

Alpesh Parmar 0:01

Welcome to wealth matters podcast I have with me Mr. Adam Jason today. How are you, Adam?

Adam 0:08

Good. How are you? Thanks for having me. I appreciate it.

Alpesh Parmar 0:11

Absolutely. Adam is a serial entrepreneur, someone like me, but way far ahead in the game. So he has done lots of work in the real estate industry actually. He's originally from Buffalo, New York. He has a bachelor's degree in from Itaca College right and junior doctorate and then he lives in Colombia right now. So he has lots of stories as well respect to real estate investment is founder of BRRRRInvest.com and that's what we'll talk about it's BRRRR by reefer reh b, refinance, repeat, and he will of course, talk about it and then he's partnering one of the business called life of our investments calm is also he was a partner in general or he's a partner in general counseling at Legacy group. So, of course, Adam Feel free to add if I forgot anything or if I did not do justice to your bio.

Adam 1:18

Sir, yeah, you know, like you said originally from Buffalo and have, you know, Attorney by train

found my way now down to managing Columbia where I live and work as a general counsel for a real estate firm based here, do my own real estate investing and also, as we said, dabble in a host of entrepreneurial type ventures, including bird nest, the website that we're talking about today, you know, just try and try and live a full exciting life and you know, engaged and a great Colombian girl whose birthdays today so Oh, good, nice time. To join you but you know I'm excited to be here happy to answer questions and knots. It's a fun story and I guess, a fun bite have grown up in the snow and in Buffalo and now someplace and learning another language and doing some fun, exciting projects all over the world now. So

that's awesome. Reverse background.

Alpesh Parmar 2:24

So can you tell me how you got started in real estate? And when?

Adam 2:32

Yeah, I think in terms of my official start in real estate, he would come from my experience as an attorney, I worked for some of the largest real estate investment trusts then and based out of the US I was a big, firm, corporate attorney for about eight years there working in securities and corporate governance world and kind of use that experience. to then get into some of my own investing and then as I came to Columbia as a potential investor, found a company that I currently am a partner with that specializes in boutique investment, private boutique investment hotels, short term rental buildings are right now we have about 200 units across Colombia. We have a couple of boutique hotels based in Puerto Rico, and a boutique hotel in Portugal and we've brought in 80 million in in funds for various projects that we raise through 506 c offerings in the US my experience as a as a landlord and an investor. I, you know, maybe like 90 folks that come to this happened by accident. I was a homeowner in 2012 in Cleveland at the firm that I was at was moving to another, another location and Wanted to rent my place I found tenants who I guess were exactly I guess many years. So my house that I was renting turned into, you know, a crash pad for them and their buddies and there was parties and the neighbors Oh wow. It was a tough experience but kept my head up and now and have have figured out and put in place the systems and process needs to be success at in that realm. So now I'm focused most of my investing on a personal level. Back in the Buffalo area, I know Okay, on every street there having grown up. Okay, I also have a good team there in terms of contractors and vendors and my mom's best employee when it comes to go in and check it out. And then I also do passive investment in real estate through their business. And I'm in as a partner and then also in our individual projects, I'll allocate some some capital to those and spread things around a little bit and and that's the best experience. So you're

Alpesh Parmar 5:14

doing a lot. So can you tell? Can you tell my listeners? What is BRRRR? And actually, I'm going to have David gree on my podcast to actually decipher BRRRR. But for the sake of, Oh, you know why? Because we are going to go through the website. So can you just define BRRRR in simple words?

