EPISODE 285

[INTRODUCTION]

Sam Wilson (SW): One of the key lessons I learned was just slow down. Slow down, network, connect with people, ask around, ask for advice, take people out to lunch, just, this is where I am, what do you see? Be vulnerable. You know, I didn't have any vulnerability, probably at that time, because I was so chock full of fear, like, fear of failure, that there was no opportunity for vulnerability. And that's a very different place I think that I am in now.

Announcer: Welcome to Elevate, the masterclass where we dissect the elements of exceptional achievement and lifestyle design with a focus on personal growth and real estate investing. Now, here's your host, Tyler Chesser.

Tyler Chesser (TC): Elevate nation, welcome back. This is Tyler Chesser. I'm so thankful to have you here and I'm blessed and grateful to be sitting with Sam Wilson today. Today you're going to learn about how to benefit from any stage of the market cycle no matter what, as a real estate investor, there's no doubt the market cycle stops for no one. And you will learn today, how to diversify your portfolio and allocate your portfolio so that it benefits from all the different dynamics of a recession or recovery and expansion, hyper supply. At the end of the day, these things aren't guaranteed. And if we're in the game for the long term, you've got to learn what we're talking about in today's episode. You're also going to learn about the identity of someone who came from a poor, working-class upbringing and how that has transformed to create tremendous wealth, tremendous lifestyle design, and you're going to be able to integrate what you learned today into your own lifestyle. There's so much to learn from today's episode. It's also a lot of fun. I hope you have so much fun in today's episode have as much fun as I did.

Elevate podcast is all about mindset, mind expansion and personal development for high-performing real estate investors. I'm your host, Tyler Chesser, and I'm a professional real estate investor and entrepreneur. It is my job to decode the stories, habits and multifaceted expertise of world-class investors and other experts help you elevate your performance and lifestyle. Are you ready to take it to another level, it is time, let's raise the bar today. And I want to invite you to pay the fee if you have not done so already. The fee is to pay it forward, share this episode with a friend or someone in your network. All you have to do is grab the link from the podcast player that you are listening to right now. And just share that I'm just going to say that. You can share it however you want to. If you've done that in the past, we thank you so much. We just ask that you do that again today, just one person, just one. And I just want to thank you so much for doing that.

I also want to encourage you to give us a rating review or subscribe or follow Elevate podcast on wherever it is that you listen or watch podcasts. At the end of the day. We want to hear your feedback. What is it that you love about Elevate? What is it that you'd love to see more of about Elevate? If we've earned your five-star review, I want to please ask you to give us 15 seconds of your time to leave that rating and review. It's really, really important to us. It's really powerful for this community. We want to continue to add massive value to you and we need your feedback. And we need you to help us grow this community because the people who love Elevate podcasts are people who recognize that there are no limits. The only limits that we have are those that we have placed upon ourselves, or that we have owned in terms of our beliefs, our identity, our perspective, our mindset.

And so what this podcast is all about is about expanding your mind and helping you step into transformation so that you can utilize this beautiful vehicle of real estate for what it is. And it is a life design, lifestyle design mechanism. It's a vehicle, that's it, towards getting outcomes that you want in your life so that you can elevate your lifestyle so that you can elevate the lives of other people. And so if that resonates with you, pay it forward, give us a rating and review and buckle up because today's episode is so good.

I want to introduce you to Sam Wilson who has nine years of successful real estate experience in self-storage, parking, multifamily apartments, single-family homes, multiple RV resorts, laundromat facilities, and he is going long in those asset classes. In particular, you'll find that he is really focusing now moving forward. And we'll talk a lot about why that is. So, I want to encourage you to buckle up. I also want to encourage you to take notes because there's a lot of lessons learned from this podcast today. Without further ado, please enjoy this fantastic, phenomenal, I want to say fantastic and phenomenal at once, conversation with Sam Wilson.

[INTERVIEW]

TC: Sam Wilson, welcome to Elevate, my friend. How're you doing?

SW: I'm great Tyler, how about yourself?

TC: Doing fantastic. I'm better now that I see this mustache. I mean, if you're watching on YouTube, you got to see this thing. I mean, it's like Monopoly, like you need a top hat.

SW: Man. It's dirty. I'll tell you that I had I had a big ol' bushy beard that I let run for about three or four months and then about 48 hours ago I was gonna cut it off. I said man, we'll have a little fun with this before I eliminate it entirely but yeah, this is absolutely dirty. Glad to share it with you here today.

TC: It is, it's a beautiful thing but it's certainly one way to make you stand out. I mean that bald head was one but then I see this mustache I'm like this guy means business. It's like business up top, party, you know, above the lip. I don't know what we're looking at here. But, ah...

SW: I love it man. Thank you, appreciate it. It probably won't last for more than a few days. So take all of it in you can and then it goes away.

TC: Well, you know what we're doing right now is we're memorializing this event for the rest of history. So now, this, we know it occurred.

SW: I know, yeah, once you put it out there. That's the fear is that then you can't really get rid of it. There's no deleting things permanently online. So it's alright, I'm comfortable with it. Wasn't good to look at before and I'm no better to look at now. So I'm good.

TC: It could be a part of your new personal brand. Who knows? I mean, but it sounds like you're you're pivoting immediately. Who knows? We'll check in with you here soon. And we'll see what what decision you made or perhaps what others around you made you make on this regard. But this is important stuff. I'm glad we started here. And we're adding tremendous value to the audience as we talk about your moustache. But in all seriousness, I'm excited about this conversation. I'm excited to dive in to your background, your story, also your expertise, because you bring tremendous amount of wisdom in the years of your investing experience. So I'm really excited about this before we dive into those particulars, talk a little bit about your upbringing, your backstory, so that we can connect the listeners with you the man, Sam Wilson.

SW: Sure, yeah, I grew up in the Midwest, Indianapolis, Indiana, very working-class family, poor working-class family. I put it to you like that we didn't have a lot had, I have five siblings. So big family, not a lot of money. And we've just learned early on how to get scrappy, fiercely independent family that was not a fan of handouts. So you learned at an early single-digit age how to go out and work and save. Remember hustling kids in first and second grade with candy. So I can make a little money and go spend my own money. I mean, it's just kind of the way it was. I wouldn't trade that upbringing for the world, just because you learned early on what I call the hustle. And you know, fast forward that through life. And that's all I ever knew, I mean, kind of worked my way into a family business by the age of 21, which was in the flooring industry. You know, I had 30, my brother and I had 30 employees at that point. So ran that until I was 30 years old, bought out part of that company midway through that and then sold when I was 30 because I'd had enough of the trade. And really didn't know what to do next in life.

