

JANUARY 2022



# THE MONTHLY RENT

# NEWSLETTER

# HAPPY NEW YEAR

# *A Special Message to You*

A

small idea that started out as a way to create an open-source community sharing a hive mindset so that more people could become successful syndicating real estate has grown to be more than we had originally imagined.

As we take a giant step into the coming new year, we would like to encourage you to set aside some time to reflect on both the past and the immediate future.

While reflecting, think about how you could best leverage the power of the GOB Network to help you achieve your goals faster. We would like to invite everyone to share your 2022 goals with us on our website forum at [this link](#).

Let us all work together and make 2022 a year that will never be forgotten!

Happy New Year!

GOB Admin Team



# MOST CRITICAL FACTORS TO CONSIDER IN A SYNDICATED APARTMENT BUILDING INVESTMENT

By Davide Formica, Formica Investment Group


The most critical factors to the success of a syndicated real estate deal are the market, the team, and the deal, respectively.

A good market is the single most important factor in a real estate investment. You can have a good deal in a bad market and there's nothing you can do to make that property generate better returns. But, with a good market, you can have an average property and you can still perform. So, we stick to markets that we know are thriving and growing as this is the basis of the success of our investment.

We are firm believers that you must know the market where you invest in. For this reason, we only seek investments in areas that we fully understand. It is important to carefully analyze the economic trends as well as the supply and demand balance within each market. We currently focus on investing in apartment buildings located in Columbus, Ohio as well as Cincinnati and Indianapolis. From time to time we may partner with experienced operators that we trust to provide market insight on other states like Georgia, South Carolina, and Alabama.

The next most important factor is the team. We, as your deal Sponsor, dedicate all our resources to the optimal management of the asset and the successful execution of the business plan assessed during the acquisition phase.

Finally, the deal, we spend countless hours looking for deals, we then underwrite and analyze each one of them with conservative criteria and assumption forecasts. We tend to under-promise and over-deliver to be able to preserve capital to allow us to navigate through any black swan events.



"The market is the single most important factor."

# POWER MEMBER

By Dion Huey

We would like to extend a heartfelt congratulations to fellow GOB Network member Samson Hollmerus on being recently interviewed by Valiant CEO Magazine!

Samson was born in Ethiopia and adopted by a Finnish family at a very young age. After growing up in Finland and spending many winters in the darkness due to the country's location in the northern hemisphere, Samson and his wife decided they would travel the world in search of a new place they could call home. This decision would start his journey as a world traveler. To-date, Samson has visited every continent except South America and he has lived in more than 30 countries. Realizing his new enthusiasm for travel and creating meaningful experiences in other countries, he became determined to explore how he could continue to fund his lifestyle with real estate. Hence, Samson ended up in Texas and was introduced to the GOB Network. Upon learning about the power of syndicating real estate, he immediately identified it as something that he could easily integrate into his life. His love for connecting and building relationships with people led him to starting Capital Raisers Club, where he focuses on raising capital for apartment syndications. Now that he has found a vehicle and supportive community that can help on the ground, he is continuing to travel the world creating a lifetime of memories with his family.