Adam 5:34

Sure. So BRRRR obviously is an acronym for buy rehab, rent, refinance, repeat. I think it's a strategy that's been you know, implemented by investors for a long time is obviously become popular through bigger pockets and other sources like that and there's no internet. The idea the notion is you buy a price through To buy a property under value, I'm seeing that you can do it not only in residential, but, you know, the projects that we're doing on a company level are also closable. We're doing it for hotels, so you can buy a distressed asset, fix it up through the rehab process, stabilize the property, whether that's through a putting a tenant in or operating the project. Once you've increased the value of the asset, you go to your bank and say, Hey, it was worth 100. Now it's worth 150,000. I want to lend against the property, they return the capital to you hopefully as as much as possible as much that you put into the project and then you're able to take that capital invested in other projects and keep that cycle going. And now you have a well valued asset that has a tenant in place or an awkward that's covering the costs and expenses related to that. So that's that's the general notion. I hope I

Alpesh Parmar 7:06

No, that was great. And I'm glad that you explained it because of course we are going to talk about, you know, a single family duplexes map basically anything up to four units but it works in any kind of real estate right and that's what a lot of this multifamily syndicators call it as having value add, right. They say oh, we are going to have a value add in the apartment building and year two or three we will refinance and pay most of the principal back to investors. So it's, it's pretty much right. So yes, so no, that was great. Can you tell me all my listeners about what was your first BRRRR deal and what did you learn from it?

Adam 7:48

Sure. My first one was a single family residence that I bought off the MLS, it was big 110 super simple just to get me feet wet on it. We put about I think it was like at 709,000. Okay, he went to bed. No, not this simple. Yeah. All those houses up in Buffalo are like 1950s houses and care of and then unfortunately, you have turnovers in generations and people who have left the area, of course, not. So super simple in terms of the rehab, which was good, it gave me a position gave me the ability to find a contractor that I like working with. establish a relationship there with a local, right, that is able to use for my project. So I guess it's anti climactic versus some of the stories I hear from other people but it was a relatively simple process and the bank I think, you know, usually they require six months before you can do that seasoning period. The refund And I'm wonderful, didn't read the company policy closely enough. And we're actually refi. Almost immediately, I think we finished the refi in like two weeks after the closing. So it was like a week after we got the tenant in that we move forward with the refi. So took that money and bought another property. And you know, just kept the process going from there. So, super simple. I think in that one, I ended up leaving after the refi a net 8000 in, in the project. Nice. So you know, that's one of the challenges is working through and understanding kind of what the after market values once you finish the rehab, and now I think the one thing you learn is banks are always more conservative than MLS and Sally, of course, says etc. So it teaches you I think the goal is to recoup as much of that capital is possible to make sure that you're being conservative and you're looking at like any investment potential downside and what your risks are. I think that the big one being you know, contractors and and banks, all this stuff you can't control and all the things I

Alpesh Parmar 10:20

No, that that's great. So even personally, I did not know about birth till I was one once I started buying because I started with the turnkey properties from turnkey providers. But even then I was able to do BRRRR without knowing about it. Because I had bought properties from one turnkey provider about couple of them and then the third was a duplex and I negotiated the price down with him. You know, I have already bought from you, you got to, so I remember that he came. He's listed it to all these investors for 95 grand. Yeah, I kept negotiating, going back and forth. And there as a double you know, because they try to double close and there was an issue. So I ended up getting it for 87,500 very rare because they never do that turnkey providers. And of course after then they started the rehab project because I

this case, you know, they would buy on your cash and then they do the rehab. Six weeks after that I thought, okay, you know, I want to get my cash out because I paid cash. I went to the bank and we financed it and I did not know and the bank came back and said, Oh, it's a price at 105. And I said, Wow, I didn't do anything. Act to manage a property contracts didn't do anything. I was just hoping that it would be a price that that value. And I was able to get most of my money back and I have I think 10 grand left in the deal. Yeah, and the, you know, the rents are pretty good. 120 bucks a month because it's it's safe. But then I realized that okay, this works so I did another deal where I bought a property directly from wholesaler and then I rehabbed it something like what are you exactly did put about 10 grand in and same thing I'm finding to refinance it right now because the rates are dropping and I'm I can see that I've may no have any money in the deal most probably so yeah, someone likes out about it

Adam 12:30

oh that's excellent. People are gonna watch this and think that

it's easier than it always is. Because our store we don't have the horror stories, right?

Alpesh Parmar 12:39

Yeah, no, I do have horror stories. So I'm just talking about but my very first investment was a disaster and I had lost all my money so yeah, but yeah, so of course that is a lot of moving pieces when you're trying to do burn. So yeah, Everyone, be careful. Yeah,

Adam 12:58

sure.