And I'm a 30 year old guy with no college education that's only worked for himself his whole life, you don't have a lot of prospects in the corporate world, people aren't looking at you going, oh, look at you you've worked for absolutely no one ever. And your skill set is comprised of what again, I'm like, I don't know, telling people what to do, and moving them into materials in a common direction. That just doesn't translate, right? So again, going back to the hustle, you just pivot and learn, learn how to hustle. And so about 10 years ago, now I'm 41 years old now. So in 2013, I say it was the good Lord, have mercy on an idiot, because I didn't know what to do next in life. Had a pocket full of money and time on my hands, but no idea what to do next, because I only had one really career, job and fell into real estate. And it's been a 10-year journey in real estate and haven't looked back.

TC: So, initially, when you sold that business, the flooring business, you basically bumped up against the fact that you were essentially unemployable. At least that was sort of the feedback that you are gaining in the marketplace. And as a result, I'm sure at first it was like, oh, well, this kind of sucks, I'd have no idea what to do. But how long was that gap between that sale and then kind of bumping up into real estate, I mean, was that a couple of years? Was that quicker?

SW: Thirteen months, which was the longest 13 months of my life. And when we kind of hit that same bump in the road in 2020 in its own right. But I came at it from a completely different perspective. I panicked, to be honest with you. It was like, oh, crud, like, I got a wife. I don't have any kids. But I still got a wife. And you know, there's just that inherent, especially coming up from coming from a poor background, like there's always that, like, where's my next meal, not that we grew up that hungry, but really truly where I've got to continue to produce an income, even if I don't need it right now, because I've got to, I've got to have that buffer in my life. If I don't have it, I panic, and I still panic to this day. But there's part of that kind of poverty mentality, like, oh my gosh, if I'm not constantly saving, I'm gonna, we're all gonna starve and die out in the streets. And so I panicked for 13 months, and it was a miserable 13 months as I tried my hand at every possible thing you can imagine and just kept falling flat on my face.

And again, you know, in 2020, we kind of ran into that in an asset class we were involved in that, you know, was just absolutely crushed by the pandemic. I mean, we were in the parking business. And I mean, that just, it got shut down entirely. And it still hasn't really recovered. There's opportunities there and spots, but not to the degree it once was. And so in 2020, I was able to kind of hit the brakes and say, hey, wait, I've been here before, I've been here before, and I got money, and I got time. And so the last thing I'm gonna do is panic. We're just going to slowly, methodically make decisions that make sense, at the time when they make sense and not rush it that was a far more comfortable place to be in 2020 than it was in 2013.

TC: Let's unpack that background because the poor working-class upbringing and fiercely independent, scrappy sort of culture that you grew up in, in many ways serves you but it also I would imagine that 13-month gap lead to a lot of that panic in that feeling of like, oh, my God, where's my next meal? You know, where's that and I'm sure in many regards, that didn't serve you, but ultimately probably pushed you into some form of action. So if you were to kind of go back and unpack I mean, the good, the bad, the ugly, maybe some of the demons that you really had to face during that gap. I mean, talk a little bit about that.

SW: Yeah, I would, I would say, you know, some of the demons there was just fear. Fear that I'm not, that I don't have what it takes, that I don't know the people, which I didn't, I mean, have any idea how to network in the industry. I didn't know what my skill sets were, I didn't know a thing about real estate. I didn't know a thing about working in corporate America. I just knew what it was to work hard. And you know, at that point in time, a mistake, the key mistake I made, I think, was I mistook activity for progress. And I think we still do that today to a large degree, and I'm constantly trying to figure out what that means to not mistake activity for progress. A lot of times like you heard the term, the phrase, you're working in your business not on your business, the same idea where it's like, oh, my gosh, we're gonna go, go, go, go, go.

And so I just, you know, ran in circles getting absolutely nowhere. And so I don't know what your question was Tyler. But I mean, I think that's probably one of the key lessons I learned there was just slow down, slow down, network, connect with people, ask around, ask for advice, take people out to lunch, just, this is where I am, what do you see? Be vulnerable. You know, I didn't have any vulnerability, probably at that time, because I was so chock full of fear, like, oh, fear of failure, that there was no opportunity for vulnerability. And that's a very different place, I think that I am in now. I'll tell you how much I suck. Because what I'm good at is very little, and I suck at most things. It's a very comfortable place, I think to be right now.

TC: And I did love that, you know, our conversation before we even started recording was some of the things that you were sharing with me of like, Hey, here's some things that I'm trying to work out in my mind. It's like, I don't have crystal clarity on all aspects of my business. And there are some things that I'm working through in terms of the strategy. And it does really illustrate such a transformation from that 13 month gap of selling the flooring business and ruminating in that fear, which was then pushing you into activity that was not progressing you technically for a while, but then you started to learn the difference between activity and progress and effectiveness and mastery, it sounds like and so help me understand. I mean, when you started to gain more clarity on where you were wanting to go. And once you started to make the decision that real estate was a path. What did that actually look like?

SW: Yeah, and I can't I can't throw shade on all of it and say that it was all bad because it was the one thing that led me into real estate. It was that constant hunt. One day I was sitting. I think I've told this story a hundred times, if you've heard me on other podcasts, I apologize. But you'll get the repeat. But it's worth noting, I would sat down to drink my coffee one random morning. And here in Tennessee, they listed foreclosure auctions back then on the foreclosing attorney's website. And some foreclosing attorneys, which is what they use here in Tennessee for the handle orchestra called pre-foreclosures, they would list the opening bid price in the address, which you just don't really get anymore. But I was sitting there drinking coffee, I saw this address, I saw the price and I'm like, oh, that's interesting, you know, ran a Google search on the address. Love my crowd that's like a mile from my house.

