

# PPP\_EP116\_FN

Thu, 8/11 7:28AM 29:22

## SUMMARY KEYWORDS

deals, physicians, real estate, properties, sheet, private placement memorandum, component, investment, practicing, years, multifamily, reading, tool, providers, people, feel, new jersey, leaders, investing, born

## SPEAKERS

Trisha Talbot, Sam Giordano

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- S** Sam Giordano 00:00  
Our sheet probably has like 20, I would say like 24 different metrics that we look at that there are some that are more important than others. I guess the main things in an overall sense that I look at as I don't like assets that are pre 1980. And so that's what in particular, when I'm looking at multifamily assets I feel like you know, whether it's asbestos, or certain types of piping or plumbing or issues like that, I just feel like it's a little high risk, and it gets into like, the more class C properties.
- S** Sam Giordano 00:36  
So most of my investments are in B- to B+ type of properties. In some cases, I'll do A type properties. So first thing I would look at is the year that the property was constructed. And this is like quick, easy stuff you can kind of look at. And then I'll look at the location and see if it's in an area that I would like to invest in. Is it in the path of progress? Is there population growth there? And then after I get through some of those things, and it kind of fits those criteria, then I get down into more of the nitty gritty and some of the big things I look at do change over time, like these days, I'm very focused on the debt structure of deals. So more so than I was two years ago I would say.
- T** Trisha Talbot 01:21  
This is the Providers Properties and Performance Podcast. The podcast that brings together leaders in healthcare and investment real estate to consider the possibilities in future at the intersection of practicing medicine, and healthcare real estate investment returns.
- T** Trisha Talbot 01:36  
Welcome to the Providers Properties and Performance podcast. I am your host Trisha Talbot. As

a healthcare real estate adviser to providers and investors the best solutions occur when the two collaborate together as partners in delivering better patient care. Providers can deliver care to their patients when and where they need it and investors realize the returns to build and manage facilities. We explore changes in medicine and wellness the future of healthcare and using real estate as a strategic and financial tool.

**T** Trisha Talbot 02:03

My guest today is Dr. Sam Giordano. Sam is a practicing gastroenterologist that is also an author, professor and co- founder of the LP deal Analyzer tool. In his free time, Sam is a passive real estate investor as a limited partner and created a tool to help him sift through the hundreds of pages of real estate deal analysis and legal information involved for every deal.

**T** Trisha Talbot 02:29

After creating the tool for himself, he partnered with an experienced real estate underwriter to take it to the next level. They plan to continue to improve the tool and make it even easier for physicians like himself and other busy professionals to process private placement memorandum.

**T** Trisha Talbot 02:48

Alright, so Sam, welcome to the Providers Properties and Performance podcast.

**S** Sam Giordano 02:53

Trisha, thanks very much for having me. I really appreciate you taking the time and it's an honor.

**T** Trisha Talbot 02:57

Oh, well, thank you. So I want to start so just give a little bit background. So you are a practicing gastroenterologist and a passive real estate investor.

**S** Sam Giordano 03:05

That's right. I grew up in New Jersey. So I did most of my my formal education, my training in New Jersey, and I practice currently in New Jersey. My wife and I met in training and in Philadelphia and she was training there, she's also a physician. And then we chose to kind of, put plan our grounds in New Jersey. So that's where we're living now. And that's where I'm practicing.



**T****Trisha Talbot 03:37**

Wonderful. So what was going on in your world that you decided to start getting into commercial real estate investing? Where was your thought process of having a different income stream or just doing something with your money?

**S****Sam Giordano 03:56**

I didn't initially think about real estate investing probably till about four years ago. So I'm going on my 11 year out of training, which I can't believe how fast that goes. But in the beginning, when you're first get out as I'm sure you're aware of many physicians are sort of up to their neck and student loans. And they're just trying to kind of figure out how to learn how to practice medicine. And so the first couple years, it's really just about focusing on paying off some of your consumer debts if you have any, and then getting a head start on the student loans. And then for the most part, a lot of physicians are maybe contributing to some pre tax retirement accounts and not three their 401 K or four three B and eventually I would say maybe four or five years out, thankfully, I had the loans, paid off my student loans and started focusing on more on investing in some taxable investing accounts like outside of my retirement accounts, but there was a point I would say probably in that six to seven year range where I felt like I was getting a little too heavy in terms of my allocation to the stock market and to typical equities. And in addition, around 2017, due to some tax law changes in New Jersey, where we couldn't deduct our state and local income taxes, my wife and I kind of had a pretty eye opening experience that particular tax year when we couldn't deduct that and so I was like well even if we can't change because we both are happy in our jobs, and we're both W2 employees. So we don't have a lot of wiggle room in terms of that.

