

Equity Warehouse Founder Ian Horowitz on Self Storage Investing Transcript

Dan Breslin: Ian Horowitz. Welcome to the Rei Diamond! Show how you doing today.

Ian Horowitz: Good brother. I'm I'm excited to be here recording a little late in the day, but you know, for good conversation, I'm here. Let's do it so.

Dan Breslin: Nice. Yeah, our mutual friend, Josh Hertz. Give him a shout out. He's the one that told me about. Yeah, Equity Horowitz, you know equity warehouse. Do you know the guy, Ian Horowitz and I went and checked it out. And I've been a fan of

Dan Breslin: your podcast. Now, for I don't know. It must have been like 2 and a half years or so, and it was really cool to see the booking request come in all right. Me, and Ian can have a conversation now.

Ian Horowitz: Yeah, no, it's we were kind of talking about that beforehand. When we did the Pre interview stuff that you know, the podcast actually is a great way to like, meet a lot of people, learn about what people are doing. It helps like, refine your business. You know I me personally, even though I'm a outgoing bubbly person. It's just sometimes it's weird to put your business out there and I'm glad we've done it because we've run into a lot of cool people all across the United States

Ian Horowitz: and even Canada, that are just crushing real estate in every imaginable way that you can think of, and I'm sure you've seen the same thing on yours.

Dan Breslin: Yeah 100%. And it's like, if I cold called you out of the blue Ian at, you know, 5 pm. Eastern on a Thursday. You're not taking my call.

Dan Breslin: Yeah. Well, if Josh.

Ian Horowitz: Set it up, I might take the call. But yeah.

Dan Breslin: Yeah, yeah.

Ian Horowitz: Exactly.

Dan Breslin: You. You're not really giving me the hour, and like you, and I'm sure you get to come on your show guests to come on my show, like, you gotta get past the gatekeepers and everything. So the podcast is such a great format. We prepare, we do some research on each other. So you know interesting conversation

Dan Breslin: for any of our listeners. Ian, who don't already know about you and Equity Warehouse. Do you want to kind of give us the origination story where you started, what you were doing. And then maybe a reader's digest of your summary and a career, and and what you're working on now.

Ian Horowitz: Yeah, you know, we had. We had very humble beginnings. Myself and my business partner. We grew up outside of Philadelphia, and we wanted to be big city firemen, and at the time you had to live in Philadelphia you had to live there your whole career. And we said, Nope, not doing that. And we started taking tests all across the country, and me, my business partner and a few other friends. We ended up in Baltimore City.

Ian Horowitz: If you ever watch the wire.

Ian Horowitz: that's where we worked. If you watched all the riots that happened, that's where we worked, we were in the heart of it. And the interesting thing, though, is, we got hired in 7 and 8. Well, why is that important? We all know what happens. The end of the world comes the global financial crisis. And

Ian Horowitz: here we are taking government jobs in exchange for security. Right? But then

Ian Horowitz: here we are being faced with furloughs, pensions, issues, company closures. Detroit's going bankrupt. California pension systems are going bankrupt private industry and are going bankrupt.

Ian Horowitz: And then I'm just sitting there going like, what are we doing? Baltimore City is like a half a step above Detroit, like you're out of your mind. If you think they're going to be in a better position.

Ian Horowitz: So I got nervous about that. And then, you see the guys working there 30, 40 years.

Ian Horowitz: They worked there 30, 40 years, and it's like.

Ian Horowitz: Hey? So what are you doing when you retire, lieutenant? I want to go work at home, depot or Walmart, I'm like, well, that's that's just dumb like you work 30, 40 years, and you'll work at Walmart when you retire. And then, you know, the wife wants to have kids. It was just a culmination of everything. Wife wants to have kids. You start to think about legacy, and God forbid! I get killed or incapacitated at work

Ian Horowitz: like, how do I survive? And I said, You know, what? How do I make money if I'm asleep? Well, I'm at work right because we work 24 h shifts, and I just kept thinking, I'm like someone's in my house running it. I am making money

Ian Horowitz: every second of the day while they're there. God forbid! Something happens to me. My wife can hire a manager. She can sell the asset, she can do a multitude of things and take care of my family.

Ian Horowitz: As long as these properties are in some sort of performing condition, and that's what led us down the path

Ian Horowitz: to real estate. And just to kind of summarize it, and I'm sure we'll go through more of the story. But we started in single family. Section 8. Housing. 1st house we ever bought was 25 grand. And today we have almost 70 million dollars worth of real estate, including commercial assets, and the largest deal we've done to date is almost 13 million dollars as a 1 time acquisition. So it's been

Ian Horowitz: a heck of a heck of a run. So.

Dan Breslin: Nice nice. So you you are a firefighter. What?

Dan Breslin: Why was that? The dream.

Ian Horowitz: You know. So we grew up.

Ian Horowitz: I'm I'm I don't forget. I'm gonna quote myself. I'm 41, right? Yeah, I think I'm 41. So what happens right is, I'm graduating high school 2,001, right? And I always. We were already volunteering locally. And you know I kind of had a little turbulent teenage early

twenties, and I was like, I just need stability in my life. The one thing I love doing is hanging out the firehouse. I love the Brotherhood. I love the camaraderie more importantly, I actually do like

Ian Horowitz: helping people, and I don't care who you voted for what you dress up at night. None of that matters. We're here putting out a fire. By the way, in case you're wondering, it is the best adrenaline rush you can get without doing drugs. It is insanely fun, right? And I just kept going back to it. My dad had passed away, and I said, I just need a change of pace like I gotta get out of here.

Ian Horowitz: Let's go do it. And I thought that was going to be my career path. You know, we you know, we grew up here outside of Philadelphia.

Ian Horowitz: you know, New York was like the end, all be all. And like these guys were talking about working in Brooklyn in the Bronx, and like all these like stories, and it's kind of childish when you really think about it, of like.

Ian Horowitz: it's really selfish running into a burning building and helping other people. But like she's like, Oh, that's so cool! Just hearing these dudes stories, and I don't know, man. It just it just made me tick. So.

Dan Breslin: Yeah, I

Dan Breslin: I have a cousin.

Dan Breslin: and I guess we were probably like 4, 5, 6 years old, maybe, and they had a fire.

Dan Breslin: and originally we had 3 cousins, so he had an older brother, and he had a younger brother.

Dan Breslin: and if it wasn't for the firefighter that did climb up and pull him out of the burning smoke filled House. You know he wouldn't have made it. Unfortunately his 2 brothers did not make it so I, you know, kind of thank you and all firefighters for your service, even to be able to pull him out. And eventually he went on to fight fire, too, and it was like, Wow, I you know it was logic. He's got pictures, you know him and the guy who pulled him out both in gear together, you know, later on, seemed like really

Dan Breslin: a logical step. He's he's not anymore. He has kids. And like you said, maybe it is

Dan Breslin: maybe it is a little selfish to run into the burning building for the adrenaline rush when you've got the family, you know, suddenly growing up. And you know now it's time to kind of do something. Let the young guys go back in there and do that thing, you know.

Ian Horowitz: Yeah. Plus, you know, looking at where we are today, police 1st off Pre, everything that's happened. You know, you gotta be a special kind of person to be a police officer, and like

Ian Horowitz: when they show up, it's like, maybe not the best moment people know when firemen show up. They don't care if you're doing drugs or doing something illicit. We're just here to put the fire out like, leave us alone. Everybody likes us, and I'm a very happy, go, lucky person. I don't like the confrontation. I. This video doesn't do it purpose. But I could never cut the weight or audio. I could never cut the weight to join the military, so the fire department was just the right fit for me to be able to help and

Ian Horowitz: do something to give back to the community, not only at a volunteer level, but even when we got paid, I mean, people ask a lot. I know this is a real estate show, but I'll kind of go into it a little bit is like

Ian Horowitz: we worked in some of the most economically depressed areas of Baltimore City. I mean the worst of the worst. And

Ian Horowitz: just when someone calls and you can go help someone, and you don't have to think about. Oh, you voted for so and so, or you're doing this, or you're doing drugs today. I don't want it like there was none of that man you just went and did your job, and you actually felt good about it like. And it didn't matter. Race none of that. None of that stuff matters when you're in the streets, and people are in your helping people. And that's that was the enjoyable part of the job. All the political crap that came around working for Baltimore City. That's another time. Another conversation.