So, I drove over there, I looked at it. I found my way into it because it was abandoned and knee-deep and trash. And coming from the trades. I had a pretty good feel for what, uh, you know, decent bones would be in a home and I'm like, it was a nice house, went back home and asked my wife, hey, you mind if I go buy a house at the auction? She's like, no. Two hours later, I owned a home. We made a pile of money on that house. And I said, well shoot, if I did it once, I'm just gonna keep doing this. That's what I did for five years, all the way through 2018. All I did was buy houses at the foreclosure auctions. And that's really what carried me and of course, you know, gone through many iterations. And now I'm solely focused on commercial real estate. That's how I got into it. And it was just but it was through that constant, you know, just poking at stuff. Is this it? Is this it? Is this it? Is this it? Is this it? You know, in a lot of failure, I finally found one that hit.

TC: And so that first deal in the first five years sounds like a pretty similar strategy. Were you fixing and flipping? Is that what you're doing?

SW: That was it. I held some for rental on accident, which was you know, a buy something that we couldn't unload or made a bad buy. And it was just okay, we'll just we'll just wrap this into the portfolio and hold it and put a tenant in it. But yeah, mostly fix and flip is about 60 or so fix and flips we did. Looking back, I mean, and that's why our strategy has strongly changed. Looking back, I wouldn't have flipped any of those. I would have held them all as rentals. Like I don't I don't know why and I was buying them but you know, 50% of market value. What in the world man, find a way to get long-term fixed-rate debt and hold those as rentals is one thing I would certainly do over again, because again, it was mistaking that activity for progress. You go okay, well, look, I can make 50 grand on this house and it's only going to produce 400 bucks a month in revenue. If there's no expenses, you know, large expenses in the year that's 4800 bucks a year, it could take me 10 years to make that same 50 grand. Well, yeah, but you pile on 50 of those and suddenly that becomes a meaningful number.

TC: And is that the reason why you would have changed that strategy because of the fact that you understand now the difference between flipping being more of a job and investing being more of a longer-term strategy and cashflow generation?

SW: Cash flow generation is it, man. I mean, if you can produce an income independently not trading your time for money. I mean, that's it and it's something that took me a long time. Even Robert Kiyosaki's Cashflow Quadrant, the game, right? It's like you play the game. And the idea is to get out of the rat race to where your monthly income exceeds your monthly expenses without trading the time in order to generate that monthly income. Oh, duh. Yeah, I mean, run those same numbers, you know, 50 houses at 400 bucks a month is what 20 grand a month. that's $240,000 a year. That by and large, I could be getting right now for sitting on my thumbs, like, not all bad.

TC: Yeah, I do think it is. It's always powerful to go back to the basics. And, you know, think about what is the goal of financial freedom, financial intelligence, it's ultimately to get out of the rat race. And I love just kind of going back to the poor working class upbringing to then that realization, you know, obviously, many years later looking back and say, you know what, here's some things that I could have done better. Not to say that you can change the past. But there's a learning lesson there. And so now moving forward and talking about your strategy and how that's evolved. I mean, you've been involved in self-storage and parking, multifamily apartments, single-family homes, in addition to what you just talked about, RV resorts, now laundromats. I mean, talk to me a little bit about that evolution.

SW: I mean, some of it is again, it goes back to mistakes I've made. If I could say one thing it's in that I'm that I am fiercely, maybe ruthlessly committed to in 2023, its focus. It is focus, it is saying no to all of the distractions because there's so I think it's a unique this is one thing that's really changed it for me since 2013. In 2013, I was desperate for opportunity. In 2023, I say no, a lot. It's like, no, no, no, like, and that's a great that's it's such a confirming place to be where it's like, oh, you know, I get to say no a lot. But the reason I think one of the reasons I've been in so many different asset classes is because there's and this is a mistake, I'll tell you a lot of the mistakes I've made again, I'll tell you, there's not many things I've gotten right but there's there's a lot of things I've gotten wrong.

TC: You're very humble.

SW: Well, it's true. There's no need for humility when it's true. Like, okay, I suck at this, is that coming from that poverty mentality? You assume that it's the last good deal? You're like, oh my gosh, like we can't say no, we can't say no, because if I say no to this, then it's never gonna happen again. And if it never happens again, we're all gonna be broke and poor. Like, no, dude, slow down, slow down. You don't have to say yes to everything. Find the ones that make sense for you now, or I think the other thing that somebody said to me recently was not no or never. It's not yet. Like maybe that's not yet. Okay. All right. I can deal with not yet. There's something in me that I love to hustle. I still do. I just love deals like it's fun to you know, read more and more deals we're working on, the more fun it is for me. But still the reason I've been in so many asset classes is because they came to me as this really good opportunity. Somebody said, hey, I've got this awesome apartment complex. Do you want to partner with us on it? Well, yeah, I do. That's a great idea. I love that. And I don't regret some of those. You know, we're I'm not the lead GP, you know, if I'm co-GP and on some of those where it's not requiring, like, once we're over the finish line, it requires, you know, an hour of my time a week, okay, I can commit to that. And those are some of the ways that I'm still scaling into other assets, where I'm, you know, partnering with other people and it requires a little of my time, where I can just bring some industry skills to the table and help kind of the team as a whole. That's fun for me.

But again, going back to the opportunistic side of it, where it's like, okay, it's a cool apartment complex. Okay, it's an awesome self-storage portfolio. Okay, it's an awesome RV park you know, or anyway land. I mean, we're kind of got our hands on and other things as well. Parking was one of those that came to me as a unique niche asset class that nobody was really paying attention to. In 2019, 2018, that's when we started investing in that was late 2018, early 2019. And again, just opportunistic. Like okay, nobody's paying attention to it. There's some really cool place here. It is a once-you-acquire-it-hands-off business, I'm in it. Sounds like fun anyway, I've wandered all over the place.

TC: No, this is what podcasts are. Man, you're podcaster, are you know that. And I love, I love the wandering but I have to highlight the self-awareness of that poverty mentality of, oh my god, this the last good deal I have to do it and so that automatic response was yes to most things, if not everything.

SW: And it's in it was entirely toxic. I'll tell you that. I think it has in the grand scheme hindered, not helped progress. It's like, man, if I had stayed true to any asset class, multifamily, storage, land, whatever it is, if I had just said, man, this is where we are going long. And I'm not looking to the left or the right this is it. I think we would have built a much bigger, I'm going to call it an empire by this point, than kind of this loosey-goosey you know, array of assets across the country, which again, they're all doing well and everybody's making money. My investors are happy, but it has, it's come at a price. That price is one I think I'm unwilling to keep paying.

