

All right, quick break to tell you about another podcast that we're interested in right now.

HubSpot just launched a Shark Tank rewatch podcast called Another Bite.

Every week, the hosts relive the latest and greatest pitches from Shark Tank, from Squatty Potty to the Mench on a Bench to Ring Doorbell, and they break down why these pitches were winners or losers.

And each company's go-to-market strategy, branding, pricing, valuation, everything.

Basically all the things you want to know about how to survive the tank and scale your company on your own.

If you want to give it a listen, you can find Another Bite on whatever podcast app you listen to, like Apple or Spotify or whatever you're using right now.

All right, back to the show.

The partnership was going to dissolve and you guys were just not going to do real estate anymore.

Yeah, because he was in big credit card debt and we weren't making much money the first few years.

So he was really ready to get a, you know, a J-O-B, a job, you know, and you almost could even spell job.

You're like, I don't even know what this is.

It's a G-O-B.

I've never had a job in my life.

Uh, yep.

That's my friend Keith Wasserman.

And if you can't tell, I think it's been a little while since he had a job.

Keith and his wife, Galena, are into real estate and I've been excited to do a real estate episode for a while.

Real estate intrigues me because instead of going to a desk and working a job and getting a salary, people who own real estate have properties out there that are working for them. And that's true wealth to me when your assets earn you money, pay you in cash flow every single month.

And so I wanted to find out how they got started in real estate, how they make money in real estate and the difference between their two models because they're very different.

They are a husband and wife duo, which is really cool, but they actually do very different things.

Galena started off as a broker on the commercial real estate side.

She was one of the few young female brokers doing commercial real estate in California and she's since transitioned to doing her own real estate development projects where she buys a building and fits it out to serve the purpose that she's looking for.

Her company Sky is really interesting.

So she talks a little bit about that and Keith talks about his company, Gelt.

What Keith does is different.

Keith is what we call a syndicator where he raises money from investors and he buys buildings that he thinks he can add value to, increase the rents or cash flows and then sell it after some holding period of maybe five or seven years.

They got started back in 08 right after the real estate crash and at that time, zero dollars of assets and knew nothing about real estate.

And if we fast forward just about 10 years, together they've purchased over a billion dollars of real estate assets and done phenomenally well.

So I'm really glad that they flew up from LA to do this interview and I hope you like it.

But as always, you guys will let me know.

Just feel free to leave a review.

I read every single review and so that's the best way to send me feedback.

All right.

Time for the episode.

Are we good to go?

Yeah, whenever.

He says we're ready.

We're ready.

Okay.

Great.

We got a full house today.

So we have Galena and Keith Wasserman.

This is the real estate episode.

I've been looking forward to doing a real estate episode for a while mostly because my strategy is just if I'm interested in it, I just assume all the listeners will be interested in it and I'm interested in real estate.

So we've had a lot of tech people.

We've got some cool other people coming on like poker pros and people have made a million bucks in all different kinds of ways.

But real estate I think is probably the most common, consistent way.

Real estate is the sort of game of the rich and so I'm excited to have you guys on to break down what you do, how you do it, how others could do it, that sort of thing.

So why don't you guys give me each just sort of a 30 second intro on each of you and Galena, we're going to start with you because so far over breakfast before this podcast, I've realized that Galena is the one I go to for the good stories.

So why don't we start?

Why don't we start with you?

Give a quick little intro.

A quick intro is I started in office sales and leasing doing brokerage and I was a tenant rep broker and I transitioned into buying single family spec homes, building them ground up and renovating them and selling them and from there I transitioned into purchasing land in Los Angeles, mainly urban infill locations and building ground up apartment buildings as well as purchasing older existing non rent control apartment buildings and extensively renovating them from top to bottom.

All right, Keith, how about you?

Yeah, so beat that.

I sort of tricked Galena here into coming.

You really did.

She's the big boss but it was her birthday yesterday.

I said we're going to San Francisco for 24 hours and we slept her here into the podcast room and but she is my rock and really we really feed off each other.

I started in December of 2008.

This was the depths of the recession.

My cousin Damian came to me with the opportunity to buy a four unit building in a city called Bakersfield, California.

I said, where the hell is Bakersfield?

It's around two hours north of Los Angeles.

He drove me out there and I'm like, are we really going to do this?

And he said, yeah, this is ground zero for real estate prices tanked and we could buy this one little building for \$150,000.

It previously sold for \$500,000.

I could get an FHA loan only two and a half percent down, live in one of the units, rent out their up rest and literally learn, learn the local market and just got started, you know, plunged in headfirst with one little building and two and a half percent down.

We borrowed \$5,000 from a friend.

We got a cash advance of \$10,000 on our credit card, which we used for the renovations.

And literally that's what got us into business December of 2008.

And when you started, were you like, were you trying to get into real estate?

Your cousin says, hey, check this out.

At that time was your plan to get into real estate and this was just a good opening.

So were you trying to do something else altogether?

Yeah, it's a good question, Sean.

I've always been very entrepreneurial.

I've never had a job with for anyone.

I've always worked for myself.

I always told myself, I'd rather work for myself and do something very small and grow it over time than, you know, work for someone else and literally.

And why is that?

You just don't like being told what to do or you're just too, is it pride?

I think I don't like being told what to do.

I like motivating others and empowering others at 15 years old.

I went to downtown LA and purchased a hundred of these leather jackets that were \$10 a piece.

They were Perry Ellis retail for \$300.

And you know, you ask, well, how could I buy them so cheap?

They were irregulars.

They had little tiny blemishes and I learned the importance of making money on the buy.

And one of my mentors was like, don't be afraid to negotiate.

They were asking maybe \$50 a piece and, you know, I paid them all cash.

I borrowed a thousand dollars from my dad and I bought these jackets for \$10 a piece.

And then I went and sold them out of the trunk of my car to all the teachers, the janitors, the parents of the students.