Ian Horowitz: But yeah, that that was the stressful part. If you could keep your head out of the junk.

Ian Horowitz: Greatest job in the world for barely making it out of high school. However, there was something inside that allowed us to grow and do something bigger than you know, just being firemen. So.

Dan Breslin: Yeah, it's pretty cool.

Dan Breslin: Did I read right that you're also a private pilot? I guess you got your pilot's license and.

Ian Horowitz: Yeah. So you know, as we quit the fire department, I was like, well, how am I going to challenge my brain? And we own a bunch of properties down in the southeast United States. And this is during Covid. And if you guys haven't really figured it out real quick, me, and masks like didn't really jive together. So I'm getting on plane. I got in a lot of trouble a lot of the times, and I was just like dude. There's gotta be a better way. And while we're independently wealthy, I've not figured out the private aviation game yet.

Ian Horowitz: and maybe that's a little bit of Jewish in me, and I'm just like I can't do it. I can't spend the money. So you know what I'm gonna get my pilot's license, and I'm gonna go down there and I'm gonna do it on my own and plus it's a cool, adrenaline rush. It was really dude, honestly like it was a real mental challenge dude. It was a hundred percent.

Ian Horowitz: one of the hardest, like, you know, because we came from government testing right like we had to recertify our Emt. We had to recertify everything we did.

Ian Horowitz: and those government tests are real, simple.

Ian Horowitz: and as it should be. Don't get me wrong as it should be. That government private pilots test was probably one of the hardest ones that I have

Ian Horowitz: ever taken.

Ian Horowitz: And it was really fun. It's been really enjoyable experience. I don't fly as much as I thought I would, because of the whole kids and family stuff all the time, but it is nice to know that I can just walk down the airport, go, run a plane and be gone and get out there, and you're in the sky. It's very freeing. It's kind of like golf.

Ian Horowitz: No cell phone

Ian Horowitz: concentrating, just flying over the earth.

Ian Horowitz: People could be in complete turmoil on the Earth, and you're in the air, just living your best life.

Dan Breslin: So I took one flying lesson, and that was the extent of my pilot's career, and if I remember correctly, it's a long time ago, so I might be like making it up. But I think it's probably a standard procedure in order to kind of like.

Dan Breslin: get me comfortable with how the plane and the wings

Dan Breslin: and the air works. We turn the engine off in the air.

Ian Horowitz: Yeah.

Dan Breslin: And you glide for a while. Was that part of

Dan Breslin: the program for you?

Ian Horowitz: Yeah, so they didn't. They don't shut the engine off. But they did roll the power completely back to where it doesn't do anything, and even just rolling the power back. You're immediately going like spidey sense up like, what's going on? What happened? Why is there no power? And yeah, the 1st few times like you're like gliding. And you're like this is just weird.

And you know.

Ian Horowitz: the instructor next to you has got thousands of hours, and he's just dude chill. I'm like dude like, I just want to get on the ground like, what is gonna happen? Are we gonna die?

You know, and as you advance your career, there's like spin trainings. And all these other things I started doing my instrument rating, which is.

Ian Horowitz: you know, I'm used to being in a smoke filled environment and crawling around and not being able to see. And you're like, Oh, yeah, I got this. There's a seat under my butt like I should be fine in the clouds. Yo dude! That is a

Ian Horowitz: mad respect to the commercial pilots that are flying you around every day when you get on that plane you just make sure you nod and say Thank you, because, it is a different experience. There's no spatial recognition. And you feel like you're flying straight, and you're really 45 degrees the wrong way. It it was.

Ian Horowitz: It's again. It's interesting. It's a mind challenge. I think too many people are glued to this, or they're glued to work. It was just a great way to go and fly for 2 h and concentrate on something other than work. Create a little bit of adrenaline in my life, because I created that vacuum by quitting the fire department. And that 1st time you go up in the air by yourself is a wild nerve, wracking experience, so.

Dan Breslin: So when I hear you tell me the stories about fighting fire, and then now I quit doing the fire thing, and I'm going to get the pilot's license, and and you did it right. You're like a doer. And you're doing these kind of things. I'm like, oh, clearly, this is so obvious that Ian would be like, All right, we're gonna go take risks and buy 70 million dollars worth of property.

Dan Breslin: And I think to a lot of people listening. It's like I'm dude. I'm not going to fly and get my pilot's license, and I'm not running into a burning building, and maybe I'm even hesitant to buy anything more than a single family house. So I guess the question might be

Dan Breslin: I'm like in this place where we're doing some commercial deals, and we don't have 70 million dollars. We're not operating a bunch of product, but I own commercial property, and I'm invested in quite a bit of commercial property. But I'm not the operator on the deal.

Dan Breslin: and I think I'm probably at that place where we're doing tons of residential. And it's it's great. We don't necessarily need to go beyond that. And commercial could be a little bit of a distraction at some level if we did try to just jump ship. We have a really good thing going

Dan Breslin: but the bridge from residential to commercial is something I'm sure a lot of the listeners are familiar with, or the challenge, or the dream it's out there. It's on the horizon, it's on a pedestal. So I'm a question in the lead in to kind of hand you back to Mike. Here, Ian, is.

Dan Breslin: How do you think your mindset, maybe toward risk or other skills and lessons that you learned fighting fire and flying. How did that translate into confidence to go pull the trigger on a 13 million dollar deal.

Ian Horowitz: Yeah, man, that's a that's a really good question. And I think it starts by. And it took several years for us to recognize the following is, we got really really good at one thing. We got good at flipping and creating rental properties in the single family space, and we refined our process. And in that process, what we learned was.

Ian Horowitz: we just kept going at it. Right? Like we, we, our value add proposition to our investors today still is, we are willing to go and get dirty. Most people just want to throw money at the problem, and we don't leave until the fires out right. It was the same thing in the fire department like. You cannot leave this scene

Ian Horowitz: until the fire is out. It's been cleaned out and they've investigated, and then you can turn it back over to the homeowner right? Well, it's the same thing in our business. How many people and I'm sure you've interviewed plenty of people, or you had people reach out to you. Say, I don't understand what's wrong with my business. The problem is, you're not willing to go out and get dirty and go do it. And for us, when it was like, Okay, we did a bunch of single family houses. What's next?

Ian Horowitz: And it was a small 7 unit building, and I remember sitting there going dude. We're talking about \$400,000 on a 7 unit building, and me and Dan are just flipping out. We're like, Oh, dude! I don't know about this. Oh, I don't know about that. And finally, I was like Dude. It's just 7 single family houses under one roof.

Ian Horowitz: Let's just work on that.

Ian Horowitz: and let's take it off the pedestal, and let's just concentrate on this one deal, and there's only one way to eat an elephant right? One bite at a time. You can't eat the whole thing. So we went through the whole process and just navigated that and said, Okay, well, if I continue to execute, put the property first.

Ian Horowitz: This will all work out, and we continue to grind and grind and grind too many people put this

Ian Horowitz: like you even just said it of like, oh, well, I'm trying to get into commercial. Well, what do you mean? You're trying to get in commercial. You're already in real estate like there. There is no difference. You're not will like. I want to say you. But most people aren't willing to put in that work or going back to

Ian Horowitz: day. One right day one. I bet you, if you went back and looked at your 1st real estate deal. How scared were you? Everyone can think about that 1st deal. That was the same thing for us, our 1st commercial deal. We're going. I don't know what a survey is. I don't know what a phase one is.

Ian Horowitz: What do you mean? I'm in control of all the title and every piece of this contract, right? And it's like, Okay, I just got to treat this like this was my 1st deal again. And what worked for all these years doing single family might not work here. Some of it will but guess what? I gotta recreate my whole process

Ian Horowitz: and work on myself to get, to quote unquote

Ian Horowitz: the next level. And that's what it took a lot of, you know. And again, same thing with flying same thing like the fire department. You just talked about it.

Ian Horowitz: Oh, roll the power back! Well, how are you going to get down? Well, dude, you can crash the plane, or you can fly it to the ground you choose. It's the same exact thing. Fly the fly, the plane to the ground, fly your property to where it needs to go.