TC: And now that you've learned those lessons, and you're taking this mindset moving forward of it It's not always, you know, you said saying no a lot. And I love the thought process of it's not yet or not just not. It's a no right now, but it's also a not yet. Talk to me a little bit more about how do you how are you now applying that lesson moving forward to say no and gain that focus and that clarity in a specific path so that you can scale moving forward.

SW: But I think one of the things is refining and perfecting the one thing you're working on. Like get that so well-oiled, that you can then say yes to the next thing, because you know, my intention is to, yes, keep tacking on different businesses, different lines of of income along the way, but I can't do them all at once. I have to do one now. And I have to get it to the point where it doesn't require any more of my time. Once that machine is running, then move on to the next. Case in point, we bought three RV resorts last year. I love the asset class, there's so much upside in that asset class right now. I think it's where mobile home parks were six, eight years ago. I mean, I really do. It's overlooked, it's under-invested in, there's loads of room for operational improvement, it's Mom and Pop owned, the cap rates are sick. I mean, the cap rates that we're going in at, you know, compared to even at debt that we just closed on an asset class, when we buy that what's our debt out right now at the 10 year fixed at like seven and a half percent. I mean, you throw that into multifamily deal right now. And it just would not pencil.

TC: Not, not even close.

SW: Not even close, I throw that into the RV park we bought and it's like well shoot, man, I still have a seven and a half point spread, or going in cap rate, like, oh, this is beautiful. This is where I want to be right. But even so as much opportunity as there is there, I can't effectively bring more RV resorts online, I can't effectively bring more laundry facilities online at the same time. And so I have to choose. And so one of them is right here in my backyard that doesn't require me to build more general partnership teams, it doesn't require me to find, you know, intensive amounts of outside financing. I mean, on the laundry facility side, which we've run, we've run one laundry facility here in Memphis, and it's same kind of dynamics as the RV parks is that it's Mom and Pop owned, it is under-invested in, most of the places are dirty, they're not well lit, you feel like you're about to get stabbed or shot up with some sort of drugs when you walk into most of them. I mean, if you've been to a laundromat anytime recently, it's like, oh my gosh, this place is foul. It really is.

And so we're solving some basic, some basic needs in the community by providing well-lit laundromats. I mean, they're full of bookshelves, we bring librarians on the weekends, we do free laundry for seniors on certain days of the week. It's like a big community center. We've built this massive community center, a massive following if you can even call it that around a laundry facility. Who would have thought? But also I get rewarded incredibly handsomely for doing so. The margins in the laundry business are stupid. So it's like, oh, okay. And so we get to do that and go check out this model that's both replicable. It is, you know, it makes a lot of money. It's recession-resistant, if not recession-proof. Because the worse the economy gets, the more money we make. It is inflation-resistant, I can reprice our entire store like a gas station in about 30 seconds. Like, well, sorry, the cost of utilities went up again, 33% this month, everything just went up again. I just I mean, I hate to say it, I don't want to squeeze the customer. But at the same time, you know, you just got to keep pace with the things that are you know, as costs go up, so does the cost of doing business, then that just gets passed on to our customer. So that said, I've got to build a focus on that and grow it. There's huge opportunity there, massive opportunity, and I got people banging on my door going, hey, I'm gonna give you money. I want to give you money for laundry business. I mean, millions at a time. It's like, okay, I'm on to something, I just need to focus on this. And I gotta set RV parks aside, and that pains me.

TC: So, how did you make that decision to focus in that direction versus RV parks? And when I say that direction, I mean laundromats? I mean, how did you make the decision? Or is it just purely the multiples of the cash flow that you're seeing is just greater? And do you feel like you can replicate that and scale that to a much higher systematized capacity? Or what's the decision behind that?

SW: Yeah, good question. One. Yes, the revenues are great. Two, is that, to your point, yes, you can scale it and systematize it or systemize is the right word there?

TC: I say systematize. Whenever I hear systemize I'm like that's that can't be right.

SW: I don't know. I'm probably wrong. Again, I'm wrong more often than not so whichever systematize, I like systematize. We'll run with that. You can correct me in the show comments and be like, Sam, you're an idiot.

TC: There you go. We invite that by the way.

SW: By all means, I got a front-row seat to my own failure. So, no problem there. The one thing that I love about the laundry business that you don't get in the RV resort business, is that once we get like the store we own right now, I might put in two hours a month there, at most and so if I can add another 10 stores, okay, that's what? 20 hours a month. Yeah, on the early stages of kicking off the store. We just bought one last week. Yeah, it's gonna require more that I'm probably there 10 hours a week right now just getting again many materials and getting our general managers in place and you know, team. But once that's built, that thing can just run on its own.

And so unlike RV resorts, which are incredibly operationally complex, I mean, they really are. There's a lot of people, there's a lot of different businesses inside of it, everything from firewood delivery to propane sales to, you know, people bringing in their giant RVs, getting them parked at 9 pm at night when they showed up late blah, blah, blah, blah. Keeping the pools clean, keeping the tennis courts, I mean, just all that stuff, much more complex. I go, which of these is scalable more quickly that requires less of my time in the long haul. And that's for us the laundry business. And so that's really why it was just a simple, simple economics of time, which is the one thing that I'm distinctly short on right now, that kind of led to that final conclusion of going okay, we bought three of these last year and that's, that's enough for the portfolio for me for now. And again, you know, in a few years, maybe I look back and say, you know, there's more opportunity there, maybe I won't, I don't really care. I mean, at this point, again, we're doing great but the ones we own and just kind of have to pump the brakes and focus.

TC: *Hey, guys, I want to remind you to check out CF Capital. CF Capital is the premier boutique real estate investment firm in the Midwest and southeast region of the United States. We are a national real estate investment firm with a purpose. We provide property investment and asset management solutions to help passive investors maximize returns on high-value multifamily communities. But our investments go far beyond acquisitions, we invest in people. We are in the business of elevating communities and raising the bar for everyone within our ecosystem. CF Capital is a real estate investment firm focused on the acquisition and operation of multifamily assets. We confidently deliver tax-advantaged stable cash flow and capital appreciation with a margin of safety. By investing alongside our team, investors can preserve and grow their wealth without having to deal with tenants, termites, or toilets. Investors come and stay for the outsized returns we create in our deals while appreciating the ancillary opportunity to make a bigger impact that only CF Capital can provide. If you're an investor and want to invest with us, here's how to learn more about CF Capital at CFCapLLC.com or by simply clicking the link in the show notes of this episode. We will see you on the inside of this powerful community. So, let's elevate communities together.*

TC: Sam, this might be a really basic question. But obviously, you're the host of the "How to Scale Commercial Real Estate Podcast" and thinking about that word scale and the concept scale. I mean, why is that important to you? I mean, obviously, that played a big role into the decision to focus on laundry facilities for your investment growth. But why is scale important to you?