This was in high school and sold them for around \$100 a piece.
So I made around \$10 grand and love it.
So you said something in there that I want to touch on.
You said, I learned to make money on the buy.
I've heard other people in real estate say this.
I've never heard people not in real estate say this.
So explain what it means to make money on the buy.
Yeah.
You make money on your buy.
You find value where others don't see value.
You know, when people were fearful and we're, you know, losing their real estate and dumping real estate, that's when we got in and got and started the business.
So you want to look for either distress or something that's the values off.
And we bought that for first four plex.
Our mortgage payment was like \$700 and each unit rented for \$695.
So you have two units rented, you're cash flowing positively, three or four, you're cash flowing like a pig.
It was sort of like a no-brainer.
And now you knew that going in.
You were able to look at it when you were buying and say, the mortgage is X, the rent is going to be Y.
Yeah.
I'll make money today without doing anything special on this.
Yeah.
So it's like, you know, we were discussing when you bought a defunct website for pennies on the dollar, you saw, I had a big user base.
You saw, you had a different idea for it.
You made money on the buy buying it cheaply, adding value and reselling.
And that's what we do in real estate.
We look for value where other people don't see either through renovation, you know, buying something that's mismanaged, managing it better or building from the ground up and creating something that people really want and need.
And so for me that like make money on the buy is counterintuitive because I typically think, okay, I'm going to buy it for whatever the price is.
And I just try to think, what am I going to sell this for?
And that's like kind of dangerous because I'm forecasting, I'm guessing.
I focus on making money on the sale because that's typically when you make money is when you sell it.
But what you're saying is that you want to go in and know that when you're buying it, you're buying such an opportunity or you're buying it on the cheap, you're buying something that other people aren't seeing.
So you're so confident at your buy price that this thing is going to make money.
You're not guessing about a future potential sale someday down the road.
Is that the best way to think about it?

Totally correct.

So after Bakersfield, we bought 350 units in Bakersfield 2009-10, we moved into Phoenix and Phoenix was decimated.

Really blood was in the street.

They had 100,000 people leave when they passed that immigration bill.

Phoenix was epicenter for the housing boom and subsequent bust and we always knew in our hearts, Phoenix would rebound.

I didn't know it would be that quickly, but it was the fifth largest city in the United States.

You know, it was very affordable for people to live and we came in there also when people were fleeing the other way.

At breakfast, we were talking to my wife here, Galena, literally we got into Phoenix 2010 and we walked into the broker's offices and no one was there.

It was ghost town and Galena, you remember this?

Yes.

What was the vibe like from your point of view?

Well, when we actually toured the first property that Gelt bought in Phoenix, the broker who was touring us was incredibly rude and we were very young.

We were held 23, 24.

He was asking us questions like, where's your money coming from?

Do you even have any money and what do you guys own?

He thought we were a joke.

Right.

A bunch of 20-something-year-old kids walking into this fairly large building and that got Keith's blood boiling.

He was determined to buy that building and that particular broker actually had no sales for that year.

The market was dead and it was really, really hard to make a living in real estate and that broker actually came out to be a long trusted friend and actually investor of Gelt's.

So you sort of had a revenge buy and turned it around, turned the relationship around with that guy.

Look, I've learned in life, it's all about your reputation.

You want to treat people honestly and fairly.

Did all the brokers in Phoenix during that 2008, 2009 had a really hard time.

They weren't making sales and we had one of our best buys when we went in there in 2010 and we bought a 415-unit apartment community on the main drag on Camelback Road right by the Biltmore Hotel.

We paid \$16 million for it and that was a big buy for us.

We had to raise \$5.5 million of equity.

The previous biggest raise for us was maybe half that size, maybe \$2.5 million and literally we had to close on it with our personal lines of credit.

We had to borrow money from friends.

It took us six more months to actually raise the money after we closed the deal to pay off the people we borrowed the money from.

But looking back, that was one of our best deals.

We probably invested around \$1 million into the property and renovations and we sold it a few years later for \$27 million.

And then there's an old adage in real estate, you never want to sell actually.

If you don't have to sell, the best thing to do is over time just refinance, be able to pull out all your money and it's like a slot machine.

It just keeps paying off.

So if you have a piece of property in a good location that's improving and you take good care of it, you never want to sell because over time, one of my biggest mentors at time in inflation are real estate's best friends and literally that same building resold for \$45 million a few years later.

This is true.

Keith actually told me that he would divorce me if I sold one of the sky as buildings that had tremendous upside after we completed the renovations after two years.

So he definitely preaches what he.

It's very tempting to be able to sell a building and make a big pop.

But in the long run, it's like a good stock.

I had Netflix in 2002, 2003, all my bar mitzvah money in there and I sold it when I doubled or tripled.

Now it's gone up a hundredfold.

So I'd say if you believe in something, it's a good company, a good piece of real estate, a good friend or it's a relationship, you want to hold it, hold on to it for dear life and let it ride.

Love it.

I want to start with the basics because I'll just put my hand up and say, okay, I'm a real estate owner, but I own my own condo, which I actually don't consider to really be like a real estate investor, right?

Because I'm not cash flowing out of this.

I buy a place because sort of the emotional draw of owning your own home and really maintaining it and that sort of thing.

But I'm interested in real estate, right?

We just sold our company.

I'd love to get in the real estate game and I don't know how.

And I think there's a lot of people who are on the fence, not on the fence in terms of their decision making.

They kind of know, yeah, I want to do this.

They just don't know the exact pathway in.

And so we're going to talk about a couple of different ways that people can get in.

One is through investing in other people's projects and the other way is doing your own projects and you're on both sides of it, right?

You do your projects, plus you have investors.

So let's break it down into really, really simple terms.

There's an amazing subreddit, which is like a little community called ELI5, which is explain like I'm five.

So somebody will go post something like, you know, the recession and then everybody at the game is everybody else is trying to explain as simply as they can, like they're explaining it to a five year old, what is that thing?

And so we're going to play ELI5.

We're going to have you guys explain in very, very simple terms how the game works.

So let's first take it from the point of view of I'm an investor, right?

I have a hundred bucks and I want to work with guilt.

I say, wow, you guys are amazing.

You guys have a billion dollars in property under management.

You've been doing this for 10 plus years.

I'd like to put my money into you guys because I think that that will mean that I will make more money in the future.

So let's walk through it.

I give you a hundred bucks.

Do I just give it to you blindly or do you come to me with a property?

Real estate is a very illiquid asset class.

It's not like a stock where you could just click a button and sell it and get your money out, which is what I actually like it.

And you don't see the fluctuations every minute, every hour, every day.

Like I check my stock portfolio too much just because it's a habit and, you know, people act on emotion if they see something going off down.

Real estate, I like the illiquid nature of it.

It's sort of like you're more stuck into it.

So we tell in our investors only invest money that is just sitting in an investment that you don't need to tap and you have no plans to tap it.

All right, ladies and gentlemen, if you want to make your first million, you got to be open to feedback.