Alpesh Parmar 12:58

So how many birdies Have you done so far?

Adam 13:02

My number 11

Alpesh Parmar 13:03

Oh, wow, that's nice. Yeah,

Adam 13:05

yeah, I'm just getting into the point where it's, it's swifting or, excuse me shifting to alternative funding sources and working on that, because I'm running out of capacity for FHA loans and that kind of thing. So that's kind of transition on the, to the business. And honestly, it's, it's okay, right now the market is has been, I think, challenging all theology. Yes, Brian best and then in many parts of the country

Alpesh Parmar 13:39

right now,

Adam 13:40

finding a deal. So, you know, I really like to look at it as for me, it's it's a fun thing. And I love it. I like invest back in Buffalo and the community and I know, you know, I'm kind of contributing to where I came from. So really look at more of an opportunity type approach. Rather than focusing on is, okay, stop my main business but you know, it's where opportunities come up, I have super specific criteria, super specific neighborhoods that I look at. And I found that to be easy in terms of if it's there, I make an offer. And if it's not in that area, I don't even look at it because you know, there's stuff to do so. And

Alpesh Parmar 14:25

I think an important point, you mentioned that you're doing it for fun, right? So I find if you are if you are an active investor, you have to have some kind of fun with investing otherwise, you know, it's going to become your daytime job

again and then you're going to complain about it. I think that's what it's you should be able to enjoy otherwise be passive investor, right. Nothing wrong with it. Right. And as you mentioned, you invest passively. I personally invest passively as well. I do brag, right? But you know, active investing is for someone who is After a while enjoys this thin , right? Maybe for first couple of times you're trying to learn the ropes. And yeah, of course, you're going to make mistakes fail. But once you figure this out, then you got to have fun with it

Adam 15:15

was fun building stuff and seeing projects come together.

Alpesh Parmar 15:19

Right. So how did you get the idea about BRRRRinvest.com?

Adam 15:25

Sure. So

as I mentioned, I'm doing my own investing. And I realized that as I was going through the process of analyzing deals, making offers on deals, contracting with my contractors, property managers, tenants, etc, I was creating a lot of resources that I was using in my own investing in my own business, and I was one I think these value to other folks, as mentioned, my background is as an attorney Oh, you know, I've been able to match the one thing I think that's helped has been able to manage my deals under the legal terms that I know are helpful. So I said, you know, drafting these contracts for contractors, property managers, tenants, etc, with the eye of an investor and also through the eye of mine so I can make contracts that are super beneficial to the investor. So instead of saying, I'm just going to go and get something off Google or another lease, and have somebody sign it, you know, I've got clauses in the contracts that have, you know, automatic renewal provisions, things that are included bonuses and penalties for contractors, you know, really kind of tried to build these in a way that benefit investors declining fees for your manager as your portfolio increases in size strip panels. To use for weight, rent, all these kind of different things that I know, personally that, you know, most people would say, I gotta hire an attorney to do this, or you just don't even think about it when you get into investing about these kind of kind of terms. So I said, you know, if I can build for where people are able to analyze deals in a click through fashion, enter the information just like I would, from my own, be able to compare different options for transactions. So right now, when I look at a deal, I look at it, would it be a good borrower? Would it be a good flip? And what are the different ways in which I'm going to finance this? So I'll say should I do this with my own cash should I look at it through a traditional bank loan, so I look at it with a hard money option and all of those are built into our calculator so you can quickly and easily see what the returns are going to be for the next five years. If you're going To hold the property and or what the returns are going to be on a one time basis, you might decide to flip the property and you can compare those. I then said, you know, one thing obviously, one key metric for getting deals is making offers. So I want to create something for folks to use when if they say I love this deal, all they have to do is click through and our solution generates automatically for them an offer letter that they can send to a seller. If they're a direct mail investor, they can produce them quickly and send them by mail, or you can send it to your agent and say, here's what I want. Here's the terms that I want our contract to be based on. And I think it does a good job of helping people to not forget the things that they might in terms of different contingencies or potentially presenting different options. And maybe you want to say I'll buy and maybe you're going to try and arrange a seller financing arrangement, different kind of options that you know if you're just every time you do another deal you start from scratch you might not have these things or something might slip. The next portion of it like I said was to try and use people skills my experience with investors mind as an event is dealing with contractors and property management. You managed to put that into a contractual forms where there's literally just click through the contracts you put you know the property address, etc. You can modify the terms, save your own templates, if there's a certain thing that you want to include in your contracts and some people want might allow pets for their tenants, etc. But it's really there so that for every project you do, there's a consistency across the the terms of all the people that you're hiring that are part of your team. And there's a consistency across the leases that you're entering with your tenants. So there's no surprise because the agreement you use for one tenant is different than the other. Or, you know, you did a contract with a property manager, and you had this super favorable provision to you that let's,