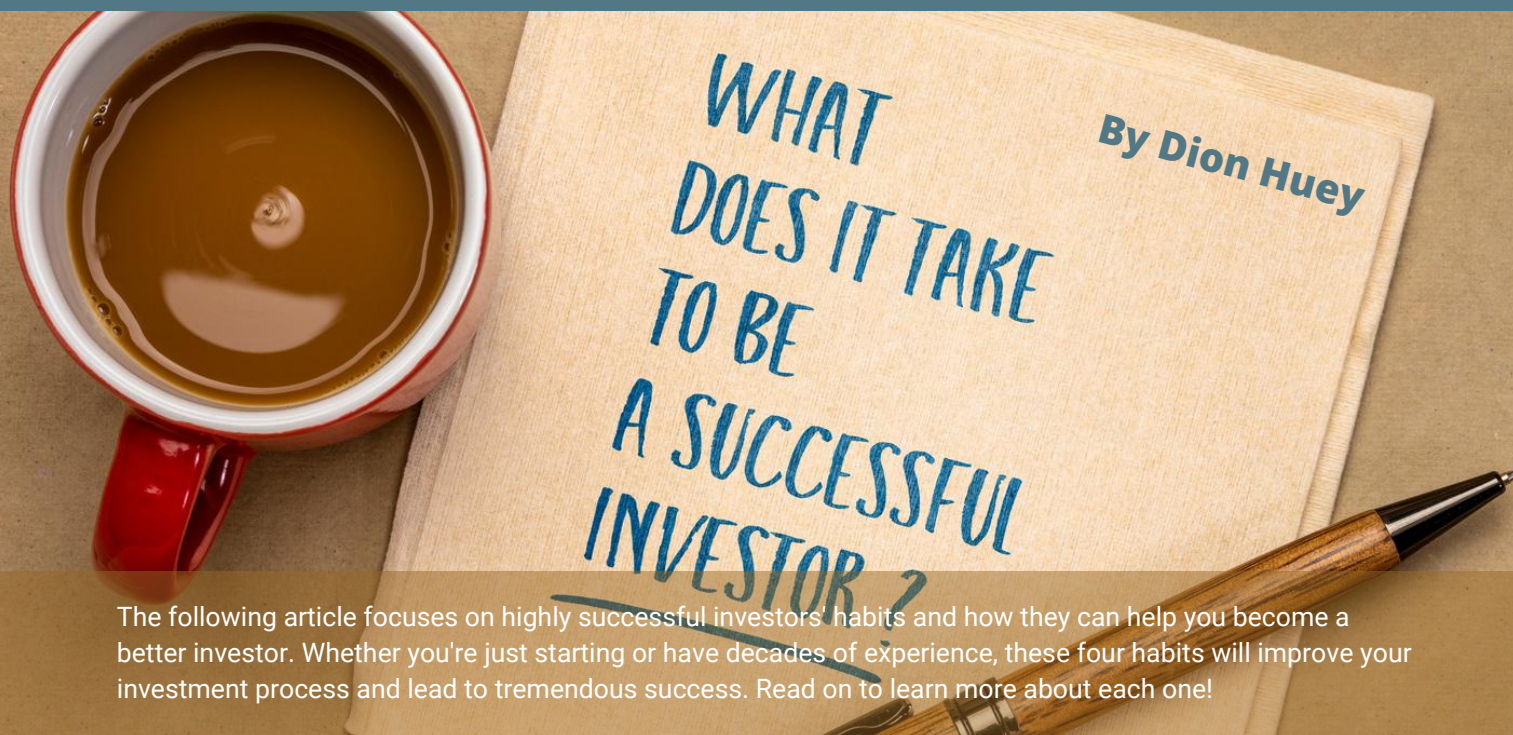
Follow Samson's journey at [Hollmerus.com](https://Hollmerus.com).



Samson Hollmerus

*Congrats!*





The following article focuses on highly successful investors' habits and how they can help you become a better investor. Whether you're just starting or have decades of experience, these four habits will improve your investment process and lead to tremendous success. Read on to learn more about each one!

### **Invest in what you know**

The first habit of highly successful professional investors is to invest in what they know. This means sticking to sectors, companies, and assets that you understand well. Trying to spread yourself too thin by investing in unfamiliar territory can lead to costly mistakes. Simply put, you want to invest in areas where you understand how value is generated, costs incurred, and how to manage risk.

Successful investors also know how to capitalize on their knowledge of a particular asset. For example, suppose you invest in apartment communities and have excellent contacts within the industry. In that case, that could lead to new opportunities being sent your way in which you can become involved.

### **Find the best investment opportunities by looking for undervalued properties**

This is a time of great opportunity in the real estate market. Savvy investors are taking advantage of the current market conditions to find undervalued properties that will give them good returns on their investment. By looking for deals where others see risks, these investors can make money while everyone else shies away. The good news is you can leverage the efforts of other people that are in the trenches searching for undervalued opportunities by investing as a limited partner in a real estate syndication.