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That's who we use to organize the pod.

It is an awesome platform just to put a project together, share ideas and like they said, get feedback very, very quickly.

All right, back to the show.

So my hundred dollars should be a hundred dollars that I'm not trying to use for groceries

the next week.

Correct.

So let's say I got my hundred bucks.

I don't need it.

I'd like to put my money to work for me.

I want my money to go earn me some money.

So I give you the hundred bucks.

What's the expectation on that hundred bucks?

Is it that I'm going to get 200 bucks out of it?

What is a normal return for somebody who puts a hundred dollars into a project of yours?

Yeah.

So when we're underwriting our deals, we try to find properties that throw off at least in the range of six to eight percent cash on cash return, meaning I think in a hundred thousand.

So if you put in a hundred thousand dollars, explain like I'm five, I'm five years old.

I don't even know what a hundred dollars, okay?

So a hundred dollars, you get back six to eight dollars per year and that's in cash flow.

And the beautiful thing about that cash flow is there's a phantom expense that you're not actually spending called depreciation that you could write off.

So it's as if you were spending it and so that cash flow, you're not going to be paying taxes on it for many, many years because of the depreciation.

And we do something called, well, this is this is not for the five year old, but accelerated depreciation.

So it sort of frontloads that depreciation.

But basically, you know, if you're earning income from your job, you're going to be paying Uncle Sam.

If you're earning income from a cash flowing property, most of it, if not all of it in the beginning years is sheltered and you're not going to be paying taxes on that.

So six to eight dollars on your hundred back to your question on the investor five year old ran away.

So you guys have two kids, right, I'm going to break it down real quick.

Thank you.

Joe gives me a hundred dollars, but before he gives me a hundred dollars, Joe hears about a property that I'm buying in Phoenix and let's say it costs a million dollars.

And I said, Joe, I'm buying this property for a million dollars.

I'm going to put another \$500,000 into this property.

And with that 500,000, we are going to renovate the property, meaning we're going to put a new kitchen cabinet, new paint and do a whole package.

And if you give me this hundred dollars, we're going to put it in with the other investors for a total equity raise of let's say 200,000.

And once we complete the renovations, the property is going to give you a cash on cash return, meaning your hundred dollars is going to earn you \$68 every year.

And that \$68 is going to be distributed to you every quarter.

So every three months throughout the year.

And every three months throughout the year, you're also going to receive newsletters that will tell you what it is that we're doing with the property.

If we hit our returns, what the performer looks like with where the cash flows are today, what the operating expenses are of the property, meaning the cost of the property management company, anyone that we hire, utilities, any capital expenses we need to pay.

So let's say, for example, the roof is now all of a sudden needs replacement.

So we'll do that.

And so you just sit back and you collect a check.

And we didn't mention our fourth member of the booth today, of the podcast, which is

I think one of your investors, also guest number one of my podcast, Sully's here.

So is this true?

Can you just verify?

Are you getting a check every quarter for these investments?

Yeah, absolutely.

Love it.

I put in a little bit more than \$100, but I love getting \$68 every year on the property that I've invested in.

And you told me, because when I sold the company, I was like, what should I do with my money?

And you were like, you have all these options, but your favorite one was real estate.

You said you and your family kind of had a bunch of duplexes in Florida that you're like, this is one of the best investments I ever made.

Talk about how you've invested in real estate, what do you think about?

So in 2008, you guys invested in Bakersfield and Phoenix.

Those are some of the places that were hit hardest by the financial collapse of the system.

My parents were living in Florida in this county called Lee County, home to Fort Myers, and that was actually the fastest growing county in Florida during the entire real estate boom.

And so therefore it was the hardest hit.

In San Francisco, where we're filming this, it costs about \$1,000 to \$1,500 per square foot to buy a piece of real estate.

In Florida at the time in 2008, it would cost \$30 to \$40 per square foot to buy a piece of property.

So what they would do is my parents would go and buy a property for \$60,000, rent it the next week for \$600, and over time what's happened is that property is worth \$250,000.

And just like you were saying, time and inflation are real estate's best friend, now that property rents for \$1,500 or \$1,600.

So all of the money that was put into the property has been paid back four or five times.

And every month my parents own about 90 properties, single family homes in duplexes in Florida, so they'll generate about \$150,000 to \$200,000 of just rent every month.

And since they never took a loan on the property, all of that just gets paid to them every month.

It's really friendly from a tax perspective.

So when you sold the company, Sean, I recommended you invest in real estate because I think that's the best way to get rich slowly.

And the most reliable way without getting lucky to get rich is real estate.

I like it.

I like the way you said that, too.

Get rich slowly, which is not usually advertised.

So the name of the podcast is My First Million.

And I think we kind of get the general idea of how you made your first million, which is you started buying a property, you started with the four plex and went up from there.

But I want to know about the time.

So he said, get rich slowly.

How long from the day you started doing real estate, when did you get to the point where you were a millionaire?

You had a million bucks from doing this.

How many months, years, how long did it take?

Definitely slowly.

You know, the first year we bought 15 of these little four plexes with a few family friends.

We didn't start making bigger money until we started generating larger acquisition fees and asset management fees.

And when we started dealing with bigger properties, the four plexes were just a great way to cut our teeth and really learn the business.

I'd say, you know, and when we started buying the bigger properties, all the acquisition fees we made, we actually reinvested in the property.

So we even went, you know, even slower.

We didn't actually put in our pocket, which is good because that property, you know, went up tremendously in value.

So our, you know, acquisition fee doubled or tripled over over the years and that became a lot more.

So I'd say the first, you know, three, four years, it just took, you know, a lot of time and energy.

I was, I was, my personal burn rate was pretty low as living at home for the first few years.

And, you know, I'd say once we started buying the larger properties and once we started selling them, then, you know, I hit that million dollar mark.

So that might have been five years, seven years, maybe five, uh, we bought our first bigger property, you know, a full year later and then, but we didn't start selling them, you know, for at least three years.

So I'd say maybe four or five years.

It took.

Yeah.

And Glenn, were you guys together during this whole time or when did you guys meet?

We were, so Keith and I met right as the market had tanked.

It was in 2008.

And tell the story because you would tell me this right before we started and it was pretty funny.

How did you guys meet?

I had a cold calling, believe it or not.

So I was a tenant rep broker and I had a client and they were looking for, it was a physical therapy tenant.