SW: I mean, yeah, that's, that's a softball. I appreciate that. I mean, several things. One is because with scale you can bring on a team. And I think that is one thing that I don't I have witnessed in my fiercely independent family, because we sat around the dinner table here, when I was a couple years ago, I looked and I looked at me, like our cousins, you know, I got my five siblings, I'm looking down the table, and I'm like, there's no one at this table that works for anyone else. This is really strange. I mean, like, even extended family, like everybody is just independent. But in that I also noted that many of those people are just, you know, heads down working. They're working their Fannie's off in their own business. And I go man, like, I don't want to do that, like I want to build a team. And that's one of the things that, you know, I'm really working hard on here in 2023. And that's hard for me to be honest with you. Because going from the flooring business where I had, you know, 30 employees and all that, that's actually when I went bald, I went bald at 23. It was the hardest year of my life,

TC: What's wrong with that? Man, come on.

SW: I wouldn't have hair again if I could choose it. No way.

TC: Me neither. We should probably do another podcast on that. But go ahead.

SW: She's like, don't ever grow hair. I'm like, I don't plan on it. But going back to the scale question is you're able to bring on team members, I'm able to hire general managers and pay them well. I'm able to have them field the phone calls. I mean, one of the things is we so we picked up our second store, but that time I add a third store, I can bring on a full time, you know, full-time maintenance people. I can bring on staff that run the store that does not require more of my time. Again, going back to the conversation about rental houses, which is like, I want to stop trading time for money. And the only way you can do that is that scale. If I only own one store, I could never bring on a maintenance guy, I could never bring on a full-time general manager. I can never bring on the proper staff to actually turn it into a functioning machine. And so you've got to have and again, you know, I brought on a full-time acquisition director, started last week and you know, with that we've we can't support that with just one little and it also you have to stay inside of that machine because you got to work in order to make that function. So that's that's why scale I think is really important. If you ever want to get outside of being just an employee, you've got to grow.

TC: Such a powerful distinction and reminder, you know, when you get into this business, it is about taking small steps and you know, one at a time and so forth but have a bigger vision for where you're going and think about how does this impact your lifestyle. At the end of the day, it is about designing your life because you can either be fiercely independent and scrappy and hardworking and work yourself to the bone or you can think smarter. And you can think about scale. And how can you build a system that can support other team members to support the outcomes of you know, how you're going to serve your customers through whatever asset class it is that you're focusing on. So that is very, very valuable stuff. Sam, I want to switch gears a little bit and talk about your read of the market. Because as we are now in 2023, obviously, a lot has happened over the past 12 months. And it's impacted all asset classes, you know, inflation and you know, supply chain disruptions. Obviously, we've, you know, the, the pandemic, in some ways is in the rearview, there's been a lot of different factors that have created the set of circumstances that we're experiencing in today's market. But obviously, the market is constantly changing. It's constantly evolving. And so as we look forward, you know, this year, next year, what is your read on the market right now? I mean, are you feeling like, Hey, we're in the next stage of the market cycle as well? Or what's your take?

SW: Yeah, I'm not predicting roses and sunshine, of course, I don't have a crystal ball. But I do. Again, going back to the I keep circling back to it to the rental conversation. Everything I buy today, I want it to produce an income the day we buy it, and or soon thereafter. That's one thing I'm doing, it needs to produce an income. The second thing, and we talked about this a little bit in the laundry business is that it's inflation resistant, that I can reprice a store, you know, whatever the published inflation rate is, I think it's probably double that, because what do they do? They don't include things like fuel and food,

TC: Oh, the CPI is a joke. I mean, you look at 9%. To your point, it's more like 15%, 16%, 17%. Really, if you dig into it, be aware.

SW: Be aware. Absolutely. Like who I mean, who do they think is buying this lie, but whatever. It's not, I don't have to get wound up about that. It is what it is. But I do want to buy things that are inflation resistant. The other unique thing that we're really openly pondering, and this is just a this is just pondering is what it looks like. Because the returns in the laundry business are so robust that looking at it from a debt-free perspective, which I know is kind of counterintuitive to what everybody thinks and says in real estate, I've got loads of debt myself, properly leveraged debt that, you know, it's like, okay, this is healthy debt, I call it healthy debt, because we make money on the debt, which is fine. But one of the other things that we're openly kind of kicking around is going well, maybe there's a way just to remove more risk from the table. Yeah, of course, reviewed, we would mute our returns, if we go in with a zero-debt kind of fund. But there's ways especially inside of the laundry business, you know, doing a ground up and everything else to just raise it in all equity. And then just, you know, eat off of that for an extended period of time, if we can still produce a mid-double-digit return with no debt to our investors. Hey, man, I don't know anybody that's fussing about that. So that's something else we're kind of openly looking at is just kind of de-risking our portfolio as much as we can and or, you know, as we grow, de-risking it and take as much risk off the table as we can, because we certainly saw, you know, people get kind of eaten alive with bad or poorly structured debt before. So that's one other thing that we're kind of looking at.

So looking again, recession-resistant, inflation-resistant, potentially debt-free acquisitions, which is kind of a fun, a fun place to be. So those are a few things we're looking at. And again, just trying to find things that in an economic downturn will continue to do well, the laundry business is one of them, RV resorts actually, believe it or not, and do pretty well in a recession. So those are some of the things we've tacked on. The other weird one, we haven't even talked about this. And this is where this goes back to the lack of focus. And this is probably a misstep on my part. But yet, I think there's still there's still opportunity there. And it's not requiring more than maybe an hour of my time a week. So I don't feel terrible about it. I'm not you know, this drill was maybe I once was just because I'm like crowd this is, this is a lot of work.