### **Don't be afraid to take risks**

One of the defining characteristics of highly successful investors is their willingness to take on calculated levels of risk. They understand that investing involves some degree of uncertainty and can look beyond it. Instead, they focus on opportunities where there's a strong probability for success; if they're wrong, then at least they've minimized the impact. I believe that investing in real estate involves a higher level of degree of risk mitigation where investors make their money when they purchase the property. Further, suppose you want to spread out your risk. In that case, you can invest alongside other investors in larger real estate assets such as multifamily apartment communities or diversify into other assets such as self-storage, mobile home parks, or retail.

### **Be patient and stay the course**

Professional investors know that there are no guarantees in the investment world and that successful investing is a long-term game. Therefore, they don't let short-term market fluctuations influence their decision-making. Instead focusing on the fundamentals of the asset and where it fits into their overall investment strategy. For example, when retracing historical stock market returns, you will find the market fluctuates up and down on a daily and annual basis; however, if you plot the annual returns over a longer period, the market has grown tremendously. Successful investors understand this and will stay the course.

# AN AUTHORITATIVE GUIDE TO CREDIT CARDS FOR REAL ESTATE SYNDICATORS 2021

by Perry Zheng, Cash Flow Portal

Real estate syndication involves flight, hotel, food, mentorship groups, and many vendor payments. GPs have to travel a lot to their existing properties, look at new properties, attend real estate conferences, do due diligence, meet with potential investors, and participate in general meetups. We also have to build relationships with brokers, dine out with potential investors, do some guest speaking at local meetups, and more. So I decided to write this guide to help you choose the best credit cards for real estate syndicators in 2021. Access the credit card tracking sheet at [cashflowportal.com](https://cashflowportal.com).

I live in Seattle, WA, and I have two large properties in Dallas, TX. Before the pandemic, I was traveling to Dallas almost every month to check on the health of the properties. I also traveled to real estate conferences (like the Sumrok group, where the students meet every three months). As a syndicator, you know that there are so many conferences that you can end up traveling every two weeks to attend them.

When using credit cards intelligently, you can save a lot of money, get access to premium services and backdoor restaurant reservations, enjoy upgrades when renting cars and staying at hotels, earn free nights, benefit from complimentary lounge access, and more.

## Who is this ideal for?

Some of these tips are very opinionated ways of using credit cards. For example, we assume that you have the financial means of spending quite a lot of money, which is not realistic for most people. Because you are a real estate syndicator, we assume you have the financial means to spend 50K, 100K or more every year for personal and business expenses. You can still reap the rewards if you spend less, but maximum rewards are achieved when you are willing to spend more.

On the other hand, this is NOT for syndicators who are just starting out, are still working on financial stability, or are working on their first syndication deal. Your job is to save, save, and save, and then invest that money to snowball your wealth. Case in point: in my late twenties, my personal expense was less than \$1,500/month, including rent (well, I technically live for free). It is not until the last 2 years that I started expanding my lifestyle.

## Some credit card tips for syndicators:

### Check your eligibility

FICO credit score above 720 is best. They also assess your annual income and your debt to credit ratio. You should have a solid income and spend a substantial amount on your business (I spend \$100K+ annually in business expenses and personal expenses). Save the date in your calendar.

The intro bonus has the most significant value, and banks usually want you to forget about it. So ensure you mark the dates when you applied for the card and when you received it in your calendar, noting down the credit limit. It is essential because the first-year benefits are the biggest ones.

### Always pay on time

I recommend setting up an automated payment or using your calendar to remind you about the payment dates. Don't rely on your memory, especially if you have multiple cards. I have more than a \$100K credit card limit, and I always make payments on time. Every month.

*Credit cards are a way for middle-class folks like you and me to enjoy a luxurious, comfortable lifestyle and travel worldwide by strategically using the cards for business and personal expenses.*

**Is it worth the ROI (time invested vs. profit)?**

To be honest, I have to admit that the return on investment for hours spent is not worth it. However, to me, it is a GAME of some sort. I enjoy playing it because it's exciting to figure out how to maximize the benefits credit cards. It's like a puzzle.