**S****Sam Giordano 05:31**

But we were talking that even if we can't change our employment situation, to where that may be a little more tax advantaged that say like a business owner or something like that, we were trying to figure out ways to diversify some of our income streams in a way that we could add additional income that may not increase our taxable income, per se. And the number of people kept bringing real estate up. And so initially I thought about actively involved getting actively involved in real estate and maybe buying like a duplex or a quad or a small multifamily that I manage myself or along with a property management company.

**S****Sam Giordano 06:12**

And then, after looking into that for a little bit, I then kind of transition to looking into some term key properties. And being in New Jersey, a lot of these are out of state properties. And I had one or two buddies that had done turnkey properties and had a couple negative experiences with some of the property management companies and taking advantage of them in some ways with them not being local to that area. And so I kind of transitioned off of that shortly thereafter, and I then stumbled upon real estate syndications and passive investing in real estate, and it kind of hit a nerve and that I was like, you know what, I think this is definitely something that could work for us. I was a little taken back by some of the investment

minimums that some of these private placements have, at the time. So I really kind of dedicated myself to education and really kind of diving into these passive investments in real estate syndications.

**S** Sam Giordano 07:12

And that was back in 2017. So I dedicated an entire year to the education process, just because there was since the minimums are so high, I wanted to make sure I wasn't stumbling over things that I may have been able to avoid and since then, I've now done probably close to 12 or 13 syndication investments over the last four years. So that's primarily the way that I invest in real estate, but it has been a great diversification of my income.

**T** Trisha Talbot 07:38

So I'm going to ask you this, so that we get to your tool, but when you got your first private placement memorandum, how did you feel?

**S** Sam Giordano 07:49

Overwhelmed, really overwhelmed. Initially, and it's just even the whole process, right, like now, I'm probably on the list. And maybe like, I don't know, 50 to 70 syndicators that I've talked with over the years, and that I've just interacted with or had some personal recommendations from friends. So, you know, it's, once you have that conversation, it's fairly easy to get on these lists. And so I probably get like 10 or 12, deals a week from these syndicators. So now I'm used to the sort of introductory component where you may get like an email, and then the investment summary, that's kind of like a 50 page thing. And even that, in and of itself is overwhelming.

**S** Sam Giordano 08:33

I mean you see these pretty pictures and like, oh, looks nice and those kinds of things. But then when you get into the legal stuff, like the keep the private placement memorandum, if there's any operating agreement, or any other sort of subcomponents of it and some of the other documents, you're like, man, I don't really understand a lot of this legal stuff so it took me a while to really like hone in on what's the standard legalese, and then what sections to pay attention to.

**S** Sam Giordano 09:00

And we're actually forming like a video course where we go over some of that in more detail for that exact reason. Specifically looking at, you know, the PPM and the documents and kind of what sections you need to pay attention to. But in the beginning, four years ago, when I was looking at these things, I was like, man, what am I even reading? But yeah, it can be overwhelming, it really can.

T Trisha Talbot 09:21

So then the LP deal Analyzer tool was born from from all of this sort of frustration and sifting through hundreds of pages of real estate analysis, legalese, and all of this. How long did it take you to put this first version of your deal Analyzer tool together, after you were trying to sift through all this information? How long did it take you to put it together?

S Sam Giordano 09:47

Yeah, so basically the interesting thing is like, all through my education experience, meaning likewhether it's high school or college or medical school, or whatever it is, I'm a visual learner. So whenever I had to study for a test, I would kind of make like a one page cheat sheet or something like that to where it gave me a way to sort of Edify all the knowledge in one place and that I can then visualize that during the test to kind of figure it to where it's sort of organized, in my mind, of what I needed to remember are some salient points that I knew might be tested on.

S Sam Giordano 10:25

So I use that sort of that familiarity I had with that method of visually studying to when I was using that year to kind of educate myself on syndications and some of the nuances and what you need to pay attention to, I basically did something like that, but in an Excel format.

S Sam Giordano 10:44

So anytime I would read, I'd probably read 15 or 20 books on real estate and syndications and been active on like my real estate forums and listened to a ton of podcasts. And anytime I would come across like a tidbit, that was really interesting. I would put it in like a Microsoft Word file and then figure out if I can then create that as like, sort of an objective criteria when I'm looking at deals, and then I would then transport that overtime into an Excel file.