They were looking for a ground floor space they could put a pool in.

And Keith's family owns a property in Tarzana and it's an office retail property.

Cold called his father who literally would not take my calls, but I was persistent.

So when he finally picked up, he goes, what do you want and told him I have this client and goes, how old are you?

I go, I've got, got asked that a lot as a female in commercial real estate.

There weren't too many of us.

So I told him I'm 23.

He goes, oh, I have a son, he's 24, he's buying properties in Bakersfield.

And I was, I was pretty much, who cares?

Can I see the builder or not?

So I get to the property and Keith apparently is there.

His father had asked him to show the building, which was very unusual because Keith, Keith had no involvement in the family real estate.

So he was matchmaking for sure.

Yeah, definitely.

100%.

And he's still looking for his commission fee, by the way.

And had you just like not had a girlfriend in a while or why was dad, why was dad so into this?

I think what he heard, you know, ambitious girl, not many women in real estate, you know, about the same age and a real persistent, hungry hustler.

You know, I think he said, why not give it a try?

He never even saw her.

He didn't tell you, he didn't tell you at the time.

Oh, no, absolutely not.

He showed this property.

He said, yeah, could you do me a favor?

I mean, and my dad's my role model and, you know, we work together and he said, could you do me a favor, open the space for, you know, this, this and this person at this day?

And I said, yeah.

And when Glena walked up, I said, are you with the real estate broker?

He said, I am the real estate broker, you're looking at it as a broker.

Okay.

So take it from there.

So you guys meet.

Yeah.

And Keith was really inquisitive.

I mean, he was a lot to handle.

So he started asking, what do you do?

What do your parents do?

You know, where'd you go to school?

Do you have a boyfriend?

And I was like, Jesus, back off you.

I just want to see the building.

And I was pre-touring the space for my client.

And he then asked me if I wanted to go to yogurt and it was three o'clock in the afternoon and yogurt and not ice cream because the tenant that was in the property at the time was a yogurt tenant.

And I said, no, I have to get back to work and really honestly wanted nothing to do with him.

And that was how we met.

That was 2008.

Okay.

And well, now we got to know, how did he turn it around?

Oh, persistence.

Persistent.

I mean, in real estate, you have to be persistent and Keith was definitely persistent when it came to trying to chase me down.

And so he'd call me every Friday and mean, and I was now engaged with his family to try to do this deal.

And so I couldn't exactly write him off to try to keep it respectful and professional.

And so he showed up.

I was out with my girlfriends at Palomino and he showed up with his friends that one night and our friends hit it off and we started hanging out.

We became really close friends and Keith and I were friends for nine months before we actually started dating.

So I just gave in.

All right.

I love it.

Persistence pays.

Okay.

Great.

I mean, you know, how long it took to sort of get that breakthrough of making your first million bucks, but you liked playing the game.

Why do you guys like real estate?

Because you won't do something for five years, sort of waiting for that payday.

If you don't enjoy it and believe that this is going to work, what do you guys like about it?

Keith didn't mention the hardships though.

So going back to that real quick, we, Keith had just purchased a home.

I was doing office sales and leasing.

I was making money.

I finally started making some significant money.

I was waiting tables at night at one point because the market had tanked and it was just

very difficult to make a living.

And I was paying the mortgage and actually Keith was not making any money.

He had the fourplexes, but they weren't, they weren't exactly profitable.

In fact, I think he mentioned he sold them at a loss.

One of them.

Yeah.

We sold one for a loss of like 30 grand and we actually reached into our pocket and made that one investor hole.

So we could continue to say we've never lost an investor any money, which is pretty cool.

And I remember I made my first big, big sale.

It was an office building on Wilshire Boulevard and I think I made a commission.

It was like six figures that money never hit my account.

It went into Keith's to pay off his line of credit.

And so I want the listeners to know it may appear from a distance that, you know, you make a million dollars and it's an overnight success and it really isn't.

There's a really long trajectory of, of just doing the same thing over and over and over again every day until you finally get to where you want to be.

If you remember what sort of the low point felt like, like I think on Sully's episode, he talked about, you know, he'd gotten to the end of the road, raised a bunch of money, tried something, had to lay off people, tried to raise money again, couldn't do it, took out his personal money.

They finally shipped the app.

And this is my favorite part of the podcast because, you know, he didn't even wait to see what happened.

He just sort of knew like this is not going to work.

So he just like left work early, went home, watched Netflix, ate a bunch of ice cream, went to sleep and was just mentally preparing himself like, okay, this chapter of my life is over.

I need to move on.

This thing totally failed.

And so like that, I loved hearing that, you know, what the low point felt like.

Do you remember any stories about that?

Yeah.

Keith, why don't you mention of how Damien, your partner basically was ready to walk away and quit and the partnership was going to dissolve and you guys were just not going to do real estate anymore.

Yeah.

Because he was in big credit card debt and literally, we weren't making much money the first few years.

So he was, he was really ready to get a, you know, a J.A.O.B. a job, you know, and you almost couldn't even spell job, you know, like, I don't even know what this is.

It's a J.O.B.

J.O.B.

I've never had a job in my life and my director of accounting was telling me, you know, about

hiring and they're like, she's like, yeah, when you fill in, you know, your, what do you call it?

Application.

I'm like, I've never filled a job application.

I've never had a job.

I mean, I've always done my own thing.

But.

Yeah.

Keith came home feeling really defeated and he said, I don't know what I'm going to do.

And Damien's, he's ready to quit and he's ready to leave and he's not making any money.

And these guys are now in their early thirties, Damien's a little bit older is mid thirties and they restructured.

Yeah.

So basically when we started doing our deals, we had a different deal structure where every dollar of cash flow went to the investors.

We did not as a company, Gelt and not split in that.

And one of my mentors is like, what are you doing?

You're going to be really cash poor, but real estate rich.

You got to, you know, have some money to, to live off of.

So one of the best things we did is we have something called a preferred rate of return and generally it's 7%.

So the first 7% of cash flow from the property goes to the investor.

Anything above that, we split 50-50.

So if the property throws off, let's say 9% cash flow, the investor gets that first seven and we split that next 2% one point each.

So that starts really, really adding up for these large apartment communities that we're buying and as we buy more and more of them, and it really aligns our interests better with our investors because we real estate, it's a game to, you know, for a long-term game to, you know, play and hold on to real estate long-term and this way we're not, you know, we're aligned to hold it long-term and not sell when we have a big gain in equity because we weren't really seeing any money when the property went up in value tremendously and the incomes went up tremendously.