Dan Breslin: Nice. Nice.

Dan Breslin: Yeah. I wonder? So when you know the commercial real estate pedestal, when you're putting your deal up there?

Dan Breslin: Where do we think that happens? Does that happen in?

Dan Breslin: You know, it's just this pipe dream. And there's no real contacts. Or does it happen like for you guys on that 7 unit deal? Did it happen when you 1st looked at the deal in an email?

Or did it happen when you were getting ready to submit the offer? Or was the offer signed?

And you're getting ready to go to closing like? Where was the moment of fear that you had to push past in that 7 unit deal.

Ian Horowitz: Yeah, at that point in our careers it was probably the \$50,000 deposit on like a \$400,000 deal. We're like. All right. This is like real. You know what I mean. And it was like going into it. The contract negotiation was standard right, and I think where the pedestal comes from, for a lot of people

Ian Horowitz: is the fact that

Ian Horowitz: It's that it's so easy. If I said Dan, what's what's this house at 1, 2, 3 Main Street in Drexel Hill, PA gonna be. And you're like, well, I grew up there. I know I know that market so quick I don't even need to run comps. I know it's worth \$200,000. I'll give you 70. I need to put 70 in all day every day. It's a done deal right.

Ian Horowitz: Well, here we are looking at a 7 unit apartment building, and we're going well, we've we've never rented an apartment, so we know we can get 1,250 for a single family house. We.

Ian Horowitz: you know, by deductive reasoning, we said, well, we must be able to get \$1,000 in rent right. That's what all the other apartments are. We had to take that extra step to rerun rent comps. We had to take the extra step to rerun. Well, what's it going to cost to renovate an apartment? I can tell you we were at that time in our careers. We're spending \$50 a foot all day, ever every day to gut renovate

Ian Horowitz: properties. We didn't know what it cost to turn an apartment building. We didn't. We never even thought about spray, you know, porcelain spraying all the tile back to white. Right? We just we only knew one thing was gutting it right. And I think that's where that rub is. People aren't willing to get uncomfortable

Ian Horowitz: in doing something they don't know, because they have this great comfort. Right? They have a hundred house portfolio, and they're like, Well, why would I go? Okay, curse on your show, like, I don't want to.

Dan Breslin: You're good.

Ian Horowitz: Right like you, you know. Well, we're we're from Philly. You already know what's coming.

Dan Breslin: Right.

Ian Horowitz: I I don't know why I asked for permission, but they don't want to go fuck it up right. They got such a good thing going. Why would they go do this other thing when it's just so easy, and they can sit back with their arms crossed, just going. Yeah, just give me that house. Give me that house! Give me that house! Oh, I screw that one, whatever this! Then the next one will work. Just give me that house right, and I think that's where

Ian Horowitz: you know I heard it really good at a mastermind. One time I was in a group full of some killers and I was. We were probably the smaller side of the people in the group.

Ian Horowitz: and the guy said, You know what it takes to go from one to 5 million in my business, to then go to 5 to 10 million, then 10 to 100 million are completely different skill sets.

Ian Horowitz: and as I grow this company I need to be willing to adapt with it, and most people aren't willing to adapt with it because they get so comfortable. Excuse me in life because they can go

Ian Horowitz: get dinner. They got every waking second to go spend with their kids. They're not willing to put in the work. They got the employee that, hey? You know they're good enough, but I don't need to challenge them a little more for us to be able to do this next deal

Ian Horowitz: in this line so hopefully. That helps. I know it was a kind of a long, winded lot of answer there, but I really think it is that most people aren't willing to get uncomfortable with themselves to take it to the next level.

Dan Breslin: Yeah. And I think, like, you know, one thing we didn't touch on, but we assume, is

Dan Breslin: the decisions made that you want to go out and do commercial real estate, and why you want to do that, you have to decide if that's right for you, because maybe someone has 70 80 properties.

Dan Breslin: and they have 20% leverage on there. And they're totally secure. And maybe they're low up in age, and they don't want to work that hard do they want to go to commercial real estate like? No, they want to have every waking second, you know. That's the end of the story.

Dan Breslin: probably for guys like you and I, it's like.

Dan Breslin: maybe it's about the money. But maybe it's more about the challenge of the entire thing. It's like.

Ian Horowitz: Go.

Dan Breslin: To get your pilot's license to exercise your brain. I feel like I am doing commercial real estate deals and taking on more risk, for

Dan Breslin: you know the challenge, the excitement, and even the impact that we're having with our investment activities.

Ian Horowitz: Well, and you started you you hit it on the head. Yeah, sure, money is the ancillary by product to this whole thing. But it is a brain challenge for us as operators. It's more than just us. It's our employees, right? When I look at our employee group and the guy who runs our operation. Ryan and I look at him, and the success that he's created with his background. And you know he bought a house. He has

Ian Horowitz: 3 kids. Now he's self sufficient. His brother works with us as a project manager. Everybody in our company has come from some sort of challenge past. And and now here they are with like successful careers. It's like, yeah, I can continue to create that in the single family space. But it's like.

Ian Horowitz: maybe I can provide a little more in the commercial space for me, anyway, because I look at it, there's more piece to the pie, right? I had the ability to say, hey, Ryan, we're buying these commercial assets.

Ian Horowitz: You know. The investment share was \$25,000 a piece. Guess what I'm giving you a whole \$25,000 share. You can't do that on a single family house, you can. But how many \$1,000 increments are you going to give in an employer. 5. And it's not real. It's not tactile.

Ryan gets paid every month on that 25 that, and he has several shares in several different properties, and he's bought in with our company. And that's

Ian Horowitz: that's the impact. It's more. And to me it's like, it's almost selfish to sit there and say, well, I got mine. I'm comfortable, you know what I mean. But then you got all these guys relying on you. You got the sure I understand age.

Ian Horowitz: and at some point maybe we chill out a little bit. But you got all these guys and gals relying on you, you got the vendors relying on you, and that's not why you should do business. But you are treat creating true impact. I mean my my favorite book, sitting right back here on my mess of a bookshelf, and it's Atlas shrugged right.

Dan Breslin: I see.

Ian Horowitz: It's about being a producer. It's about creating something and everything that comes down in that in that almost like its own economy inside your business that you're creating a lot for people by continuing to do deals. And it could just be single family, or it could be commercial in the end, as you execute. Many people get rewarded by you, continuing to grow and operate your business, and not becoming stagnant.

Dan Breslin: Yeah, it's an interesting benefit you bring up where you're able to give a \$25,000 share to a member of the organization.

Dan Breslin: Because I recall looking at the

Dan Breslin: docs on a deal and a 5, I think \$500,000 in cash

Dan Breslin: bought 2 and a half percent, maybe 3 and a half percent of the deal when you calculated on the shares

Dan Breslin: and then in in the general partner side, meaning the guys who are running the deal. One of the guys, I think he might have brought the deal to the table, and he got 2 and a half percent, too. And I'm like, Wow, 500,000. And you have the opportunity, like, if somebody were to bring a deal to the table and maybe you go in. Make the offer, close it, etc. May maybe they get a little cash upfront, but maybe they get that \$500,000 slice of the equity because it's a 20 million dollar project

Dan Breslin: and you have options to be able to

Dan Breslin: to allow that type of participation where it's not like we had to write this check, but like that, money's real, that money might be 6, 7, 3 years into the horizon before it produces maybe cash flow, or even a windfall, but

Dan Breslin: it's real money in the end.

Ian Horowitz: Yeah. And I think a lot of people lose vision of that. And again it goes back to yo. It's super easy. I'll just. I'll just continue to wholesale. I don't say it's easy, but you know what I mean. I'll just continue to wholesale houses. I got this system set up, and it just does its thing. And it's like, well, at some point like, Don't you want to be able to give your employees equity like my whole dream here at one day is to be able to say, this piece of every single deal goes to our employee retirement plan.

Ian Horowitz: and this deal performs. Therefore our employees get rewarded on the back end, and we can. Only we can. We can only do X number of deals a year.