S Sam Giordano 11:14

So I was really doing that simply to edify my own knowledge, and then give me sort of something to look at when I do get that investment summary or when I do get that PPM that I can kind of look at cross reference it with that sheet to see if there's any obvious like risk points or red flags in deals. So I started the inception of that that first year. But the intention all along was really just to kind of help me so that I don't really like make a significant mistake in some of these deals. Even though you know, there's other you can always make a mistake. And things can always go wrong. But I tried to take out as much of those clear risk points by having a be like that.

S Sam Giordano 11:57

And then when I was involved in those forums, I would say probably like 2018 or 2019, as I was

and then when I was involved in those forums, I would say probably like 2018 or 2019, as I was investing in more syndications, I would bring up the sheet I use in sort of in cursory conversations in those real estate forums. And there was a time where I discussed it that the next day, I probably received like 50 to 70 private messages, asking me asking me to have access to that. And it's not that I wouldn't share it, I'd be happy to share it. But it was just, I didn't want to take the responsibility, of sort of using my sheet to guide other people's investments, but when I saw that kind of demand for a product like that, and that's kind of why I created it, because there wasn't anything like that and I decided to formalize like sort of a business structure and that's when I partnered with my my current partner who's like a master underwriter for a lot of these deals, and we formed the sheet together and made it more professional. And that's how sort of the Passive Advantage whole concept was was formed. But that wasn't the intention. It was really just to make something that helped me when I was looking at deals.

**T** Trisha Talbot 13:03

Well, it's very reasonably priced at \$200. I mean that's less than an hour of your time!

**S** Sam Giordano 13:12

Yeah. That was our intention is really to try to make it approachable. I work at a hospital that has like 700 physicians and I polled them as to how many physicians are familiar with like passive investing in syndications and things and of those 700, I think there was seven that said they have heard of it, or they're familiar with it, so there's this huge like, an unmet need I feel like in the physician world where more physicians should get involved in this kind of thing. But anyway, when they would come to me and want to learn about this, I felt like I was having the same conversation over and over. And now, when I created something like this, and then our website, then I can point them to a place that can sort of direct them a little bit easier and they could sort of have something objective to look at.

**T** Trisha Talbot 14:06

So let me ask you two questions. So when you get information on an opportunity, what are the first three things that you look at that kind of weed out data before you're like, Okay, this is worth me spending more time on?

**S** Sam Giordano 14:19

Yeah, so our sheet probably has like I would say like 24 different metrics that we look at. There are some that are more important than others but I guess the main thing in an overall sense that I look at is I don't like assets that are like pre 1980. And so that's what in particular, when I'm looking at multifamily assets, I just I feel like you know, whether it's, you know, asbestos or certain types of piping or plumbing or issues like that, I just feel like it's a little high risk and it gets into like the more class C properties so most of my investments are on like B- to B+ type of properties. In some cases, I'll do A type properties.

S

Sam Giordano 15:05

So first thing I would look at is the year that the property was constructed. And this is like quick, easy stuff you can kind of look at. And then I'll look at the location and see if it's in an area that I would like to invest in, is it in the path of progress? Is there population growth there. And then as after I get through some of those things, and it kind of fits those criteria, then I get down into more of the nitty gritty and some of the big things I look at do change over time, like, these days, I'm very focused on the debt structure of deals. So more so than I was when I two years ago, I would say, but these days based on the interest rate environment and things like that, I'm much more focused on figuring out the nuances of the debt structure, in particular in like a multifamily deal, as opposed to I was a couple years ago. So it's kind of like a moving target based on the economic environments and trends.

T

Trisha Talbot 15:58

Right. So then, my next question is, Do you ever go into or properties before you invest in them? Like, do you go visit them?

S

Sam Giordano 16:12

I have not yet. I probably should, at some point, I think, you know, so what I've, like I said, I've been best and probably in like 13 or 14 deals, and most of the deals at this stage, you know, it's not always the minimum, but it's kind of in that lower, you know, that the, towards the minimum range for the sake of diversity. But I'm not nuts. You know, there's pros and cons to that. Some of it is that, you know, depending on the deal, you may get a large amount of K1s at tax time and even though I am an accountant that does that, you have to kind of weigh the benefits of diversity versus all these K1s.

S

Sam Giordano 16:49

It's the same thing when I look at like an individual deal versus a real estate fund. And that's the same sort of pro and con, you would think you have to look at in terms of the tax treatment of that. But eventually, I would like to transition to maybe putting a little more in individual deals, but maybe being a little more specific in those deals. So when I do that, I think there's a higher likelihood that I'm going to go then tour the actual property and meet with the operator and stuff like that but I have not done that yet. Most of my properties are way outside in New Jersey. So I don't really have any local to me but eventually, I think I'll probably do that to go tour them especially when we start kicking up the amount that we're investing in each individual deal.