We weren't really seeing any of that.

So anything above a certain preferred return, we split with investors and it's really helped us start bringing in significant cash flow.

And you're saying at the beginning you didn't have it set up like that.

At the beginning we didn't have it set up that way.

And that was because you just didn't know?

I didn't know.

I didn't know.

I didn't even know there was a real estate syndication.

That's what we do, real estate syndication.

I didn't know that was really a business.

I thought just individuals bought little properties here and there and owned them and sold them and, you know, I didn't really understand it until I read my mentor's book.

It's called Principles of Real Estate Syndication.

Sam Freshman has been a long-term partner and friend and mentor and it really opened my eyes to there's a real business of being in the real estate business rather than just being an investment broker or doing investments on the side, which, you know, people could do.

They could have a job and then invest slowly.

But this is our full-time business, is owning and operating these buildings.

And so when you syndicate, you're saying you find a building, great, you go to Phoenix, you go to Bakersfield, you go to one of these markets that you believe in.

You say, this is a great property.

We think it's a good buy.

We think we can renovate it.

We think we can raise the rents and this will be a good project over time.

And you go to investors and you say, hey, would you like to invest in this real estate project?

I'll do the work, you put in the cash and then I'll go from there.

Who did you go to initially and just give us a sense of like how many investors are in the syndication pool right now?

Yeah.

So I'll start from the beginning.

You know, that first deal, we got an FHA loan, you know, owner-occupied, so we only have put 2.5% down.

It was only five grand and we didn't even have that, so we borrowed that from a friend.

The second building...

Now, what's FHA stand for?

Federal Housing Authority, I believe.

It's your first-time home buyer.

As long as you live, it could be from a one to four unit place, so it doesn't have to be a single family home.

It could be up to a four plex, so...

And this still exists.

Somebody could go do this today where they put 2% down and 5% plex.

Yeah, I think it's up to like three and a half maybe, but definitely, and it has...

I don't know if you could do it in certain markets like here in San Francisco or LA.

It has to be in certain price points.

I think it caps out a certain dollar amount, but definitely that's one program.

And how did you find out about that?

Just cool.

I read about it.

Someone told me, why don't you get an FHA loan and you don't need 25% down and, you know...

And you're like, yeah, cool.

And then you're like, Google later, what the heck is FHA?

Yeah, and literally, you know, the second building we bought...

So first building, no investors.

You just did the FHA yourself.

Yeah, second building, I put my savings from my other business \$35,000 down as the down payment.

Third building, my dad put the \$30,000 to \$40,000 down for the third building.

And then what we did is we sold 49% of the LLC that owned those three little four plexes to one of my dad's previous lawyers that used to work for him and was calling him and asking him about just...

He lived in Israel and he saw the real estate market was crashing in the U.S. and he wanted to deploy, I think, like \$200,000, which was like huge for us at the time.

So we sold 49% of that entity.

We marked it up because we brought these four plexes that were boarded up for Lorne and Forgotten and we made them into cash flowing assets and we marked that up and then we used that 200 grand to buy as the down payment for another three or four buildings.

And when I go into projects like this or when I've looked at a couple of duplexes or four plexes, the one thing that I always think about is I don't know how to do a renovation. I'm not a contractor.

I don't want to get ripped off.

I'm assuming there's more people out there who are also similarly scared.

Were you guys scared about this?

You know, you're a developer actually as you're kind of full time thing now.

So how did you figure out how to do that?

You know what?

I literally just did it.

And we talked about earlier, I bought my first single family home in West Toluca Lake.

I purchased it for \$400,000.

The seller who sold it to me carried \$100,000, meaning he gave me a loan and I got a loan for another \$300,000.

So essentially I went into the property with zero of my own money in and I had no idea what I was doing.

I didn't even know how to put a nail, you know, use a hammer, put in a nail, not change a light bulb, nothing.

I partnered with a general contractor that I had met for a client of mine that was using him to rent an industrial complex in Burbank.

And what I did was I partnered with him, but, and this is very critical, I did not let him touch a penny of the money because most GCs, especially the smaller scale ones are unable to manage a business and manage money.

And so I paid all the subcontractors direct, which was critical because 12 months later he fell bankruptcy and had he touched the money, I would have been in big trouble.

But I relied on him a lot and everything that could go wrong went wrong.

So we purchased this home in West Tulika Lake, it had immense termite damage, which we did not know when we originally bought it because we hadn't opened up the walls.

And so we ended up having to take it down to the sticks.

And I was scared.

This is my nightmare, right?

My nightmare is I buy this property, the contractor goes bankrupt 12 months later and by the way the property has termites and we have to rebuild it.

Right, we basically, that's exactly what happened.

But luckily timing was on my side and so the longer it took, the property value went up and I was scared every single night of that project.

I mean, and it was all my own money.

We had no investors, Keith and I did that together.

I don't even think we were maybe engaged.

And the property ended up getting completed, it ended up in the LA Times' home of the week, how I don't know, it sold for 1.4 million.

I think we netted 100K on that project over maybe 12 months.

And that's essentially how I did it.

I mean, Keith had Google, I had General Contractor that I partnered with that was very difficult to work with, but by golly we did it.

And so knowing what you know now, I'm going to ask both of you a question, so I'm going to ask you a question of knowing what you know now, if you're going into a project and you don't have that contractor experience, you just did it, what advice would you have for the next sort of 24 year old version of you who's like, I'm going to get my first property, try to do a renovation and add value, knowing what you know today, what advice would you give as far as the renovation component?

You will never know everything that you need to know in order to do any project, whether that's real estate or something else.

And really honestly, the only advice I could say is do it.

You will learn from doing it, whatever hurdles you come across, you will figure them out.

And if you can't, then perhaps maybe real estate is not the business for you to be in.

And then on your end, you started with a foreplex and it seems like the money is really made in the much bigger properties.

So if somebody was getting started today and they don't have a ton of resources the way you did, right?

It sounded like you did three foreplexes, probably for a total cash in of like 75 grand or something.

You said 30 grand in one, 30 grand in the other, and the other one you put 2% down.

So not much money.

So if somebody was in the same boat where they don't have a ton of resources, would you recommend also starting with something like a foreplex or a single family home?

Or would you recommend just finding a way to get to a bigger property?

It depends if you want to make real estate your career or you want to do something else.