let's price and imagine fees decline over time, and then you forgot to include it in another contract, or just the cost an expense that obviously comes with trying to find a lawyer who has experience as an investor as well, who could, you know, put contracts together like this really gives people a good starting and jumping off point where they can say, right, if I sign a contract on these terms, I'm going to at least have visions that as an investor would make this favorable to make. So I put that together and it's really interesting. setup is a subscription service that is meant to get quick through helpful resource for investors to get a lot of deals done quickly and in a way where they can have confidence in the process.

Alpesh Parmar 21:15

Okay, no, that that's very interesting. So basically, brrrinvest.com is a website and then let's say I become a member. And as soon as I log in, I see I'm able to add a property. And then I'm able to pretty much analyze the property.

Adam 21:33

Exactly. So you can enter any property that you're able to find or would be interested in running you some numbers in you select the type of financing and kind of a strategy that you're going for. And then all of your projects are saved in a neat place. So if you have 10 projects you've done, you're going to see the analysis that you did for that one, the offer letter made for it and all the contracts that you have in place for that That project in in a neat place. So it also helps on the organization when you're trying to send lease agreements to lenders to refinance projects, remembering, you know, all the terms of your of your contracts, everything's there and a neat place for you, God. We have also a series of additional additional resources, the one that's been popular among folks so far as our interview tools. So we basically created a tool that you can use when you're on the phone with property managers, lenders, contractors, agents, we have preset questions that really kind of are going to answer the material things that you're going to want to know about each that you talk to. And you can include all the information as you have those conversations and then you're able to compare four folks in each category side by side, so if you're looking for a lender, you can do the four of them. And then again, compare their answers in a format and be able to see who you want to see we want to work with. So

Alpesh Parmar 23:18

sorry to interrupt. So those questions are already prepared for me, or am I typing my own questions,

Adam 23:26

questions are already prepared. And then there's an option to include additional questions that you might want to ask. But the questions are the same that again, you the folks that I work with, and I think he really, you know, in the case of a lender, for example, get the material questions of the transaction. So, you know, you're not going to forget to ask about rates, you're not going to put request rate sheets, you're not going to forget to find out what origination costs are, you're not going to forget to ask if they can if they can hold The loan in the name of your LLC a whole different a whole lot of things where it's it's easy to let something slip and then you got to go back and you don't have answers. So the goal is to keep everything, you know, organized and neat for folks and have helped them to ask the questions that they might not know that they need to ask.

Alpesh Parmar 24:21

So and does that same thing apply to contractors and property manager as well when I'm interviewing contractors? Am I able to see a template of questions?

Adam 24:31

Exactly. So we have it right now set up for real estate agents, contractors, lenders, and property managers. Okay, awesome. All of all of those stocks. We've also put in place some, you know, we have some some cool tools, again, to help. The goal of this is really easy and enjoyable and keep it organized for people. So we have a deal checklist, checklists that you walk through, you know, for each project you do and those tasks To You know, it goes from the high level of making sure you have a lender lined up to making sure you have a lockbox on the house so that actors can get in. And that's, you know, something that that also seems to be popular with folks who again, it's just you know, especially early on and before you have your own systems and procedures in place, it's easy to, to let things slip. We wanted to set up things also for people who are interested in partnering with folks and need to present in a professional manner.