T

Trisha Talbot 17:35

Yeah. So your co founder, Terry Kipp and this tool that you developed. So what was the first thing that he added to it to make it better?

S

Sam Giordano 17:46

Yeah. So, you know, at the time, I had already invested in a decent amount of deals, and I asked some syndicators, do they have people they would recommend that are nuanced at the underwriting and using Excel and his name came up from a few different syndicators so I reached out to him and told him about my deal and told him about the product. And he doesn't take on a lot of projects, just because he has, you know, he's tied to some family offices, and he works for like some private equity companies and stuff but he loved the idea.

S

Sam Giordano 18:19

He's like, this is awesome, let's totally do this, I think this is going to be great. There's something like that not out there right now and I think it will add a lot to limited partners. His main skill is that I know Excel, like, you know, a decent level. But I'm not like nuanced at all the idiosyncrasies and the VBA, and other things that go behind the scenes to where you really get into the nitty gritty of Excel. I knew what it was, and I knew kind of what I wanted the sheet to turn into and what features I wanted to have but I didn't know how to do that from a technical standpoint. So his technical ability and specifications sort of far outweighed, outreached what I could do. So he definitely brought that to it.

S

Sam Giordano 19:03

And there were some things that I wanted. But he would say, you know what, we have to do this, or it may cause a glitch here so he would kind of go back and forth and reign some of the ideas in. I'd still like to implement in the next iteration of the sheet, at some point in time that I think would be really cool. But to me, it's all about making our sheet and we've done it, we've tried to do it as best as we can, but to making it taken out the manual component as much as we can and to try to make as many things automatic as possible. Because I think making it easy is one of the more important things that you can do to increase the ease of use and the usability and those kinds of things.

T

Trisha Talbot 19:42

Yeah, and as you guys keep going, you can like get an app on the phone.

S

Sam Giordano 19:46

That's true. Yeah. We're talking about it. So we're probably going to come out with one more iteration of the Excel sheet but we are in contact with a few different software companies to try to figure out a way to do it in like a web based type platform that would make it easier to do updates and may make it easier on the back end and then you could integrate some other market metrics and things like that.

S

Sam Giordano 20:12

Currentlv. you know. the three main components of the sheet and of the evaluation. which isn't



a novel sort of thing is like the sponsor, the market and the deal. And generally in that order, definitely the sponsor is the most important component of the evaluation. But often, it's the most difficult to objectively evaluate. But there are components of things that we'd like to see in sponsors and we have those outlined in the Analyzer.

**S** Sam Giordano 20:38

Then the market is very important as well, now we go over the particular key market metrics that we look for, and then what criteria and then based on what where that market fits, it does give feedback. But the thought is that eventually we'd like if somebody places a property, zip code into the sheet that eventually we'd like those market metrics to sort of auto populate that section to where you don't have to go look at census.gov, or City Data, or any of those things that you look at to kind of get a better idea. So we have sort of ideas as to how we can make this much easier from a usage standpoint, even though it's easy as it is, but we want to just make it even better.

**T** Trisha Talbot 21:21

Yeah, absolutely. Fascinating. Well, I'm gonna move into the Q&a section, so you get to know you a little bit. All right.

**S** Sam Giordano 21:29

Sounds great.

**T** Trisha Talbot 21:30

All right. So what was your first job?

**S** Sam Giordano 21:32

My first job. So my first job is I worked at Herr's Potato Chips in the warehouse. And this is way back when and I would basically be a warehouse worker. So where we were, you know, the truck drivers who would come in and place their order, we'd get little order seats, and then we'd run around the warehouse and put them on a conveyor belt, and then they would load them up into their truck. It was a great job. It's it's I haven't thought about that place in a while. But But yeah, it's it's cool to see like, you know, it's not like an overt blue collar job but it was good to get experience and some of that component of sort of doing some blue collar, some manual labor, especially at a young age to see the pros and cons of both types of work.

**T** Trisha Talbot 22:22

Absolutely. I couldn't agree more. What would you be doing for a living if you were not a physician?

S

Sam Giordano 22:28

It's a great question. I mean, at this point, I probably would do something real estate based just because I like, I truly love what I do as a physician. And if you asked me, if I would do it again, I definitely would do it again. So I feel blessed to be able to say that the job I have, I'm very thankful to do and I don't envision stopping it. I'm very impassioned with the real estate stuff and it's something that I want to learn about all the time, even irrespective of whether or not I have like a website and a business that sort of coincides with it but it's just something that I'm sort of have grown a passion for. So I would say maybe something in the real estate component, but I think if I could, if I had to do it over again, I become a physician. And I really feel like this is what I'm supposed to be doing.