So if you want to make real estate your career, yeah, start small and grow one.

You start with a little foreplexes, then we bought a 10 unit, then a 20 unit and just now we're buying 400 unit complexes.

So I'd say if you want it to be a career, you start small and grow it over time or you go work for a real estate company so you could learn that way.

I mean, there's a lot of different paths.

You could work in brokerage.

That's a great way to learn and make money at the same time.

Or you could, which I like, you know, we have around 700 accredited investors from all walks of life, people that own their own businesses, people that are retired, people that are younger, older, as long as you're accredited and they work and make their money and then every deal we have, they plow a few bucks into it and over time they have enough assets with us where if they didn't want to work, they don't have to because there's enough cash flow coming from all those properties and, you know, I didn't even talk about like when you refinance the building and that's tax deferred money you get.

You're not paying taxes on that and when you sell a building, you could do a 1031 exchange and essentially roll all that money to another building without paying taxes.

So definitely over time, you're going to build wealth in real estate and do you want to do it as a business like myself or do you want to do it as like one of our 700 investors that they're doing other ways to make money and this is just one of the assets in their portfolio.

They might own stocks.

They might own some bonds and mutual funds and.

Keith, give them the example of our friends who put in 25K.

Yeah.

I mean, so literally our minimum, our stated minimum is \$100,000.

However, if someone wants to get started with 50,000 and that's more comfortable, fine.

If someone's younger and as long as they're accredited, 25,000 even.

Yeah, Glenna, one of our friends came in with 25,000 on a building.

We bought, we paid 25 million for it in Salt Lake City around 220 units four years ago.

We raised maybe around 6 million of equity.

We sold it recently for \$40 million.

It was a huge windfall.

They doubled or tripled their money, but along the way they were making around 10% annual cash on cash or more.

So that was a big windfall for someone like themselves, but they got a taste of real estate and I didn't even talk about every month you're paying down your mortgage.

So you're building up equity that way.

So over the long run, you're going to make money through the building appreciating.

You're going to make money through paying down your mortgage slowly month by month.

You're going to make money through the cash flow appreciating.

And the beautiful thing about real estate is there's enough of it for everyone.

It's not like a winner takes all in the Uber and Lyft world where maybe there's one or two guys that defeat the whole market.

It's like there's enough real estate for everyone.

I come from the startup world and I almost feel like I got to take one chip out of my brain and put a different chip in if I wanted to do real estate because in real estate or the stock market, I think Warren Buffett's rule is rule number one of investing, don't lose money.

And startups is the opposite.

It's like rule number one, expect to lose on nine out of 10 investments or like 28 out of 30 investments.

You're not going to make money, but on those ones you do, you get this huge return. So I literally think I would have to rewire my brain to fully understand the real estate game and play, diff-play both games at once.

So I'm interesting.

I play both games.

I might be missing chips in my brain or something because I played the angel investing side. I started doing angel investing, small checks into the people we knew and then they started telling me about other people and so forth.

But angel investing is just another asset class where we started a small fund.

We put together four and a half million bucks.

We had the 700 investors that just didn't have access to these kind of investments.

So we brought on a partner who's based here in the Bay Area, who works with entrepreneurs and other people in the ecosystem and we were the main LP.

We put in around 33% of that equity.

My partners and I, and it's just another nice alternative asset class.

And yeah, we've made 20 investments and knocking what none of them are to zero yet, but we're expecting a bunch of them to go to zero and a few of them to maybe make even money.

A few of them to make two to five X and God willing, we have one or two that make a hundred to a thousand X and we have at least three that are on the right path.

So it's just another alternative investment.

Real estate is a great, safe, long-term play to make good cash flow and you have all those things I said, whereas on the company side, you're investing in companies really early, you just need one or two to really hit to make up for all the failures.

So totally different kind of system for sure.

When you go through your real estate projects and you're looking for multifamily units, my understanding is that a lot of people are sort of in this multifamily game now.

Has it changed since, you know, when you started 10 years ago, is it like super saturated now?

Do you think that, oh, now it's time to go look at some alternative assets or do you still think multifamily is the way to go?

Permanently.

I mean, we had like very little competition when we got started.

People were running for the exits and that's when we got started.

And the way we get deals now is all relationship, you know, broker relationships, seller relationships.

These a lot of smaller deals, maybe you could buy principle of principle or off market, but large, these large, you know, 200 unit and up complexes are all widely marketed and literally it's, you know, you either got a bit the highest or have the relationship with the broker and the seller to really get awarded the deal.

But we're definitely being way more picky nowadays than we were when we got started.

To give you guys some perspective, there were 46 offers, 46 offers on a 92 apartment building that Skyobot in Pasadena, 46.

And how much was that building?

What did you pay for it?

23 and a half million.

I got awarded a deal by the same seller that was only 26 units across the street and I was told I got it and then all of a sudden over the weekend, something changed.

There was another buyer that was in contract with the seller and they said that they were going to pull the deal from them if they didn't give them the deal.

So anyways, I spent \$10,000 doing my due diligence and now all of a sudden that money was gone because the building was no longer mine.

So I wrote the seller a thank you card with some gelt chocolates that we mailed over to them and it worked out for the better because then we ended up getting the 92 unit apartment building instead of the 26 unit one.

And so how did you end up being the highest bidder for that 92 apartment or 92 unit deal?

That's a great question.

So I, it's about seeing value where others do not.

And so when we looked at the apartment building, the floor plates were really odd.

It was occupied by a college and they had three bedroom, one bath floor plates.

That's not very rentable.

So we looked at the layouts and we realized, okay, if we did some reconfiguration, we changed all the three bedrooms to be two bedrooms, one bath on one side and one bedroom, one bath on the other side, we would yield a higher rent for those units and they also had units that were tiny.

I'm talking 100 square feet, micro, really small.

And most of the people that walked through the building didn't see value in those units, whereas I looked at it and thought, this is great.

Can I get more of these?

These would rent, I furnish them through resource furniture, who it's a modular furniture company that specializes in micro units.

And those are some of our best seller.

We have a waiting list for those units.

And then the other key to that was I've done big renovations like this before.

I knew the building had tremendous problems.

And so I knew what my numbers were really well.

And then in addition to that, I do this little trick and maybe I shouldn't share this, but I will, where I will post on Craigslist with a picture that looks a little bit different of the interior units to see what the feedback is in terms of how many calls can I feel.