Ian Horowitz: and if we want to do more. Guess what you guys are getting monetized because you guys executed

Ian Horowitz: for me, anyway, it was much more clear cut

Ian Horowitz: of how to do it in the Commercial Space versus saying, Well, I'm doing \$120,000 house. It's worth 150 grand. The cash flows 3 to \$500 a month like, yeah, Ryan, you're gonna get \$10 of every single house that we own like. It's like, what an accounting nightmare. And it's like not worth your time. So for us, that's what works for us. But I would challenge everybody to say, Well, look at your business. How can you monetize

Ian Horowitz: and get your employees to buy in with you, to be towards a common goal, and not everybody's motivation

Ian Horowitz: is money. But it is a nice ancillary benefit to everything else that you're doing.

Dan Breslin: 100%. So

Dan Breslin: Ian and Dan have to write a \$50,000 check on a \$400,000 purchase. And they're having all this, you know.

Dan Breslin: challenging with stepping up to the plate. Let's fast forward to the 13 million dollar acquisition, and let's go to the few moments in there where it was time to put. You know the chips on the table. Maybe it was the deposit needed to be paid. Maybe it was the underwriting and figuring out how to come up to 13 million dollars. In the 1st place.

Dan Breslin: walk me through the stepping up to the plate to kind of you know. Hit that pitch, if you will, on the 13 million dollar project. You know the early acquisition chunk of it. If we could start there.

Ian Horowitz: Yeah, so that one was a. It was a 3 property self storage portfolio in Baton Rouge, Louisiana. We had owned a few other storage properties.

Ian Horowitz: we can talk about this in a minute. But, like my favorite way to find deals is through brokers. I love building relationships with brokers.

Ian Horowitz: And he brought me this deal and said, Look, dude, I'm not taking this to market. Seller doesn't want it at market. He just wants it sold, and I'm not really interested in dealing with anyone. I kind of like you. We've done a few other deals. Let's do this. I said, Okay, game on. And I underwrote it. It took me a few hours to underwrite back of the napkin, and I was like yo dude. I think there's a deal to be had here. I'm very interested.

Ian Horowitz: How do we do this? And remember sitting down talking with Dan about it, and you know I I kind of pre negotiated with the broker, I said, Hey, I think we're going to be right around here. And he's like, Okay, yeah, if you can hit that 13 and change number, or whatever it was. You know. Let's let we could probably get something inked, and I remember sitting there talking to Dan. He's like dude, are you sure? So I don't know. And

Ian Horowitz: yo, we had done other storage deals. It was like, it's almost like that 7 unit building coming from single family, and then like going to the next. It was like, Oh, man like. And right before all this

Ian Horowitz: we had some. We had a bunch of success on some other properties that we had syndicated, and we had a bunch of people just throwing money at us like, Hey, man, we want to do deals.

Ian Horowitz: and we said, Well, we think this is a good deal.

Ian Horowitz: and we actually got so scared that I hired a professional underwriter who teaches at temple.

Ian Horowitz: and it was suggested to me that I speak to him, and I said, Hey, Bob, I said, what do you think? And we paid him a couple of grand to come in and help us underwrite it, and he believed

Ian Horowitz: that the cash flows were where roughly, we said they were. And then I'm sitting there and go. God damn it like, why do we spend that money? But

Ian Horowitz: it's like, you know, this is the biggest purchase to date a 4.5 million dollar cap. Raise a massive loan, and we're just going. Oh, my God! Like, you know. And it was a. It was a very interesting experience overall.

Ian Horowitz: But yeah, man, there was a lot of like.

Ian Horowitz: okay, well, we're doing this. There was a lot of

Ian Horowitz: all right, like the numbers check out. Now what? All right, let's continue to rely on our experiences. All right. We need to raise capital. We need to get the securities document, and it was like a lot all at once. And this kind of relates to the other question is, as you're

challenging yourself with this, I can see very clearly in our business where we can insert people to help our help us

Ian Horowitz: grow this portfolio. And yeah, man, that was a challenging deal. I'm glad we did it. I mean comfortably today. What I'll tell you. Our deal wheelhouses is like 2 probably one to 10 million is like a really wide range, but like 3 to 7 million is really where we like to be, one to 5, 3 to 7. Somewhere in there

Ian Horowitz: we'll go up for the big deals.

Ian Horowitz: But we like to stay in that wheelhouse. It's just the right equity raise. It's the right amount of work. It's the right type of seller, you know, it's all the good things that come with it.

And

Ian Horowitz: yeah, man, it was a it was a challenging oh, and the other big challenge to that deal, was, it was afar. You know, we're up in at that point. We're still firemen for the city of Baltimore. We're in Baltimore, Maryland.

Ian Horowitz: and this property is in Baton Rouge, Louisiana. This was like one of the largest. Well, it was the largest acquisition we were making to date, and still is.

Ian Horowitz: and it was, however, many thousands of miles away which made interesting for due diligence, vendors, employees, and everything else in between. So.

Dan Breslin: Yeah, it makes sense. And like, sometimes, you know, 13 million dollar deal

Dan Breslin: can justify the plane rides. But you know, if you could find enough deals in your own backyard. Then the plane rides kind of not desirable.

Dan Breslin: The how? How did that one work out.

Ian Horowitz: Yeah. So we're in the process. We we've completed stabilization. It's it's getting ready to be listed at market. We've had some conversations with top 20

Ian Horowitz: operators in the storage industry who are very interested in it. It's been a fun experience, you know. We'll see how it shakes down. I mean just transparently, if we're in election year, so everything's down I'll be. That's my polite way of saying things. But everything's down due to election season. So there's a retraction in in storage pricing. But it's really just retracting to pre covid days. Covid was this

Ian Horowitz: massive explosion of pricing and demand, and people needing storage. And now that things have slowed down and people have gone back to work, and they don't need to store things, and money's getting a little tighter. They don't need to store things, and they're selling their boats and their Rvs.

Ian Horowitz: There's some retraction, so I'll be interested to see

Ian Horowitz: where pricing comes in. I think we'll still hit our target metrics of roughly 20 million bucks. But

Ian Horowitz: who knows in the end, like as long as you're not losing money, and you're derisking your portfolio at any given time. A win a win is a win, you know, and if you didn't lose money, a push is a win for those that like to bet in the Casino, you know. Push is a win, and that's all you can ask for sometimes, but I believe we're going to make some money on the deal, and I'm I don't want to jinx it. So that's why I'm trying to be very humble about it, and

Ian Horowitz: we get I'll come back on and tell you how it goes.

Dan Breslin: Like that. I like that. What was the Capex on that one? Ian.

Ian Horowitz: So we replaced all the doors. We went to an unmanned business model.

Ian Horowitz: We fixed some parking at one of the sites. We updated all the gates and updated all the cameras, updated signage and updated lighting. That's the one cool thing about storage

Ian Horowitz: over the residential space, the Capex or in the Industrial. And in General Capex, you're dealing with metal buildings. We're dealing with garage doors and paint and video cameras and security cameras and lighting where in the residential space we're keeping up with the Joneses. Right? Like we gotta gut. Renovate the apartments. We gotta put in the coolest tile the coolest cabinets, the coolest

Ian Horowitz: anything, and I don't care what class asset you are in. You know you could be in in Kensington right? And people still want the best stuff there is, or the heart of West Baltimore dude. We're putting granite. We were putting granite countertops and stainless steel appliances

Ian Horowitz: in Section 8 properties because we had to keep up, because at that point the inventory was all foreclosure stuff from the global financial crisis. So these people are in these crazy good houses. That was our market, whereas in the industrial space we're talking about white boxes.

Ian Horowitz: broom swept. Keep it clean and off we go, you know, and that's that's really the big difference. And that's why the cap X on storage and industrial and we we enjoy that. But yeah, the Capex was nothing nothing too crazy.

Dan Breslin: Yeah. And to speak to your resetting back to the Pre covid levels. Our self storage partnership had 14 sites

Dan Breslin: in entitlement and approval. We're building 7 now, and we cut our square footage on those 7 and half. So where there was 80,000, it's 40,000 where it was a hundred. There's 50.

Dan Breslin: And right now there's no plan to build any of the rest, and we're going to sell off the entitled Lots for the other 7, more than likely, and it's kind of a it's kind of going to be a push situation, you know. Make

Dan Breslin: 50, a hundred grand or something on each lot.

Dan Breslin: That's not why we got into those deals, for sure.