T

Trisha Talbot 23:24

What is one thing you do every day for healthy self care?

S

Sam Giordano 23:28

So in the morning, the first thing I do prior to even getting out of bed is I start to I sort of think about all the things in my life that I'm thankful for. And I tried to sort of really sort of think about it and, and not just think about the words of it, but really meditate on why I'm thankful for it. And I feel like starting my day with gratitude sort of changes the attitude about how you go about your day and how you relate to people. And it gives you an appreciation and makes you maybe a little more tolerant if you if you get a little traffic on the way in or you catch a little more lights or for the typical life things that can get in the way.

S

Sam Giordano 24:11

So I think that from a mental health standpoint, and from an outlook standpoint, it's probably one of the most beneficial things. But I do exercise, not always daily, but I tried to do it at least four times a week. I think that's very helpful as well. And sort of pray and stuff like that. So I would say those are some of the big, big categories of things that I do to keep up with some of my health, mental and physical.

T

Trisha Talbot 24:36

What or who are you reading or listening to right now for news, information or inspiration?

S

Sam Giordano 24:41

Yeah, so right now I am reading. So there's a few sort of deal evaluation real estate books out there that I really like. And James Kandasamy had a real estate valuation book that I read maybe two or three years ago. So he came out with a new version of that within the last month

or so. So that's what I'm reading, it's sort of a physician's guide to passive real estate investing. So even though a lot of this stuff is definitely sort of redundant a little bit in terms of what I know, you know, all the stuff that I've learned over the years, it's always good to kind of get a feel out there for what other people are reading and get a pulse on the market. So that's what I that's one of the books I'm reading at the moment.

**T** Trisha Talbot 25:30

Okay, so I have two questions. Usually, I just do one depending on if you're just an investor or clinician, but you're both so you're gonna get though.

**S** Sam Giordano 25:39

Okay, sounds good.

**T** Trisha Talbot 25:41

Do you think a person is born with the desire to heal or is this learned through their training?

**S** Sam Giordano 25:47

Yeah, I think I think the answer is both. I do think there are people who are innately born to be to be better physicians, to where they're more focused on the patient and the healing and those components. So I do think there is an innate component to it. Since it's a specialty that that can be financially rewarding for some, there are some people who unfortunately do it for the wrong reasons. They usually turn out to be good physicians and can practice but they may not have it in their heart as a passion to like what they can help people with, but they can learn components of that.

**S** Sam Giordano 26:34

But I do think a large percentage of that is inbred. And some of that is also not so much like learned in like med school and stuff. But learn from your parents, I think, being someone who I think and how it all starts from being someone who can be empathetic to other people. And that's often at least my experience, learned from your parents at a young age, so there are patients who are innately more self centered, and it's harder for them to see the other person's perspective, the other person's point of view and to kind of put themselves in those shoes. But being a good physician, being a good healer, all starts with that as a foundation. And so I think it's a little bit of I would say a little bit of both on that question. Hopefully that wasn't a cop out.

**T** Trisha Talbot 27:21

No, no, it's, good. It's kind of so the next one is do you think leaders are born or trained?

S

Sam Giordano 27:28

I think that leaders probably are born. I think it's more so the leadership component that is more so born but it the interesting thing is that there's a lot of similarities, like I think good leaders relate to people. And can put, like, if you're standing above someone, and you're trying to lead them, it's going to be a lot more difficult than to being at someone's level and to try to be understanding of the situation they're at and to make you you feel approachable. And to you know, show. I think leaders, good leaders, basically, kind of are able to emulate what it means to do what someone should do, as opposed to having to specifically tell them like I want you to do this. And if you're having to do that, you probably have to kind of look inward and try to figure out ways that you can be a better leader.

T

Trisha Talbot 28:24

I like that answer. I like that. Well, thank you for a wonderful interview. I really appreciate your time. I know it's very late in the day for you. So I I appreciate you taking the time to do this and share with my audience is wonderful tool, which I think many of them will use and will help them.

S

Sam Giordano 28:42

I really appreciate it. Thanks for having me on. Hopefully I've brought a little bit of value and happy to help in any way I can.

T

Trisha Talbot 28:49

Absolutely. Well thank you. Have a great rest of your day.

S

Sam Giordano 28:53

Oh thanks Trisha. I really appreciate it.

T

Trisha Talbot 28:58

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