You're A-B testing the design that you should have for the apartment using Craigslist images.

And I talk to those tenants and I say, hey, would you pay this amount?

Is this too high?

Is this not?

And they'll tell you, which is incredible.

And so I know where my market rates will be.

So you A-B test pricing as well using Craigslist and asking people questions.

Will you pay this?

Will you pay that?

Exactly.

And that's how I know.

Not only do I know my cost on the renovation side, I also know what the market will bear.

And it's not just based on lease comps, which is important to do as well.

But it's actually talking to your renters and knowing what it is that they want.

Amazing.

So I wanted to ask a couple of questions about the Gelt playbook.

So the way I often think about businesses is there's sort of a playbook that you develop over time and that playbook is sort of a repeatable model that you can use to compound the value of your business over time.

Talk a little bit about the Gelt playbook and let's do it in a lot of different pieces.

So let's first just talk about acquisition.

How do you find properties to buy?

What geographies do you look in?

Do you avoid markets like San Francisco, New York, LA?

What sort of cap rate, what year of construction, what level of value add?

Talk a lot about those pieces.

Yeah.

So if you look at our portfolio, recently we've been buying a lot in Salt Lake City, Seattle, Reno, Portland.

We stay Colorado and West Denver is our biggest market.

We started buying there maybe three or four years ago.

It's been booming.

We've been seeing double digit rent growth every year.

It's finally slowing down a little bit because they've been building a tremendous amount.

I would love to buy in the Bay Area.

But just I can't generate any real cash on cash return and our investors love getting that mailbox money, that cash flow, those quarterly distributions.

If I bought in the Bay Area here, I'd have to buy something with little to no cash flow immediately.

That being said, areas like the Bay Area or LA where there's big supply constraints over time generally have done better because it's a supply constraint either geographically or because of housing policy.

However, I mean, a lot of businesses are leaving these kind of areas because people really can't afford to live here and especially the people that service the jobs and how are they going to afford it?

I mean, they're paying 50% to 60% of their income for rent.

We typically like markets.

People are maybe spending 20% to 25% of their income on rents like San Antonio has been booming.

It's the eighth largest city in the US.

It's not sexy like Austin or Dallas, but definitely we see some great opportunity to buy there.

If you avoid major cities where properties don't cash flow, you look at secondary cities where the properties are going to cash flow.

What about year of construction replacement costs?

Generally we're buying 70s through 90s buildings.

I typically like those buildings.

They're lower density.

They're larger units and they're older, so they need renovation and to take better care of them.

That being said, we've made a lot of equity gain on a lot of these buildings and some of them are sort of like money pits and we did budget a good amount of money, but maybe there's issues with buildings are like people, they break down over time, right?

For you guys now, what's the typical deal size?

How much equity do you guys raise?

How many investors does that come from?

Let's see, average check size.

The last deal we bought was \$63 million in Denver.

It was around 400 units.

We raised around \$25 million of equity from around 200 investors.

You could say the average investor put in around \$100,000, but we had a whole bunch that were \$50,000 and some \$25,000.

Then we have some larger ones that put in a quarter million up to \$1 million.

I always tell our investors, put whatever a little bit means to you, a little bit could be \$25,000.

It could be \$1 million, it depends on who the person is, and put a little bit into a lot of deals because you never know which ones are going to actually perform better than others.

Glenna, do you see yourselves doing this for like 20 more years or 40 more years?

Is this the game or is this kind of get in, get rich, get out?

No.

I love real estate.

I love what I do.

I think Keith does as well, although Keith has a lot of other passions and interests such as investing in early seed startup companies, but no, the game plan is on the sky side at least one to two properties every year on the acquisitions, buy and hold, and create tremendous value.

I'm particularly also interested in creating housing that looks a little bit different than what the traditional model is today.

Talk a little bit about that.

What do you mean?

On the left side, what I'm noticing is the renters that we have are freelancers.

They don't work for any, they're not grounded in any particular company.

They travel, they move around, they could work from home one day, from somewhere else another day, and I think that's going to impact what kind of living we're providing.

So flexibility is key, and so we're trying to provide that in the sky-built projects,

shorter term rentals, micro units, furnished units.

Is there working space too, because they're working from home or freelancing?

Yes, great question.

So in the Sky 92 unit ground-up apartment that we're doing in East Hollywood, there will be a fairly large WeWork space, and there will also be a coffee shop on the ground floor, and people want design-centric apartments.

They don't want to live in vanilla shell, ugly kitchen cabinets.

They want to feel like it's their home, and so that's what we're essentially providing.

It will not look like any typical apartment-building sky-up projects, almost look like a hotel, and have the amenities and services of a hotel, and we still are able to keep our pricing slightly above what the traditional apartment unit runs for.

Gotcha, and so with this, let's say, this trend, I've also seen Airbnb get into the apartment game.

We work in the apartment game.

Is this something that you are a part of, like you're like, yeah, let's partner with these companies?

Is this something like you compete with them, or you just think they're a joke?

How do you think about Airbnb and WeWork getting into the game of building these multi-unit buildings?

I think the more the merrier.

I think the more options that renters have, even better, and it will force developers such as myself to think more creatively and provide housing that is perhaps maybe more affordable, or at least, if not affordable, flexible.

So to answer your question, on the Sky side, I'm actually doing partnerships and collaborations where I'm in talks with Common on a property right now for co-living.

I'm in talks with Saundra right now on another project in Hollywood.

I've been talking with Star City and Avonstay, and so various other companies who are providing this, you're going to see more and more partnerships like that, and Sky is definitely interested in those partnerships.

What's it been like for you as a female in a pretty male-dominated industry?

What have you experienced, and then what would you advise for the next female who's coming behind you?

So I'll tell you guys a story.

When I purchased my first multi-family land, I was going to build multi-family there.

It was a little nine-unit apartment building.

No one wanted to talk to me about a loan there.

I couldn't get anyone to return my calls.

Finally, I found one lender, and I happened to have been pregnant at the time, and I was really scared to disclose that information because I was afraid that people would think I wouldn't work anymore, and what did that mean for their investment, and to the lender, and so forth.

The lender that was giving me the loan says, look, you have the loan, but can we talk about the elephant in the room?

I said, what elephant?

He goes, well, I heard you're pregnant.

Who's going to take care of the child?

What do you mean?

Wolves are going to take care of it.

Who do you think is going to take?

I'm like, I have it handled.