But there is a high end, this is what my investment, my own home cooking investment thesis. But what I want to be able to do is serve every kind of tier of customer in every market cycle. So in the laundry business, you know, we do self-serve customer, you know, walk-in laundry business. But then the other thing we do is we do a pretty robust drop off and delivery service, kind of like you know, you get an app on your phone, you can order from our store and our drive will come out and pick up your laundry, bring it back, wash, dry, fold it deliver it back in a nice little tidy bag the next day. It's a nice service, but that serves a different clientele, right?

That serves a clientele that has disposable income that doesn't have the time to do their laundry.

And then the third person we serve in that laundry business is the commercial clients. So you know, the economy takes a dump, maybe the commercial clients go away and maybe your high-end customer is not in order as much, you know, DoorDash laundry delivery, if you will, but yet our base customer will still come in and do their own self serve laundry and that'll just that'll only do better. So that's one.

The second one we talked about as RV resorts which do really well actually in an economic downturn because people still want to get outside they still wanna go vacation RVs and RVs people once they own them, they're they're hard pressed to turn loose of them because it is a relatively inexpensive way to take the family and get out and go on vacation and just go just get out of town for a weekend. You can't stay at a hotel where you have all the amenities that we would have had an RV that you can, you know, go in and pay in for us a site at an RV resort for a weekend. So kind of a fun little business there.

The third one is boutique fitness. And it's something that is found the right partners actually, I've worked out at the franchise that we're working inside of now in the right market. So I've got some really cool partners that are launching out on their own, I'm coming in as a capital source, helping kind of guide them in the business. But it's a high end boutique fitness. So I mean, it's, it's an expensive gym to go to, it's expensive for me to go to like me, I'm paying a lot of money to go work out this gym. But they've solved all the problems, because I never worked out until about four years ago, it just wasn't part of my lifestyle, I kind of hated it. I'm like, okay, but they solve every problem that I ran into, when I went into a gym, I was like, Okay, this is really cool, I couldn't do stuff. Now I'm like, wait a second, I'm 41 years old and best shape my life because of this franchise fitness.

And so partnering with them, because of what my theory is that people who take care of their health take care of their health in any market cycle. And so if it's a high end, if it's a high income earner, you look at your high income earners, I would say the ratio of fit high income earners is probably much higher, you know, than it is maybe your middle and lower income earners like health as a priority for those that are higher income earners. And this is the demographic that serves. So I think at any cycle, they're still going to focus on health. And so we've kind of seen that and are going along in that space, too. But again, that's with properly structured partnerships that aren't going to require a lot of my time, but that's the third, the third bet I'm kind of working on is in the boutique fitness side of things. So and that's the one that I'm kind of like, you know, maybe, maybe it was, it's not the best use of my time now that I'm really going long in the laundry business, but it's still kind of fun to put it in my own personal portfolio and just see where it goes.

TC: I love the thought of that though, because you can never really predict where the future market goes. I mean, you just shared all of the strategies that you're employing based on, you know, wherever the market truly goes, you're going to be benefiting in some regard. And there's so many different types of consumers out there that you can serve in whatever stage of the market cycle. Now, the percentages and their propensity to, you know, make certain purchases or engage in certain consumption behavior may change, but what you're talking about is the allocation of your portfolio that can benefit and that can be diverse, and that can be almost resilient, no matter what happens in the market. Does that resonate with you?

SW: That is an excellent summary.

TC: Well, that's what I'm here for man. I'm just I roll the balls out. And then I say, alright, well, what did he say that makes sense now? Does it make sense in my own mind? So I do appreciate that. But you know, it is really thoughtful in something that I think the listeners can take away to say, Well, how am I benefiting from a recession? How am I benefiting from a recovery? How am I benefiting from an expansion hyper supply? I mean, when we think about that market cycle, it's constantly moving, like time, you know, Father Time, it never stops. Same thing with a business cycle. Same thing with the investment cycle, it never stopped. So when we're playing the long game, how are we benefiting from the ups and the downs? And then how are we also supplanting perhaps losses in one category by gains in another category? And You've obviously done that with not only the three different strategies that you just described, but the other investments that, you know, in some ways, you said, Well, you know, maybe if I would have focused in this area would have been better, but still looking back, you still have that diversification, that allocation that is benefiting in various ways across the market cycle? You know what I mean?

SW: Absolutely, Nope, you're spot on. Correct. And that's, that's kind of been the thinking along the way, even when doing and talk about inside of my own personal limited partnership portfolio where it's just placing money, kind of the same ideas, though. I mean, I'm invested across all of those asset classes with other operators around the country as well. Yeah, there's definitely some thought that's gone into how I'm structuring those.

TC: Man, we've talked a lot about sort of your background and some of that poverty mentality and in some of the ways that that kind of took away from some of your forward progress, but then it also served you in the self-awareness of that then propelled you forward, you know, by understanding Well, hey, that relationship with fear can be a good thing. But talk to me about how else mindset has played into your daily success or, you know, really, as you're continuing to be very thoughtful in a very dynamic and ever-changing environment. What role does mindset play for you?

SW: You know, I think being aware of what it is you're thinking is an important place to start and or what you're not thinking it's a lot of times it's the subconscious things that get you and what I have found in myself is that when I've had periods of excess money, is that I would always find a way somehow to put myself back in that poverty position because that was where I was most comfortable. That's what I knew. And I was like, Okay, we're going to do this and this and this, and we might be asset rich, but we're cash poor, which is a terrible place to be, by the way, I've been there too many times. It's like, oh, well, we own all this stuff, but I can't afford anything because I don't have any cash. So talking about your mindset as being aware, I think one thing of the things that you're either doing to propel you forward and or handicap yourself is one of the things I struggled with for the longest time and probably still do to a certain extent is that I always assumed that success was for somebody else. Oh, that's for you know, Tyler. That's not for me. Like Tyler's got the, you know, he's kicking butt and taking names but I can't do that. Why not? Like, you know, if you did it, all I got to do is follow in your footsteps. Like the comment that "success leaves clues", not sure who said that.