Ian Horowitz: No, but if you can, if you can derisk your portfolio, I I had a lot of conversations with our investors right? Because we're gonna make money. But I'm like, Hey, man, I think we're gonna hit our target. But we might not. And they're like, you know what we're in Baton rouge. You're one hurricane away from a massive mess on your hands. I was like, you're right. They're like, do you really know the path of progress down there, I'm like. Well, I know the path of progress around Baltimore and Philadelphia.

Dan Breslin: They're like, well, so.

Ian Horowitz: Why wouldn't you sell? We'll make money a wins a win. We'll derisk, and we're happy to reinvest with you. You're doing the right thing right, and I think that's part of it. That was like one major learning lesson.

Ian Horowitz: From investing afar. Is that like

Ian Horowitz: I could tell you everything that's going on within basically a 4 h radius of Baltimore and Philadelphia

Ian Horowitz: Baton Rouge, while I know the city well enough to get around from the airport to my sites, and I can kind of get a gist of what's going on.

Ian Horowitz: I'm not there every day. I don't know where Lsu is building. I don't know what's going on in the oil industry down there, you know. And you could call me a little naive on some of that, and it's not that we're not good operators. It's just. You can only know so much market data to an extent. And I'd rather work where we know, like we have a little blue ocean out here in West Virginia. That's about an hour from our office in Baltimore

Ian Horowitz: that I'm like, okay. Well, in an hour I can be somewhere where there's massive development, there's massive growth. I don't have to get on a plane. I don't have to make my project managers miss their family, and be away for 2 weeks and get everything done in one shot. They can work on this project on the daily, and be comfortable, and be in their bed every night with their wives, you know. So that's 1 major learning lesson that we have from investing afar.

Dan Breslin: Yeah. Tighten the radius right?

Ian Horowitz: Yup, a hundred percent.

Dan Breslin: Yeah, it makes sense. It's funny. Some of my friends one has. I don't know. 300 million 5,400 million dollars in assets under mass management. The other guy has about a hundred give or take.

Dan Breslin: and both of them are saying the same thing that you are. The one guy owns some stuff really far plane rides. But he's like, I I'm like, not gonna keep going this route all across the country. I don't have to go to a billion or 2 billion just for the sake of the number. I I need to like, concentrate this into the 2, 3, 4 states where we own the most of our products for the same reasons that you're saying. You know, traffic patterns, you know. You know what people are thinking. No, the government's

Dan Breslin: political temperature right from talking to people that are like on the street, and who live there, and who are like agitated about certain things. And the other guy was getting ready to move to Florida. He's like, I need a warmer climate. I'm in Colorado now.

Dan Breslin: and he got to Florida. We're like sitting on the beach in like Saint Pete or something in the winter. He's like, Yeah, this isn't gonna work for me. I'm like a 4 h plane ride from like 95% of my portfolio like, I gotta find somewhere in Phoenix, and that's where he landed.

Ian Horowitz: Yeah, no, that that makes sense and dude. It's vendors like you said political, I can tell you

Ian Horowitz: Louisiana does stuff way different than Maryland. You know, some of these bluer.

Ian Horowitz: more progressive states actually have really, really, really good online stuff.

Ian Horowitz: You know. But you know, to register your entities. Maryland's actually really easy to utilize dude like some of these backwoods like Mississippi.

Ian Horowitz: It's just like some of the shit you gotta do. I'm just like dude like this is really challenging. And then you got to keep track of how every different

Ian Horowitz: jurisdiction operates and what licenses you need. You know it's a lot, whereas

Ian Horowitz: I moved back to Maryland or PA. I know

Ian Horowitz: the ins and out. I can call the inspector and say, Yo dude.

Ian Horowitz: we need this.

Ian Horowitz: or I know the permitting person, or I know the vendors. Hey, man, like, I know you're down like plenty of times. We've taken our guys from Baltimore and shipped them out to West Virginia and said, Hey.

Ian Horowitz: go renovate this apartment building, and it's done right like asking them to go drive 13 h to Louisiana. Stay down there for 2 weeks, they would.

Ian Horowitz: But that's a big ask.

Dan Breslin: Yeah, big, ask.

Ian Horowitz: So.

Dan Breslin: Yeah. Is Louisiana a non-disclosure state.

Ian Horowitz: It is, I believe so. Yeah, I believe so. Not.

Dan Breslin: I think Mississippi is too so like for anyone listening. If you go on Zillow and you look at houses in a non disclosure state. They'll have a little line there instead of the recently sold telling you the price. And I know that they're not disclosing the purchase prices, and that's not public information I'm imagining and guessing that probably extends to some other areas of information, too. Right? Ian.

Ian Horowitz: Well, the best. The best part is taxes right? So if you get a tech for some reason, your title company, so in a non disclosure. State. The way I understand it is that you can disclose how much you paid for your property, and somehow the Government owes you magically knows, even if you don't disclose how much you paid, and they try to reassess you.

Ian Horowitz: The good thing about non disclosure states is you don't know what anybody else paid for their property. But you can look up their tax bill, and you can say, Well, I'm a storage facility, and that guy's a storage facility, and he's more competitive than I am because he doesn't have this massive tax bill. So I want to be reduced to that tax amount.

Ian Horowitz: You have much more leverage there than you do say in Maryland, where they're like, well, everything's based on the purchase price. And here's the phase in, and tough crap. So. I will say Arkansas, for those that are looking for commercial real estate. They have a great phase in period on their tax reassessment, which is really cool. But everybody else is. You know these again. These are things that you need to understand. Another thing about Louisiana that we learned

Ian Horowitz: and Mississippi and some of these other places. We learned a lot about flood insurance, flood plains and flood everything else. But yeah, man, there's a lot of quirks that people need to be aware of when operating outside of your home jurisdiction. So.

Dan Breslin: So you touched on 13 million, and that was a storage deal. And then you said your sweet spot was like the 3 million to 7 million. I'm curious. Is there a shift into a different asset class like, where? What kind of assets now are you looking at? If storage was balanced off like, what's the buy box now?

Ian Horowitz: Yeah, our. But I mean, we're we tell everybody we're opportunistic investors. We're not shy. We'll look at a lot, really. What we've been looking at recently is, what do we love about storage? Well, it's not residential real estate. You're not dealing with that

Ian Horowitz: red tape of residential real estate consumer laws. Everyone saw what happened in Covid. They're still there's still flat coming from it, right? But what we loved about storage is you're dealing with a metal box. What we don't like about storage is, there's a lot of move ins and move outs. There's a lot of transient people, even in your nicest facilities. People are moving in and moving out. There's a lot of daily transactions that happen.

Ian Horowitz: What do we like about the residential world? We like the long term leases. So we said, well.

Ian Horowitz: let's put 2 and 2 together.

Ian Horowitz: So we we've been concentrating a lot on storage and industrial more of the flex space. Small Bay Flex, you know, kind of like your storage facilities, you know. 2 to 5,000 square

foot bays for contractors. We're we're in contract to purchase one in Southampton. We're converting an old office building into flex space.

Ian Horowitz: That's a really interesting deal. We're working on some ground up development deals again, all in, mostly in the flex space slash storage space. Although we, we are doing a 10 house subdivision and a lot of it comes and revolves around the ability to create cash flow by us, being able to be our own Gcs, because, again, our value add proposition to our investors is what that we are.

Ian Horowitz: We're contractors. We have the ability to get the work complete at the best prices we know. And that's a piece of the project that we're able to monetize and feel good about it right? A lot of people syndicate deals, monetize it to monetize it, to get all their fees to cover their overhead, and then they're just deal junkies trying to get to the next deal and continuing to monetize their fees.

Ian Horowitz: whereas this way we're monetizing a fee that we were going to pay to somebody else, anyway. But we're going to execute as a contractor to do it. But yeah, the the flex space and development is really what we we've been concentrating a lot on, as of recent.

Dan Breslin: So you're going to bring the 10 lot subdivision. You're going to bring those vertical.

Ian Horowitz: Yeah, so that one, that one there is a 10 house subdivision in West Virginia. We bought a single family house, subdivided the lot off, or we're gonna build 10 new single family properties to be sold. There's a they're like, I said. There's a major housing boom out in the Martinsburg region. We own some apartments out there. So we've been navigating. This was a good test on our development skills cause as much construction as we've done.

