

PROFILES IN REAL ESTATE

SIMON CASTILLO, SAS TEXAS CAPITAL

BY
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TO ENGAGE WITH MORE real estate investors, as we grow our own real estate business, we decided to join a new group called Wealth & Whiskey. Well, how can we go wrong with that? We attended their monthly Meet Up at Ranger Creek Distilling and found an interesting group of people looking to build wealth through real estate. It is a great mastermind-style meetup where those attending network and learn from each other. That is where I met Simon Castillo, the principal of SAS Texas Capital.

Like many real estate investors, Simon started in 2004 with single family homes and survived the 2008-2009 recession because his properties were providing cash flow and he avoided variable and short-term debt. He continued to acquire single family homes, but started to realize that he was going to run out of money, time, and patience before he could get to the type of financial freedom he was hoping to attain. In 2019, he discovered the world of real estate syndications and was blown away by the fact that he had not known about how to invest in multifamily properties sooner. He initially invested in his first syndication deals while learning and increasing his network and preparing himself to make the jump to active general partner. Since 2021, he has been a general partner on four multifamily acquisitions totaling over 400 units and has \$38 million in assets under management.

Roxana: What does your company do and where do you operate?

Simon: We acquire multifamily apartment complexes on a value-add basis. Our typical acquisition is 100+ units, Class B or C property, that has a long-term owner that is now ready to sell and presents us an opportunity to add value through renovations and/or management efficiencies. We will syndicate these acquisitions, meaning that we will bring in investors and in return provide them with favorable returns, tax benefits and cash flow. All our acquisitions are currently in San Antonio, TX.

Roxana: How do you measure success?

Simon: We measure success by whether we are operating and maintaining our properties the best we

can and providing our residents with a better living experience. We also must meet our investor expectations.

Our investors put their trust in us by investing their precious capital in our project and we hold that trust to highest degree possible. Our mission is to bring as many people as possible along with us to share in our journey towards building wealth.



Roxana: How has business been and what do you see ahead for the future?

Simon: Our 4 acquisitions have been in the past three years, so we have been very happy with the ways things are turning out so far. Interest rates were historically low, the lending markets were active and the deal flow was good. When I stop and think about it, we are still early in our multifamily journey although we have come a long way the past three years. With a podcast started, a meet up and many other things in the pipeline, I am excited to see what the next three years hold.



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Roxana: Who is your competition? Or how do you compete?

Simon: I feel like real estate and especially commercial real estate is a team game, so I don't view other investors as competition. There are ways for us to partner together on deals and to help each other. My hope is to partner with other investors so that together we can go further and faster than trying to go at it alone. Networking is key to finding and building relationships with brokers and potential partners. In today's world, social media plays a large part in helping to become known as a thought leader in the real estate investing space as well as educating people to the opportunities available to them.

Roxana: As a syndicator what is your take on the current market?

Simon: If I could sum up the current market in one word, it would be FEAR! There are many headwinds making the

news lately. There was a banking crisis, we saw major banks fail for the first time since 2008, there are fears of recession and inflation. When investors are fearful or uncertain, they tend to become paralyzed and not do anything. I would say that is the wrong reaction to have. When there is fear in the market, there will also be opportunities. As investors, we must be ready when those opportunities become available. I would also add that I analyze 12-15 deals per month and there is still a large spread between what sellers are asking for and what buyers can pay. Sellers are still clinging to their 2021 property valuation and ignoring the fact that there have been 9 interest rate increases since then.

Roxana: What is your favorite part of what you do?

Simon: Everything! I love real estate and can honestly say it is my passion. But this is a people business and though I identify as an introvert, I have enjoyed meeting so many different people along the way, from investors to tenants to brokers, lenders, property managers and many more. I enjoy hosting my podcast, Invest Smarter on Apple iTunes and Spotify—another way I was able to step out of my comfort zone.

I have been operating and brokering in the commercial real estate and apartment industry for the last 22 years. I certainly have seen my share of market ups and down. Over the last five to seven years, apartment syndication has grown with numerous investment opportunities. In the current market (with interest rates high and sale pricing yet to adjust), it is important that investors stay educated through market studies and articles, podcasts and staying in touch with operators on the ground. Simon stays inspired by surrounding himself with smart people that come on his podcast and share their knowledge and expertise, while also getting the hidden benefit of learning directly from them. ■

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