, finally when it became an attending and just having more of a regular schedule, kind of in some ways, seems a little boring to me.

So I wanted to kinda maybe add a little bit more to my life, and so that's why I decided school was an option for me. Basically, I work all day and then I was taking two or three classes a semester online, and so my evenings and weekends were tied up when I wasn't working at the hospital, I was educating myself in my classes and going through that process...

WS: Go ahead.

SM: I was gonna say a lot of people did question it, I wondered what I was up to, but to me, I wanted to get that credibility, I wanted to educate myself. I love education. I tell people, if I could be a full-time student for my whole life, I probably would have done that if I could have before for to stay in school forever, I would have done it. But I really wanted to just get more knowledgeable on the subject and feel more confident when I went to investors

WS: And was your goal to go full-time in real estate or are you still a surgeon today? And do you plan to continue?

SM: Yeah, I've been a full-time surgeon up to... Actually, January of this year, I went part-time, about half-time, and so my partner VJ, he's an attorney, he's actually a full-time in our business, he left his law practice and I'm getting down to half time, and I don't know if I'll ever quit per se, but I kinda love the balance that I have now.

I work basically two weeks straight as a doctor, and I have two weeks off to work in our real estate business full-time, so that's kind of our that we have now, and I really enjoy it.

WS: Yeah, it just shows a master level of commitment though, this career that you had, you worked so hard for, but then to say, You know what, this could be a great thing, it's real estate business over here, I just want the listener to hear that it's a mass sacrifice here, it sounds like for your business partner as well, having a practice for a law practice and giving that up to go into this full-time, and so tell me though, you all then closed on...

Would you say four parks in six or eight months. Tell me some tips so that allowed you all to get that kind of a momentum right from the beginning?

SM: Well, I think part of this business is luck and timing, I really believe that, but also we had developed relationships. My partner VJ had a good relationship with a broker in Omaha that we knew, and our broker really had never sold a mobile home park and 30 years of commercial real estate, but when we approached him about buying a mobile home park, he said, well, I just happened to have a listing that has come to me and would you guys be interested and we said, a perfect timing.

Let's look into it. And that really led to our first purchase, and the appraiser on that deal hooked this up with a foreclosure park, so he connected us to that one, and then we had known a broker in another market through multi-family that we had been looking for at that time, and he had a park on the off-market that he kind of presented to us, so that was our third one, and then the original broker and Omaha brought the fourth part since he was... Had another connection, so it was just kind of timing, one thing led to another.

We feel really fortunate that we were at the right place at the right time, but I always tell people, you kinda gotta be in the game. To be in the game. So it really was just, you've gotta just kind of be out there, putting yourself out there talking to folks, connecting with people, to really kind of get into a lucky situation.

WS: You have to be in the game to be in the game, but it's interesting, you talk about relationships, and it's so crucial, and people always ask even about this podcast that's doing a daily show, all those things and say, well, you know what, I'm getting to develop 30 plus or new relationships every month. So think about that, it doesn't come without a lot of hard work, but it's so worthwhile because of these relationships.

And so you had a broker relationship that led to a deal, then the appraiser led to another connection to a deal, and it just snowballed, but tell me three of those were I believe... Or correct me if I'm wrong, were syndicated... How did you know how to syndicate? How did you learn that process? I mean, It's not extremely complicated, but there are some things that can be overwhelming if you don't... You just know a few things... Or have somebody to guide you through that process. The first time or two, how did you all get into the syndication business?

SM: Well, I educated myself about syndication just through books and podcasts and things like that, but I think I had mentioned before, my first involvement in investing in commercial real estate was as a LP or passive investor with a multi-family syndicate. So I had kind of been on the other end of the syndication process as a pure investor limited partner, and so I had seen the PPM, the operating agreements, the documents.

I'd seen the way we had spoken when I first connected with my original syndicator, and so I learned through that experience quite a bit, and when it came time to syndicate, of course, I

kinda knew the general process, but obviously I got a syndication attorney on board very early, who again, walked us through the process, so it was a combination of my own experience and then reaching out to others who had more experience.

WS: Okay. Still relationships sounds like –

SM: Yeah. For sure, for sure. Exactly.

[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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