Twitter Thread by Nick Huber





There is a lot of bad advice floating around online when it comes to real estate investing.

Time for a stiff drink and some stuff you might not want to hear.

A thread ■

Most real estate influencers spend 99% of their time trying to sound smart.

They purposely make things too complicated.

When you do this for a while you can tell if a property is worth buying with a napkin and 30 seconds.

The problem with being a big real estate PE firm:

You need to do good deals year after year and deploy 10s or 100s of millions in capital.

It's a hamster wheel making others wealthy.

The advantage of being you:

One building like this can change your life.



Buying real estate that doesn't cashflow well because values have risen 10% / yr for 10 yrs while wages have risen 3% / yr for 10 yrs is very risky.

I don't care how long your interest rate is "fixed" for.

Markets are cyclical. Trends change. Bankruptcy is real.

If you don't know anyone with money and you have less than \$250k of your own cash real estate isn't the best way to make money.

Even a \$500k property (like the one pictured above) requires \$150k down and another \$100k in cash reserves.

What you need to do to get your early deals done:

Meet people with money and convince them to invest with you.

Period.

If you can't do that this isn't the space for you.

Real estate is 1000% sales. When it comes to raising money from passive investors, securing loans from banks and even buying property from owners and brokers. You are selling yourself, your vision, and your competency 24/7. As a syndicator the terms of your deals are more important that the quantity of deals. Big money investors will encourage you to do MORE AND BIGGER projects vs. smaller more profitable projects. Can you guess why? More money for them from your work. A few factors dictate 90% of your success. The other 50 factors everyone tells you to pay attention to are noise. Nail the big ones (operations, cashflow, tailwinds) and the outcomes take care of themselves (profitability). If you aren't resourceful you'll never do a deal. No two deals are alike. There will be thousands of questions. If you can't make decisions with incomplete information you'll never even get started. There is no get-rich-quick method to real estate. It takes TIME. Buying and selling real estate is sexy and you can get rich doing it. But true generational wealth is created when you hold great assets for a really long time. Figure out a way to structure your deals accordingly. Your goal should be to get some cash working in the deals as soon as possible. OPM (other people's money) is expensive. If you can get to the point where you do your best deals with your own money, you'll get wealthy fast.

Cast a wide net. Don't put all your eggs in one basket.

The person with the cash calls the shots if they are the only person you can get cash from.

| Get a lot of LPs in early deals and knock it out of the park. |
|--|
| The more investors you have access to, the better terms for you. |
| Operations is the major risk factor of real estate. |
| It is not passive. |
| If you can't manage revenue and expenses you will lose. |
| Real estate is a small business with tax efficiency. Treat it as such and focus on the operations. |
| As you gain more wealth the goal should be to get more control over of what you need to go right to make a deal a good deal. |
| Things you can't control: |
| Interest rates Debt accessibility What someone else will pay for your property |
| Depending on these things less to lower risk. |
| Your equity means nothing. |
| And it changes wildly based on things outside of your control (mentioned above). |
| Turning equity into cash isn't easy. |
| Selling takes time and money. |
| Cashflow is everything. |
| If you want more of this subscribe to my substack: |
| https://t.co/ldqWzresbo |
| And rule #1: |
| Choosing your competition is the key to success. |
| The lucky thing for you: |
| There are a lot of folks making great money in real estate doing business like it's 1985. |