I have help, but it was a really awkward conversation, and it's certainly not a question that Keith gets asked, but I do.

We did the loan, and that particular lender ended up lending on a \$14 million acquisition that we did on another land deal that we did, and a \$20 million property that we bought, so the relationship withstood the question, but I get asked that a lot, and if you ask me the balance question, I will kill you.

I want to ask you the balance question.

I don't even believe in balance, but my question is more like, how did you handle it when you sort of get these questions?

Were you like, do you react?

Do you sort of call out how inappropriate the question is, or do you just sort of spin it or handle it with grace in a different way?

I think I kind of make fun of it a little bit, but in truth, I don't have time to react to it.

I have to keep going.

I have to keep moving forward.

I don't have time to get angry over it.

It is what it is.

Hopefully, in the time that we exist in today, you're starting to see a movement of, we're going down a different path in terms of equality and providing the same pay to both men and female.

I never really had time to get angry over that and never really bothered me, but I am liking the transition that I'm seeing.

I'm okay with it.

At the end of the day, my head is down.

I'm focused on what it is that I'm doing, and I'm going to keep going.

If there's roadblocks in the way, whether they be questions such as, can we talk about the elephant in the room, or doubting me because now I'm starting a family, and am I going to be able to maintain everything that I'm doing?

I'm happy to answer the questions, and it's hard.

Having a family and working full-time, it's really hard.

When we had our first child, I had her on a Wednesday, and I went back to work Monday.

Wow.

I'm expecting our first child in September, and I feel like I'll be hitting you up for tips on how to manage.

Night nurse.

Night nurse.

Okay, night nurse.

Okay, so if I'm somebody who's listening to this, and I'm feeling pretty inspired by this, what would you give us a couple of... You mentioned a book, give us a couple of resources that people can start using to educate them, because I know in this, we threw a lot of terms out there, there isn't really time to sort of break them all down. What's a good starting point for somebody to start dipping their toes in the water? Yeah.

I mean, I learn a lot via Twitter, actually.

I follow people that are in the real estate business, or I'm interested in technology.

In the technology business, I learn how they think.

You're super active on Twitter.

Yeah.

I love it.

I've met so many amazing people on Twitter, and it's led for me to make some amazing investments and get some amazing investors, and it's just a great way to meet people and talk with people in today's age.

I'm a real big advocate of that.

What's your Twitter handle?

It's Keith underscore Wasserman.

Just search my name, Keith Wasserman, and you can follow me on Twitter.

I'm very active on Instagram, also just search Keith Wasserman on Facebook also.

I'm a big believer in social media and really showing what we're up to and just spreading the message.

I'd say on the real estate front, yeah, definitely my mentors books, Principles of Real Estate Syndication was a great one.

I've read a ton of other real estate books, and there's tons of information out there.

You can feel free to message me, Keith, at galtank.com.

You can email me.

I'm always trying to help out younger people and people that are trying to get into the business.

Who should be reaching out, and I guess this is your opportunity to plug anything that you're working on or interested in?

What's a way that they could stay engaged with you guys besides that?

I think if we want to help people, I'm not opposed to people sending us a deal and saying, look, here's a deal.

We want to do it.

What do you think?

Here's our business plan for this.

We get approached oftentimes like, hey, how do we break into real estate?

That's a rather bland question.

I could give you a million different answers on that.

If you have a specific project and you need help on the underwriting, or you need help on where do I go to raise money for this, or what lenders do I talk to, I think that's a better start if you're really serious about getting into this.

You've done some of the work.

You're on your way.

I think to answer your question, I don't tweet, but I think meeting as many people as you possibly can who are in real estate is very helpful.

I would suggest joining Urban Land Institute, ULI.

They have a young leaders group.

They also have over 35, an older group, and it's great.

You'll meet a ton of people that way who are in real estate doing different things in real estate.

I was very active when I first started and it was super helpful.

Love it.

Yeah.

That's great advice, Galena.

I get specific questions.

I think the best thing, yeah, if you're looking at an opportunity and ask specific questions is definitely the best thing.

Tell everyone about the charity that you guys have and what that does in case people want to get involved.

Yeah.

We have a 501C3 called Resident Relief Foundation and we help renters that are at risk of being evicted due to a financial crisis.

We've helped around 70 individuals and families that were unable to make the rent and the average grant has been around 1.6 months.

I thought we were going to have to help people a lot longer, but people are very resilient and the most common thing is being a job loss, but we've helped a lot of people that are on different social security and different programs that had a temporary lapse in their payment that we had to bridge the gap for that.

Due to fair housing, these large manager companies, they have to treat everyone the same.

They can't say, oh, this person gets to string the rent along and be a little late and this person, they have to treat everyone the same.

We come in and we work with management companies.

We literally, whoever they target, that's been a responsible renter for at least nine months, no previous evictions, maybe only, I think one late payment we'll accept now could apply to our program and it's been funded by ourselves.

We fund 100% of all the overhead and we raise money from the outside, so different brokers we do business with, different investors of ours, anyone that wants to give back in the ethos of the real estate and apartment business, because without renters, we wouldn't even have a business.

So we're really doing a lot of homelessness prevention here.

Around a third of our residents didn't have any other place to go.

They would have been on the streets and we need to really focus on the homelessness issue with a multi-pronged approach.

We're just one aspect of it, obviously building more housing, obviously the mental health issue, but definitely the prevention piece is what we're trying to tackle and it's a real startup.

We're to grassroots, we've helped 70 families, hopefully next year it'll be 170 families and eventually we want to get government money involved in addition to large family foundations and show that we have a heart for renters and we've kept this many people in their homes and it's a win-win-win scenario, it's a win for the landlord because they get to keep a responsible resident that eventually goes back to paying rent in a timely manner. They don't have to worry about turn costs on the unit, renovating the unit, they don't have to worry about eviction costs.

It's a win obviously for society, you get to keep someone off the streets.

It's a win for the resident because it's a support system for the person.

We provide financial literacy through a partner and we provide my sister's a PhD in psychology so she's worked with a lot of the different vets that have applied to the program.

She works with veterans in her day job so we have a lot of volunteers that are part of this program and we're trying to really expand that.

So that's definitely something I'm passionate about.

Awesome.

Well, Keith, Galena, I appreciate you guys coming in.

I appreciate you flying up to San Francisco for the podcast.

It's been amazing.

Thank you for having us.

Yeah, thank you guys.

Thanks for having us and it's a pleasure.