So, being aware enough to know that, yes, I may have handicapping behaviors, stopping those, you know, as fast as you can. When you start feeling I'm coming back like, Wait, why am I doing this again? Oh, that's a handicapping behavior. Stop that. And then what am I going to do to you know, then move the ball in the direction that you want it to go. So and then realizing that success is for everyone. I think that's a lie that we are told over and over and over because it benefits those who tell the lie is that, oh, you can't have success because of your background, your history, your race, you're this and you're that and all this nonsense. It's like, man, no, it's like, get up and do it. This is for you to I don't care who you are, success is for you. So you just gotta go out and take the necessary steps. And again, follow the people who've gone before you and learn and be humble enough to learn. Like that's the other thing is that bringing on mentors, paying a lot of money for mentors, people who have gone before me and saying, Hey, how did you do it? How did you do it? And then implementing those things and just kind of getting over yourself? So I think there was also probably that poverty mindset also is probably a lot of scrappy pride, like, hey, this is the I can do this on my own. I can wrestle this down like No, actually, I can't. I need help.

TC: It's so amazing to realize that the strongest force in human life is the desire to remain consistent with how we define ourselves. And if you really think about it, whether it's consciously or subconsciously, by the way, most of it is subconsciously, how we define ourselves, I'm not worthy, I can't be successful. Or if I gain more resources, then I'll sabotage myself to go back to where I'm comfortable, right? I'm comfortable in that poverty mindset. And once we gain awareness of that, it loses strength. But when we recognize that, well, wait a minute, we get to choose how we define ourselves, then everything changes, instead of saying, Well, I'm, you know, I am I, who may be, or my sort of my environment growing up, define me as it's like, well, wait a minute, why do you have to be that? Well, wait a minute, maybe there were other people who were desiring very strongly to remain consistent with how they defined themselves. So they wanted you to be held back as well. Maybe that was their own subconscious mind their limiting beliefs. I mean, that to me is like a game changer. Once you recognize that, and you see that there's this behavior that you engage in you were talking about the money identity, essentially. And once you recognize, oh, wait a minute, I have this behavior that is trying to remain consistent with the subconscious belief of how I define myself, you start to see that you can say, oh, well, let's make a change here, right?

SW: Correct. I love that. I love that. And here's a good vulnerable case in point, you know, growing up without much, you know, we weren't the country club family, right. And even a decade ago, there was an opportunity here, I live in the south. I live in Memphis, Tennessee, and there's, you know, a lot of the family here, extended family, they all go to the country clubs, they all belong to the country clubs, I wouldn't go. I simply wouldn't go. I'd be like, no, like, I'm not going to hang out with all these rich people that are snooty, that I don't I can't relate to because they all Mr. Moneybags is gonna sit there and you know, talk about how many billions of dollars he has, and I just got want to go puke. I wouldn't go. But why? Fear, right? Fear that one, I'm not good enough. I'll never be like you, I can never attain that status. And thirdly, you kind of disgust me, at least this is the thinking because you know, you're everything I can never be.

And so fast forward now. And 10 years later, it's like, I've had to get over myself and realize one that there are a lot of really great people, no matter where they are. And two, I got a heck of a lot to learn from these people. Like, oh, you've done really cool things. I still don't belong to the country club. But I will go to the country club with extended family members probably once a week and go play pickleball and this and that and, and just engage because they're just people. I had to get over myself. That self-defeating behavior of like, well, I'm not going there, because I'm just too full. Screw you all. Yeah. Powerful stuff. And now I walk in and it's like, okay, I mean, literally, there's people that I played pickleball with that are probably pushing, pushing the B behind their net worth. And it's like, oh, well, whatever, you're just a dude. And I'm gonna hit the pickle ball at you as hard as I can. And we're all gonna have fun, who really freakin cares. And also I can work. So it's a great, it's a great kind of mindset shift where I just had to get over myself.

TC: Yes, it is cool to to just ask yourself a powerful question. Well, what if I did put myself in that type of environment? You know, what could I learn? And instead of being fearful, and understanding that perhaps there's a subconscious voice, part of my identity that is wanting to retreat? You know, what if I asked the opposite question of what if I went there, and I learned something? And what if I actually did have fun instead of these people annoy me or these people are snooty, right? I mean, that's amazing.

SW: It is amazing. And it's such a freeing place to be to so I think all of those things just kind of work into that mindset. And again, going back to actively attacking that poverty mindset that just keeps coming back like, no, no, we were leaving that behind me. So that's probably been a lot of the growth there and the mindset side of things, even down to family. I mean, that's something else. Just the other day, I called again, I got a whole bunch of I got four brothers and one sister and I was doing something and somebody calls, hey, man, I'm sitting down with my new acquisition director. Let me call you right back for right and we'll get something knocked out. And you know, he calls at the back of the phone, he just makes money, my acquisition director, blah, blah, blah, like, whatever, you're just giving me crap, which is fine, which is fine at some brotherly love. And also just you realize that there's that constant like pulling down like, oh, who are you? Like, no man, whatever, go away, I'm doing what I'm doing.

TC: That is it's interesting to just label that as a limiting belief behavior and say, You know what, I honor you, I appreciate you. Because we all have that. And look, I can see that that's, it's wanting you to be regulated back to wherever he feels like he is. And you know, I mean, that's, that's a part of this journey.

Really good stuff, Sam. Man, I appreciate you spending time with me on the podcast. Got to do part two. While we're still here, I want to transition into the rapid-fire section of the podcast. It's called the Rare Air Questionnaire. I mean, this engaging in this type of internal dialogue is pretty rare. I mean, a lot of people are not willing to face those fears and those demons and really ask themselves more powerful questions. So I just want to appreciate and honor you. But before I let you go, I got a few questions for you. If you had to point to two or three of the most impactful books that you've read over the past few years, what would those be and why?

SW: Impactful books, man, I used to read a lot. And then life changed for us with three addition of three kids to our house two years ago. So I haven't read a whole lot here recently.

TC: Are those triplets? Do you have triplets?

SW: No. Foster.

TC: Oh, awesome.

SW: Zero to three in 90 minutes. And it's been two years now. So it was yeah, an infant and a three-year-old and a five-year-old. So yeah, it's been a wild ride. So no, haven't read a lot. Don't sleep a lot either yet, but that's alright. Impactful books, I would say one is Mastering the Market Cycle by Howard Marks, a great book that just really, really almost to a fault on a granular level breaks down investor psychology. And I think that's one that if you can stomach the unbelievable amount of research that he puts into the book, I mean, I did a lot of page flipping like okay, okay, okay, I'm just not that smart. But still you get the big picture. I think that's, that's a really fun one. Something else wildly impactful? Golly, that's probably one of the last books I've read, to be honest with you. I can't think of...