r, what a partnership might look like, I think you have some tools here that you can use to if I want to partner with you, I'll pass I want to make a good presentation. What does that mean? I need to tell you what the project is, what the financials will look like, how we're going to work together, what the goal is for the project so that you can analyze them yourself and Form a good decision as to whether you want to pursue the project. So all those kind of resources are also available outside of the subscription. Some of them are free, some of them come with a cost think and we're able to assist in preparing all those those items and have consultation options available. So it's really meant to be a full spectrum of resources for people who are interested in real estate investing,

Alpesh Parmar 26:29

guiding. So let's say I found a property right, if you can step me through, like just a step by step process, I mean, we don't have to go, you know, in detail. But once I put the address of the property in, am I able to use or should I be using this website before I put an offer or after an offer or what is the best time?

Adam 26:54

Sure. So if you find a property and you punch the information, you can ask Rule you're gonna get your five year returns in the case that it's going to be a buy and hold project, it's going to give you your returns if you're going to do a flip project, and you can go back and modify them, okay? Actually, what does this have to look like so that I can get a 1% return, I like to cash flow at the amount that I want, etc, and see if it works. Once you've, you know, set up the analysis and reach the numbers that you're happy with. As soon as you save it, you can go on to the next step and it will automatically generate an offer letter for you. Okay, last on the last terms of the analysis that you were happy with. So if you put terms in we got you to a, you know, 15% ROI and you're going to make \$200 a month in cash flow. Let's say the information that populates the offer letter is going to be the information that you wouldn't need to get accepted to get those kind of things. And then it gives you the flexibility to add additional contingencies or waive contingencies or however you want to structure your, your project. Once the offer accepted, then those contract tools come into play become available for yourself. Okay, Alpesh, you have this project under contract, now it's time to hire your property manager, you're going to burn the property, or it's time to hire the contractor. And you're going to want to present them with the contract that you want to agree to. So that's where that next that next phase of the process comes in.

Alpesh Parmar 28:44

I see. So up and also, because you did mention that pretty much the website will be able to generate contracts for agents write between you and agent between investors and contract between investors And property manager, right? Yes. Okay. So let's say just an example, at least, most of the property managers they have their own contract. Right? If they send me the contract, how am I able to tell them or ask them that? Oh, you know, you should be using my contract most of the time. They are they are they are the big fish because they're already lesson managing 200 400 units. They already have their contracts nailed down. I.

Adam 29:28

Yeah, I mean, I guess it depends on property manager you work with and that's one of the questions we have set up in our interview tool is sort of kind of what the contracting processes process is. What I found in my personal students is it's not a great idea to go with like the big boy property management company, guys, how many units that yours isn't going to be a priority for them. I like I like to work with who I can write To pick up the phone and call and can lack of a better term control relationship with. So this is really meant for that case or worst case scenario, if you're if you're committed to going with somebody who is going to, I guess push you around, in a sense, you can at least use the contract here to stay out of this just isn't right. This doesn't align with what somebody that was looking at this through the eyes of investor would want to see. And maybe it gives you some negotiating ability. But the goal of this solution is that you're the one being proactive to present to the service providers where you want the contracts to look like and give you the basis to negotiate

Alpesh Parmar 30:45

Got it. But let's say for example, even if it's a small fish and they have their own contract, or maybe a contractor or someone on Am I able to as an investor's upload a contract which I am receiving from property manager and get impro

ed from your team?

Adam 31:04

Yeah, I mean, we would that would come more into our consultation service if we're looking at some ways contract, e happy to do it and say here's kind of what we would push back on and this is this is, you know, not going to be beneficial for you or here's how our experiences how a contract provision like this, you know, works in practice and who would benefit so that, you know, people are going outside of the contracts we prepared, we're happy to look at them and can do it through our subscription or school consultation, consultation option and provide feedback. You know, as people wish for sure,

Alpesh Parmar 31:47

Got it. and what else does the website which we did not discuss?