Ian Horowitz: We've never come out of the ground. But we are in contract in something out in Bucks County, PA. That we're going to build 80,000 square feet of flex space.

Ian Horowitz: You know, that's gonna be a 8 million dollar build with a 2 million dollar acquisition. We're back at that 10 million dollar number. But yeah, it's a it's great opportunity to build and create. You know, people are running away from development. And I understand why? Because of the demand. But in the same sense, if you

Ian Horowitz: again, these are 2 very small sub markets we're talking about Martinsburg, West Virginia. Wherever every major track home builder cannot keep housing inventory in stock.

Ian Horowitz: and

Ian Horowitz: for the foreseeable future we know that there's a new road from DC. That takes people up into West Virginia. We know that Baltimore and everything else keeps pushing out West, and people want to continue to get more rural, and people are working from home. They're willing to work, live further and further and further. And people still need starter homes. So that's why we're real real bullish on that. Because we understand that sub market so very well.

Dan Breslin: Have you gotten any offers on the paper lots before you put curbs in, or anything like that?

Ian Horowitz: You know, it's funny. We just we just closed on the property today. We're still waiting for some entitlements from Martinsburg, and we literally tossed around. The idea of just saying screw it.

Ian Horowitz: just put it up and just see what happens as one whole package. And

Ian Horowitz: yeah, did you pick up 30 grand a lot for the little bit of work you done right. The back end sale prices. 3, 53, 60,

Ian Horowitz: yeah. I think we could get 30 grand a lot. It's like, well, you know what like. We could make a million bucks tomorrow and take a ton of risk, or we could just make 300 grand and keep it moving. So we've we've debated about sticking it up on MLs. And in that exact fashion.

Dan Breslin: Yeah, it makes sense. One of the strategies you might check out would be pulling all the permit data for the county and then see who the builders are and reach out to them while it's off market. A lot of times we found that the builders like when it's off market and will like pay more. So I'm in another fund. And we're doing really large paper lot subdivisions like 8,000 lots, and we're selling those to like Polte and Toll Brothers and the rest.

Dan Breslin: And the market is like kind of superheated. In other words.

Dan Breslin: you know the developer.

Dan Breslin: there's normally like there's kind of like 3 people. There's like the land person who does the entitlements.

Dan Breslin: And then there's 1 developer in the middle. That person would usually build the curbs and the sidewalks, and they're gonna make a chunk of the profit, too. And they're going to sell each individual lot to the builder. So if we just use your 10 lot. Example there to kind of paint a picture.

Dan Breslin: You're talking about 30 a lot. Let's say the developer buys it for 30 a lot, and he spends 20 a lot doing the finishes. Now that's 50 grand. He's in there for maybe he sells it for 65, or 70,000 per lot. Yeah, that would be his, you know, 10 or 15% worth of profit. And then the builder has the contacts to bring them out of the ground. They're buying, you know, hardwood floors by the

Dan Breslin: container load from China. It's hard to compete with someone who specializes in that end, and they could build a lot cheaper.

Dan Breslin: But the market's gotten so hot that we'll we'll like exit to the person who's bringing them vertical toll. Brothers Polte. Even the local builders. And instead of them paying like 30, they're paying 35, or 40. So they're like paying. In a sense, you're getting the development profit, too, for being the holder of the entitled Land.

Dan Breslin: Yeah, that's a. It's a unique hot market to get away with a deal like that right now.

Ian Horowitz: Yeah, I feel like land's been real hot the past few years. I just know from my, podcast I've had several land flippers on. And I've heard the same thing that you know. Everybody's hot and heavy on land and getting the entitlements and the subdivisions. And I I we know from the track home builders. They've like Ryan homes. They've moved away from that business model of entitling and going vertical cause. They don't want the operational risk. You know there is.

Ian Horowitz: you know, there's a ton of operational risk in getting it entitled. But I agree I would we

Ian Horowitz: we know some people that have been doing a similar thing, and

Ian Horowitz: dude, they're willing to pay 2026, 2027, pricing in their mind which is just

Ian Horowitz: insanity to me. But who knows. Maybe they know something we don't. I guess we can go to their private island.

Dan Breslin: Yeah, right? So you're gonna build, what's that? A \$100 per square foot on the build for the \$80,000 flex space 100 bucks, a square foot.

Ian Horowitz: Yeah, we'll be. We'll be about a hundred dollars a foot. Perform it out.

Ian Horowitz: you know, again, obviously, everything's subject to change. But you know we'll build \$100 a foot with land acquisition costs, and everything else will be 140 ish, I think. Don't quote me, and you know, I think it'll be worth anywhere from 180 to 220 a foot, because it's class a product right? Like nobody's building the flex space

Ian Horowitz: product. And that's the interesting thing. So I'm I'm actually really bullish on that one more than I am. The West Virginia subdivision, because I believe every private equity firm from New York to Miami will be our upper butt to buy it, because we're building just outside of Doylestown, in Bucks County, and it is such a high dollar high household income

Ian Horowitz: I believe we'll do really really well, not only from a rent standpoint, but from a back end sale price, just because, again, serviceability, right? Like, when you're looking at these properties and we're looking to build them. We're looking at well, if we do build a flex space or a storage facility, and you're gonna run your business out of it.

Ian Horowitz: Well, you can service New Jersey, Allentown, Lancaster, Philadelphia. Somebody could be on the road to 95 down to Maryland. Right like these are all the things that we're starting to look at when it comes to development. That property was actually entitled. That's our per. We're kind of like what you talked about. We prefer to be the back end, guy and buy some of the entitled Land and not go through the complete entitlement process. Because

Ian Horowitz: that's that's specialized stuff. Those guys look at lots and they know exactly what they're doing. So.

Dan Breslin: Yeah, it's it's a hassle to get the entitlements. I mean, that's like kind of our sweet spot in that fund.

Dan Breslin: And the challenges that are dealt with and the creativity I mean, it's it's a whole, it's a whole business model. What do you think the rent per square foot there is on that Doylestown.

Ian Horowitz: Yeah, we'll be in the Conservative pro forma, you know, \$1314 triple net range. I believe there's some comps to tell me we could be upwards of 16 to 17 bucks a foot

Ian Horowitz: but again, it all kind of

Ian Horowitz: it just depends where the market goes. Demand the one thing that the the demand is is, there's no product left.

Ian Horowitz: Businesses are moving out. The the as people move out, the businesses come with them because the business owner doesn't want to drive all the way back to Philadelphia to

his business. He wants to walk out to his truck, pick it up, then go drive to Philadelphia to go do the work right? So with that being said,

Ian Horowitz: I think we'll be somewhere in the 14 to 16 range we underwrote, you know, 13 bucks a foot

Ian Horowitz: and I'm excited to see where that one goes, because the other thing

Ian Horowitz: we're in a such a high dollar neighborhood. And one thing that we've considered is

Ian Horowitz: looking at condos for like, I don't know if you've seen them like High End Rvers, High end car guys. They're buying condos, and they're breaking their you like big stuff like this, breaking it down, putting condos in. And they got their own private

Ian Horowitz: car collector suite, and when the guy that had entitled the property put a sign out there, he said he had a ton of call car collectors reaching out and asking for that exact thing. So we're looking at several different exit strategies on that based on rent and potential condo sales.

Dan Breslin: So describe one of the units like 3,000 square foot garage door bathroom, Hvac system. In there.

Ian Horowitz: Yep, 2 2 to 5,000 square foot units. The Max we could technically go is 12 5 based on fire code without having to put a fire break in it. And essentially, what we're gonna do is we're gonna go in there. We're gonna build the box and we're gonna hang a heater in the in the

garage bay with a garage door, High Bay lighting 24 foot side walls, and then we'll have a small 600 square foot office up front average base size will be about 2,500 square feet.

Ian Horowitz: And that's it. That's

Dan Breslin: Bathroom in each unit or common bathroom, bathroom.

Ian Horowitz: Bathroom and office in each unit. Everything's individually metered, because the other thing is, we want to be able to go in there and say, well, maybe the condo market gets super hot.