TC: Honestly, this one is super relevant, mastering the market cycle. So we'll put a link in the show notes to that book. I've actually heard several other very prolific investors mention that book as well. So we'll put a link in the show notes. If there's no others. I'll move on to my next question, which is totally fine. Aside from what we've already talked about today, and we may have not dived into dove into this, this perspective too deeply. So this probably a pretty relevant question. But what's the biggest way that you elevate your life on a daily basis?

SW: Exercise, man. Health is wealth. And without it, I know some really, really wealthy people and just kind of go flies counter to what I said earlier, but I do know, some really wealthy people who have not prioritized their health. And it's like, dude, I don't care how much money you got. I wouldn't trade places with you. No way. Your health is crap. So no. Health is wealth.

So that's one thing that I really, really try to focus on is what I eat. Though I didn't do really well over the holidays. I did put on eight pounds. It was fun.

TC: Maybe the mustache, though, let's be honest.

SW: Thanks, buddy. Yeah, so health. That's it. That's one thing I do on a daily basis, I try to make it to the gym five times a week, and just really focus on what I eat. And those eight pounds will come off quick. I'm not worried about it.

TC: Yeah, I'm with you, man. I think it is a correlation between health and wealth. But also, you know, what's the point of wealth if you don't have your health? So it's like, you know, either way, let's go good. Call out. What's the biggest way that you elevate others around you, Sam.

SW: You know, giving opportunity, I think is something that really means a lot to me, bring it on, again, you know, our director of acquisitions, empowering him to go out and learn. Like we were just we were driving around the other day, looking at looking at different opportunities, and just talking in the car like, oh, I don't know what that is. I don't know if that is but but giving him the keys to go and do it on his own, I think is fun for me. And the same thing we do with our staff at our laundry facilities, where it's like, I want to even even yesterday, I had a late night text to to our key general manager was like, Hey, by the way, I forgot to offer to you, when we bought this next store a chance to buy in, even if it's in a small way I wouldn't offer to an outside investor, because I know she didn't have the resources necessarily to go big. But even if it's a small way, get in, let me show you a way that you can participate as an owner in this, you know, maybe it's 1% of the company, I don't care. But that means the world to her. So giving her that any of you know, even if it's Sunday, she has to move on and go to a different job, it doesn't matter. It's just the owner equity stake, that's fine. But I think providing opportunity for other people and giving them the roadway or the runway to go take off on their own I think is really special for me,

TC: Sam, I want to acknowledge you, man. You're as real as they get and just really appreciate you showing up today and providing so much value and really just being yourself and kind of opening the kimono to what you're thinking about how you're seeing things how you're evolving how you're adapting, but then also how you're you know, lifting other people up around you man, this has been a true pleasure for me and I hope it's been as well for the audience but you have any parting thoughts or words of wisdom that you'd like to share with Elevate nation today?

SW: Man, I sure don't. Go be a giver, man. Maybe I do say other than I do. But it's like yeah, go go. give and give freely. I think that's the thing we've been called to do. So go do so. I think that's the parting words

TC: And I love what you have behind your, I guess this is your left shoulder, proceed and be bold. Right? Proceed and be bold. That's great stuff. Sam, the listeners can find you at BrickenInvestmentGroup.com. Where else?

SW: That's it man go to BrickenInvestmentGroup.com. Sign up there for our weekly newsletter. Just join us in Bricken Investor Club. That's how you hear about all our opportunities. What I'm seeing in the marketplace and what we're doing is where we get our investor reports. That too as well. Schedule a call with me there. You can find us again, all the contact info right there BrickenInvestmentGroup.com

TC: Definitely go check out How to Scale Commercial Real Estate Podcast as well. Sam, until next time, my friend. Thanks again for being on the show, buddy.

SW: Thank you, Tyler. Appreciate it.

[END OF INTERVIEW]

TC: This was awesome. Elevate nation, Sam Wilson bringing massive value today. I really enjoyed today's conversation. And I hope you found tremendous value in the way that he's thinking about today's market the way that he has constructed his portfolio and the vision that he has moving forward and how he is going to be taken advantage of whatever stage of the market cycle we encounter next. Because, you know, again, that market cycle does not stop it does not slow down for anyone. And so we've got to think about how are we integrating our strategy within those parameters and understanding that anything is possible, we cannot predict the future. And then also, it's about how are you showing up yourself. And how are you investing yourself to be more self-aware of the limiting beliefs that you have or the identity that you have that may be regulating you back down to a place that you don't really want to be. And I think that today's episode is extremely powerful, because Sam is an approachable guy, you know, he's a guy who came from humble beginnings. But he has chosen to design his life and he continues to do so.

You have the power to do that yourself as well, I encourage you to re listen to this show, when I encourage you to identify your top one, two or three, by the way, these are ORs. It could be one could just be one, take away your top one, two or three distinctions. I want to encourage you to identify those, jot those down and discuss those with a friend have a discussion about you know, what was it that you learned from this podcast that you can adapt and pivot in your own investing strategy? What was it that you learned about your own identity or your own self-awareness or your own internal voice that may be subconscious that perhaps in 2022 2021 2020, and prior to that held you back, but you're no longer willing to accept you've now drawn a line in the sand say, here's where I'm going.

And when you have a discussion with someone else, it's pretty powerful to recognize that you can learn obviously through having a discussion working through your thoughts, but also learning from someone else. Ask powerful questions based on concepts that you learned or recognized in this discussion with Sam today. I want to encourage you not only to do all those things in identifying your distinctions, having a discussion but make a commitment to take massive action on what you learned today, because knowledge is not power. Knowledge is only potential power, it is potential power for you to capitalize on an opportunity to take action. And of course, along the way, it's all about course correction. There will be mistakes there will be missteps, but don't let that stop you don't let fear stop you because ultimately, fear can be a catalyst for our greatest growth. Until next time, elevate nation. Thank you so much for tuning in. And we will see you next time.

[OUTRO]

Announcer: Thank you for listening to Elevate. If you enjoyed this episode, be sure to rate, review, subscribe, and pay it forward by sharing with a friend. Most importantly, take this opportunity to elevate your results by taking immediate action on what you learned. For more, visit elevatepod.com.

[END]