Adam 31:55

I think those are the subscription services. Obviously, the highlight given the Click through nature of it in the ease of use, I think you know, the console, we just touched on in terms of the ability to help people on more of an individualized basis, the checklists that we've created that keep people focused, we've got some business incorporation checklists available for those that are there and forming an LLC and here's the steps that you should take there, etc. We've got our broader consultation for helping with partner propositions. So as I mentioned to you, if I if we were going to work together and I wanted to present you with a transaction. And then you know, we also take pride in the information that we're providing to people through our blog and additional resources and I hope it's a learning tool for people. We've established a great community on Facebook. We got about 2500 people in the group, but it's super active and the conversation I think is valuable and There's links, obviously to our social media on the website. And we've also set up on the homepage, a tool that you can use to enter the number of deals that you expect to do per year and also your annual income. And basically, it allows you to assess how much using this subscription service and the tools we provide would save you in terms of cost of your time and also some out of pocket cash so that you can say, hey, this really what would it cost me to hire an intern the time to do this deal? Or what would it cost? Time to modify contracts over and over, etc.

Alpesh Parmar 33:44

Going back and forth even with the attorney right the amount.

Adam 33:50

So if you say okay, I'm going to do two deals a year, and more than more than pays for itself and especially in terms of time and the certainty I just don't think it's easy to find people that can help you in this space, whether it's on the attorney level, or just trying to find something on Google where people are putting things together from that investor perspective. You know, like I said, I do this for, for a living and also through through the real estate firm as accountable or so you know, we're buying multimillion dollar projects over the wall, and the provisions that we're using there, they're beneficial to us are going to show up in the contracts that you're buying to, you're using to buy your single family homes in the market that you enjoy. So, you know, it's it's, it's, it's a solution that I think could really provide value to people because of that professional nature of it, and also that it's done through the eyes of an investor.

Alpesh Parmar 34:51

That's awesome. Hey, Adam. So let's switch gears I want to talk about you know what you're up to, in any any tools or weapons So you can recommend to investors other than BRRRRinvest.com or enter us

Adam 35:08

in Can you be a little more specific? I'm not sure exactly.

Alpesh Parmar 35:11

Like any real estate investors, we starting out if you have any tools or websites you use all the time or you recommend or something you cannot live without.

Adam 35:21

Sure. You know, I think in terms of finding deals, obviously, there's a lot of different ways to go about that. I still get a lot of deals through the MLS and the publicly available resources. Also get suggestions from property manager who work there through a site called HomeVestor, which I think is good for estimating costs, which I know is a big question for a lot of folks. No one I think you know, that there's a lot of good content out there now. Through resources like bigger pockets, cast and other things where people are able to educate themselves before they jump in I think that that is it's a balance right between trying to know everything and never a

Alpesh Parmar 36:19

problem, right? Yeah, people want to learn everything but then never take action. Yeah, there are people like me who take action first and then figure out okay, I got on this

Adam 36:31

there's a balance, you know, and

so we're in

Alpesh Parmar 36:37

any business or finance or real estate book you recommend?

Adam 36:42

Gosh, you know, the book. I think that the most is

never split the difference by Chris Voss. Yeah.

I love that. Yeah.

You know, negotiation for a lot of people isn't uncommon. Double proposition it's a lot easier, I guess the title of books as well, let's just meet in the middle. But I can tell you I think in terms of books that have saved me the most amount of money that would be one of them, I use the principles there for my business. We just we for example, we have a hotel project right now that has that we're buying the asset has a substantial liability with the tourism department there. And you know, we negotiated the debt with them down from the full price down to about 20% on the dollar, and a lot of it was by using in that book and isn't, it makes it helped me to, to be more comfortable, I guess, being more aggressive but also kind of firm and knowing what you want. So I think that's a great book for business and real estate and in general so I tend to like to take those broader principles and try and apply in all the different projects that I have going on. So definitely my first recommendation for folks.

Alpesh Parmar 38:10

That's awesome.

Adam 38:11

Yes,

Alpesh Parmar 38:12

not. Thank you so much, Adam. I totally enjoyed the interview.

Adam 38:15

Ah, thank you so much. Appreciate it.

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