Ian Horowitz: and we want to condo this building apart and sell a bunch of them. We want it broken down individually and have no common air common area shared in case we can't get a sale, because

Ian Horowitz: again it comes back to de-risking. What if I could sell

Ian Horowitz: half the property for 10 million bucks, and we own the other half free and clear.

Well, that's a hell of win right like so.

Dan Breslin: Oh, yeah.

Ian Horowitz: We want to be set up again to have multiple exit strategies.

Dan Breslin: What's the clear height?

Ian Horowitz: We'll be 24 foot.

Dan Breslin: Is that a 24 foot door.

Ian Horowitz: No, we'll do 16 foot doors.

Dan Breslin: 24 foot to the rafters.

Ian Horowitz: Yeah, 24 foot to the rafters. It'll be clear span. And again, the reason we're doing this is cause we can right there the cost to go from a 16 foot sidewall with a 14 foot door to get our door a little bit bigger, and to get the side walls 8 feet taller to have all that clear height.

Ian Horowitz: and the peak will be 30 foot dude. Someone comes in with a racking business that needs to store a bunch of stuff, and they're a local distributor. They can't come there, and your your broker is set up for success at that point. They can't be like. Oh, well, you should have you told me you're gonna build 24 foot. You didn't do it. And guess what everybody wants. 24 foot, cause you know that's their app right?

Dan Breslin: Yeah, so.

Ian Horowitz: It's like, Hey, man! For the extra 100,000 bucks on an 8 million dollar build. It's a no brainer to go just that much higher. It's the same amount of sub base work and soil work and everything else. It's just the steel's just a little bit more.

Dan Breslin: Yeah. And then what is that? Like? 12 units give or take 1012.

Ian Horowitz: For 80,000.

Dan Breslin: Maybe 20.

Ian Horowitz: Be. No, we'll be

Ian Horowitz: will be like 30 40 units.

Dan Breslin: Oh, that much. Okay.

Ian Horowitz: Well, assuming everybody takes one day, you know, there's a 1 building that's set up as almost

Ian Horowitz: 12,000 square feet by itself. So that'll probably just end up going to one contractor and there's a couple of other bays that I'm sure someone will come in and say, hey? I want 5,000 square feet, or I want 3 bays. We'll negotiate a price not have to build all 3 offices, and they want all the storage cause they're a big landscaping company or a

Ian Horowitz: a gym,

Ian Horowitz: granite company, a contractor that wants to store cabinets or so. You know what I mean, like

Ian Horowitz: a a big thing that we've seen at one of our storage facilities in Baton Rouge.

Ian Horowitz: A lot of guys are keeping their trucks indoors. We have a Rv facility. And on that Rv facility is a lot of big bays. Obviously, we get more contractors there, storing their trucks indoors, and we do rvers because the guys are sick and tired of getting robbed. They're sick and tired of the wear and tear

Ian Horowitz: on their trucks. They want to store the stuff inside. It's warm. The guys can work in the winter.

Ian Horowitz: So

Ian Horowitz: I expect that. Well, we'll have that many units.

Ian Horowitz: We won't have that many tenants.

Dan Breslin: Yeah, that makes sense. Sounds like an exciting project. We had a very similar project under contract, maybe 6 months ago.

Dan Breslin: a very small market. It was like

Dan Breslin: like 1020,000 people in a 5 mile. It was puny, and that is not. That is not the Doylestown market. So your project, and the product sounds far more exciting than the one we put the PIN in, and I think our price

Dan Breslin: per foot was right around a hundred. It might have been 1 15. It might have been 85.

Dan Breslin: But we just weren't confident in our ability to get the rents on the way out with such a small population.

Ian Horowitz: Yeah, well, that's the biggest thing. And I think that's the biggest challenge to development. All the market data tells you. Oh, you'll get XY, and Z. But you know again, you need to rely on the ability to understand that local sub market. You need the ability to say, Okay, well, if my closest, best rank comp is in North Wales, because there's no inventory between here and there. Well, is that actually transferable? Right? And I chat, you know, those are things that you got to challenge the broker on. And

Ian Horowitz: you know what's what's interesting about a lot of these suburb markets is you can be in the city from Doylestown on like a map radius. You know you're 20 miles away, 30 miles away, and people are looking at the comps. And you know you might pick up a city Comp. And and you're like, Oh, well, that's not good.

Ian Horowitz: But really you need to start excluding those things. And you know it's been interesting to see how they're on. You know the brokers underwrote it and comped it equally to what we underwrote and comped. And you know, the commercial space market data is really really tough to pierce. You know, we have. Costar is probably the best tool that we utilize from a from a leasing standpoint. But that data is only as good as what people enter into the system. And

Dan Breslin: Yeah.

Ian Horowitz: You really gotta understand that you need to have great relationships with brokers and really understand your sub markets.

Dan Breslin: That was the other thing we did on that one

Dan Breslin: keen New Hampshire. We had the drawings done, and we marketed it and paid for the loop net silver ads. So we would be getting the phone calls from the tenants. So like on any large project with a lot of vacancy, we're running ads during due diligence, like, we want to know, are we getting calls at \$14 a foot? Or is it crickets?

Dan Breslin: Yeah, it's crickets that's going to be a problem, especially if we're paying a thousand bucks a month to keep an ad running on loop net. And we're getting nothing. Yeah, if the phone's blown up. Now, we're like, All right, cool. Maybe 14 is conservative. And we are looking at that 15 or 16.

Ian Horowitz: Yup, yup, yeah, no understanding. Your demand is the big one. And I think this goes back to the earlier conversation. I think this is why people get scared of commercial real

estate. You can't just go on, Zillow, and get your comp in 2 seconds and be able to wholesale a house or lease it up right like you actually got to put in a little bit of work.

Dan Breslin: Easy.

Ian Horowitz: To figure it out, and people aren't willing to do it. You got to pick up the phone, I mean, Dude. I I put myself out there. I'll call brokers and be like, Hey, man, like I'm just. I'll I'll be honest with you. I'm calling you because I need this information. I'm willing to talk shit with you, but like in the end, I don't know if we're ever going to do a deal. I really just need this piece of information. And that's just the commercial world. It's just. It's just a little bit different. And

Ian Horowitz: it takes a little bit more work, a little bit more massaging, but once you dial it in and figure it out, I think there's a ton of money to be made in commercial real estate. Don't get me wrong. There's a lot of money to be made in single family real estate, but

Ian Horowitz: I just believe the numbers are bigger. It's easier. Here's another one. It's easier to get. It was easier for me to get that 10 million dollar loan on that 13 million dollar acquisition or this new build than it is \$150,000 single family house in Baltimore. With a proven track record. Right? So

Dan Breslin: Yeah, Baltimore is a high risk area. Huh?

Ian Horowitz: It's all. It's all high risk.

Dan Breslin: Edit.

Ian Horowitz: It's all high risk. Right? So but yeah, man, it's just, you know, a life insurance company will give us money tomorrow.

Ian Horowitz: Alright. And yeah, what do you want to do? Okay, you you want to do this project over here? Yeah, that's a great project we're in. Just pay us. We don't care what happens. Hey? Local Yoko bank. I want to borrow this money. You know you're self employed. No shit. I'm self employed like dude. This is what we do for a living. Yeah, you know. But you know what. Forget it. I'm out of here, you know. Let me just stay in the commercial world do my thing. It's so easy to get loans over a million bucks and keep it moving so.

Dan Breslin: Yeah, I think some of that comes from. Look at the incentives on the other side of the table. \$150,000 loan like, what are they? There's a a point to go around like 1,500 h ago around to pay the rent, to pay the underwriting team to pay the guy you're talking to for the loan. If you take a 10 million dollar project, you only probably got to put a half a point on there. And what's that like

Dan Breslin: 50 grand or something like that? To go around.

Ian Horowitz: 10 million bucks, 10% is a million. Right? So.

Ian Horowitz: Yeah, 50 grand whatever. But even if they got a a point on 10 million bucks right?

Ian Horowitz: Because they they're they're hovering a point, you know, and early on, I'm doing the math right now, because I was like.

Dan Breslin: Yeah point. A point's 10 grand, I guess. Right? Is a point.

Ian Horowitz: Yeah, it's 50 grand a half a points 50 grand, right? So cause 5% is 500.