**Always go for premium credit cards.**

Going for second and third-tier cards does not justify the effort, as the benefits are insignificant. You always gain the most when going for the most premium tier. If you are a big spender, choose the card with the highest annual fee. For me, working my way up the tiers is not worth it. I would rather be in a great financial position to go for the most premium cards on my first try. You get disproportionate value by going for the most expensive cards.

For example, a \$95 annual fee card could deliver you \$150 of value, and a \$595 annual fee card could deliver you \$1,200 of value. I would always go for the \$595 annual fee card because it gives a disproportionate amount of value, in both absolute value and as a percentage.

**Don't churn your cards.**

This could be controversial. When choosing your credit cards, go for those that make sense to you in the short and long term. Hold on to them for a long time, and don't churn your cards—only in this way will you reap the most benefits. This is like real estate investing — I am in the camp of buy-and-hold because it represents the best return on investment for my time, and I do not like “flipping” cards.

Cool, how many cards should I get?

I have the following credit cards:

**American Express**

1. American Express Platinum
2. American Express Gold
3. American Express Blue Business Card
4. American Express Business Platinum
5. American Express Business Gold
6. American Express Bonvoy Brilliant
7. American Express Bonvoy Business
8. American Express Amazon Prime card

**Chase**

1. Chase Sapphire Reserve
2. Chase Freedom Unlimited
3. Chase Ink Business
4. Chase World of Hyatt Credit Card

**Overview of some credit cards for real estate syndicators****Chase Sapphire Reserve Card**

Overall, the Chase Reserve card is fantastic and offers many benefits for an annual fee of \$550. This card is so diverse that I will write another blog post to describe how to use it in detail, but here are some highlights of the perks that you must take advantage of:

- Earn 60,000 bonus points after you spend \$4,000 in the first three months from account opening.
- Dash Pass. Zero delivery fees and reduced service fees on orders over \$12. You need to activate your Dash Pass membership by 21st December 2021 to be eligible for this benefit.
- Lyft Pink membership. There are many benefits to Lyft Pink membership, including 15% off rides, SIXT car rental upgrades, relaxed cancellations, and other surprise offers from Lyft. You also get 10X points on Lyft rides through March 2022.
- One more point about Lyft. Most Lyft rides are business expenses. So you get 15% off via Lyft pink, then 10x points when redeeming at 1.5c per point is another 15% off, and then you can take 30% tax write-off on your business expenses. When you do all the math, you are getting like 55% off on your Lyft rides (not quite 60% because you can only write off the fare after 15% via Lyft pink – i.e., you cannot use the original Lyft price as your expense).
- Up to \$300 statement credit for travel purchases.
- \$900 sign-up bonus in travel benefits (additional to the \$300 statement credit). To take advantage of this bonus, you need to redeem your points for flights, hotels, and car rentals through the Chase travel portal. Each point is worth 1.5 cents in travel services when you book through the Chase site.

**Book car rentals via Chase Portal.**

Chase is amazing in that each Chase point is worth 1.5 cents in travel services when you book through the Chase site, including car rentals. So I always rent cars via the Chase Travel Portal.

Chase offers you perks with National, Avis, and Silvercar. Honestly, I don't have a loyalty to any car rental, and I usually found Enterprise to be the most reliable.

Real-life example: When I was in Maui with my family, we rented a car. I used my Chase Reserve card to pay for the rental using points. I rented a BMW 5 series for ~\$108/ day for three days (total \$325). Since I used the points and redeemed them for 1.5X on the Chase Travel Portal, I spent 21,600 points, translating to 35% off my car rental.

Check out [cashflowportal.com](https://cashflowportal.com) for the full article.



# THE <sup>5th</sup> ECONOMIC REVOLUTION

1700s: Mechanization, Steam and Water Power

1800s: Mass Production & Electricity

1970s: Automation

1990s: Internet

2022: The GOB Network's Democratization of CRE Investing

**DON'T  
MISS THIS ONE!**

Access the resources needed to professionally invest in commercial real estate without needing a ton of money in the bank.

- **No membership fees**
- **Access education and coaching**
- **Searchable member & vendor database**
  - Find Deals
  - Find Partners
  - Raise Capital