Ian Horowitz: Yeah, it's 50. Grand is a half a point. But either way they're doing. I remember early on, when I was talking to the guy who brokers the life insurance money to me, he said.

Look, man, I'm taking a risk on you. The 1st deal you're doing with me is only 1.6. He's like, yeah.

Ian Horowitz: Doesn't do it for me, I said. What do you mean? He's like dude.

Ian Horowitz: I can do a 16 million dollar loan, get paid way more money and do the same amount of work and deal with all the same bullshit. I said, well, all right, fair but that dude there challenged us to make sure we're doing 10 million dollars a year in loans with him.

Ian Horowitz: and he's a great resource. He dude. He's dealing with guys that are doing billions and billions and billions of dollars in real estate transaction. He finances over a billion dollars in real estate transactions a year.

Ian Horowitz: I'm going to listen to what he has to say and say, You know what?

Ian Horowitz: Alright man! Thanks for the insight, and it's a great learning lesson. I think you can learn a lot from your lenders. You know, getting verification. Hey, man, we're looking at this project. Oh, yeah, so and so did a project over here had great success. You should call him right, because it becomes more friendly like you get into that network. And then you become one of the boys. And you know, people start chirping and talking to you, and that's where the real learning lessons come. And you really start to get comfortable in your craft and the ability to do stuff.

Dan Breslin: I love it

Dan Breslin: so

Dan Breslin: as we turn the corner to do the wrap up here you mentioned. Atlas shrugged. As your favorite book. That's an ein Rand, am I.

Ian Horowitz: 10 right.

Dan Breslin: Ian rind.

Ian Horowitz: And ran. Here she is!

Dan Breslin: Ann Rand, there you go!

Ian Horowitz: Yeah, there it is.

Dan Breslin: Yeah, that's a good one. If anyone hasn't read that, do you have one or 2 others that might be good for the listeners to check out.

Ian Horowitz: Yeah, I'll tell you what. And actually, he's coming to speak at our mastermind. I'm really excited. We were able to get him to come on. Well, he's doing a zoom call with us, but Dan Martels buy back your time. I listened to that, and

Ian Horowitz: dan Hardy has got that other one that's like who not how. It's kind of 2 similar books almost side by side. Dude. Those 2 books right there completely changed the trajectory, and this was within like the last year.

Ian Horowitz: I mean just the ability to outsource.

Ian Horowitz: I I really love the comment from Dan Martel. He's like dude like. Or maybe it was Dan Hardy. It was one of the 2,

Ian Horowitz: and he's just like

Ian Horowitz: you don't concentrate on that every day like you're not the best person to perform on it. Yeah, it might take that person 8 h to make that flyer for your upcoming mastermind.

Ian Horowitz: but it'll be the coolest flyer ever. And I'm like, shit. You're right, you know, because that same 8 h, I'll take 18 different phone calls, try to do 2 different podcasts, do everything else I gotta do. And I'm like, you know what it's good enough to send. Just send it, and I.

Dan Breslin: Yeah.

Ian Horowitz: Because I had to do it, and that whole who not how concept, has gone a very long way in our business. And

Ian Horowitz: you know you do have to make money to be able to employ other people, but in the same sense it is a very relieving thing to be able to push tasks off. You know, podcast bookings, website stuff, just email management in general, like, it's nice that I just get to go into my email inbox. And I can just see what I need to see. And I think Dan Martel does a lot of good

Ian Horowitz: actionable items in that book, and like, I said, I suggest reading it side by side with who not? Hell.

Dan Breslin: Love it. If you could go back and share the crown jewel of wisdom with yourself, let's say, at the beginning of your firefighting career, knowing everything, you know. Now, what would that be?

Ian Horowitz: Trust your instinct go bigger. Go quick, you know. Really, you know. Instinctively I knew that I wanted to do something like this, and I did it, and then I got caught in this exact like comfort, level trap of like, I'll just keep going single family. But I knew I wanted to do something bigger. I wish I took the leap of faith

Ian Horowitz: sooner and that includes quitting my job because we tripled our business overnight. Getting into commercial real estate sooner, asking for bank loans sooner raising capital sooner. I just wish we did a lot of things.

Ian Horowitz: or I'm sorry I don't want to say I want to wish, but if I could tell myself, I would have said, Go, do all these things that you instinctfully know

Ian Horowitz: sooner to execute on them, and you have the ability to do it.

Dan Breslin: Before I ask the final question, where can listeners get a little more about Ian Horowitz?

Ian Horowitz: Yeah, chat. We're equity warehouse on all the social sites. I'm the most active on Instagram. Equitywarehouse.com. If you want to learn about how we co-invest and Co. Lend

Ian Horowitz: with our friends and family. We have a bunch of case studies on there. And currently, I'm doing a 50 million dollar acquisition challenge. Kind of told you guys about a bunch of deals we're doing over at CreDashSyndicate.com. I'm giving everybody updates as we try to acquire 50 million dollars of real estate by the end of the year I started July first. I've only given myself 6 months. We're on the move, we'll see what happens.

Dan Breslin: Love it, Ian. What is the kindest thing anyone has ever done for you?

Ian Horowitz: You know, I saw this in the pre interview, and I've literally been thinking about it. And it's

Ian Horowitz: It's a

Ian Horowitz: it's that's such a good question, because when you go back and Rolodex, everything, and the only reason I'm filibustering and just talking like this is because I'm trying to think of the right one. But I am very much a

Ian Horowitz: When it comes to love language. I do enjoy the kind words we just fish. I don't want to say it's the kindest thing, but I can just tell you something that I know

Ian Horowitz: I enjoy is when I get kind words. And I'll give you an example. We just fished a big the white Marlin open. It's the big fishing tournament we caught a winning fish. Nice one of the local

Ian Horowitz: owners. We got real friendly. We wound up talking about some stuff, and he gave us a handwritten card. I didn't care about the gift certificate. I didn't care about all the free stuff he gave us. That handwritten card was like the coolest thing, and it still sits on my desk.

Ian Horowitz: You know. The wife leaves a little note in your lunch pail. I still bring my lunch to work, guys, and she leaves that little note in there just says, Hey, I love you. It's like, I know, all right, that's cool, you know. So with that being said. It's anything that revolves around. You know, work like words. I enjoy. I enjoy that. And I'm sorry. That's such a bad answer to such a sick like awesome question, not sick, but and ridiculously awesome. Question.

Dan Breslin: That.

Ian Horowitz: I wish I had like the one, but I just know that's what makes me tick so.

Dan Breslin: Yeah, it's funny. I mean, maybe to take away for anyone listening.

Dan Breslin: I try to make a habit of doing a handwritten note to people who don't even never gonna expect it. So, like, you know, I'm in real estate. I know how to get people's home addresses, and they didn't give it to me. I don't ask for it.

Dan Breslin: but the little handwritten note may show up in someone's mailbox, and it's just talking about. You know something I admire something, you know, and we may never do business from it. And then there's other people who we do do business from it, and it may never get mentioned again. But I actually did have someone you know mentioned. Hey? I still have that card sitting in my car right? And and I had another one. I wrote a handwritten

Dan Breslin: note to someone in my family, and they passed away at a young age.

Dan Breslin: and the family found the note in there with his special items and called me, and I'm like I didn't even remember writing the note. And then, when they like right off the note I was like, Wow, that's you know. Crap! I was happy that I wrote that, and it was, you know he kept it. It was something special to him. It was like with his.

Dan Breslin: you know, prized possessions, if you will. So you never know what the kind word in the right moment is. Gonna do for somebody.

Ian Horowitz: Yeah. And you never know what kind of mood someone's in where they're at when they get that note. They might be having their worst, you know. We've seen it all the

time. They might be having their worst day, and you sent them a little note that just said, Hey, it goes a super long way, and it can change someone's whole day. So.

Dan Breslin: I love it, Ian. I've had a blast on the show, a couple of pages of notes here myself. Really intriguing conversation. I appreciate you coming on the show.

Ian Horowitz: Hell, yeah, man, anytime. And when we get this sold hope I can come back. Give you a little update on that storage portfolio. So.

Dan Breslin: That's right. Keep us posted.

Ian Horowitz: Hi! Brother! See.