Podcast Introduction and Guest Welcome

Welcome to the Doctors Making a Difference podcast where we help physicians to be empowered with the tools they need to successful in medicine, in finance and in life.

Join us as we highlight doctors and other professionals around the world who are making a difference. Hello, everyone. Today, I am excited to welcome our guest, Jonathan Spitz.

Most of the time when we do these podcasts, we are featuring physicians who are making a difference, but occasionally we have tools and resources that are really useful to doctors.

And today is one of those episodes. I'm excited. Welcome, John, you gave me the permission to call him John. He is the head capital formation at Lightstone Direct.

he oversees business development for that company, LightStone Direct, he'll tell us more about it as we go through. But this will be an interesting episode, I think, as I talk about some resources and tools that most physicians should probably consider at some point in their financial career.

And so, Jonathan, would you mind introducing yourself in more detail to our audience? Yeah, thanks, Peter. Good evening or good afternoon, depending on where you are, what time you're listening to this.

My name is Jonathan Spitz. As Peter mentioned, I head up capital formation at Lightstone Direct. And really what that means is I work with our investor base to educate them on our investment offering.

So no matter what experience level, we have investors that range the experience. Level. my goal is to just educate and meet our investors where they are on their real estate investing journey.

One of the questions as we go through a podcast, it's nice to know who we're talking to. So how did you get into investing, Jonathan? That's an interesting journey to become an investor and then to specifically start working with physicians over, you said over the last six years.

Yeah. I've been in the real estate business for over a decade.

Jonathan Spitzu2019s Background in Real Estate

When I graduated college, actually I had no intention of going to real-estate. Always thought I was going be on the public equity side of business, so public stocks.

in equity research and really ended up in commercial real estate brokerage in Tampa, where I'm from, and I really just fell in love with the business.

And from there, really worked in a number of different capacities with various firms. I worked for a firm called Invitation Homes, which at the time was a private organization.

It's now a very large publicly traded single family home REIT. But I also worked at a community bank in Chicago, right. Predominantly worked on financing commercial, real state projects throughout the Chicago land area.

And then I joined another private equity real estate company called Origin Investments in 2020. And so that was really when I started working more on the capital raising side of the business, which is what I do today and what have been doing over the last six years.

What's been really interesting about this journey is just. Experiencing the ebbs and flows of the market. Again, working with investors from all different backgrounds, right?

I've worked with many physicians, some coming straight out of residency. Some that have been in the business 15, 20 years and approaching retirement and everyone in between.

I worked. Wealth managers. Worked with family offices, worked business owners. So I think what's been really interesting about working in this capacity is, you know, everyone's got different investment goals and part of our job at Lightstone and my job, quite frankly, as a capital formation associate is really to what I'm working with investors is to understand what those goals are and figure out if this is, if private real estate is right for you.

And so that's really what, I spend the lion's share of my time doing is working, with people figuring out what it is why they're interested in real state.

If what we're doing, is a right fit, making sure they understand the risks of these investments, the liquidity profiles, potential returns, you name it, right?

And again, that really is what spend a lot of time of doing. Yeah, so maybe back up a couple steps. I'm just thinking the majority of the audience who listen to this podcast are physicians, and they range just like what you said, Jonathan, people who are in training, those who were just barely out, And those two have been at it for a while.

And so, maybe just for the sake of education, just teach us a little bit. What's a REIT? What is the difference between a direct investment with a company like Lightstone Direct?

And how does that compare and contrast you know, with like, if you went next door and bought a house that you wanted to rent out, so maybe just give people a little bit of a flavor of what the market looks like with real estate.

Yeah, a hundred percent. So let's start from just the perspective of being active or passive. Though, if someone wants to invest in real estate, they can choose to go buy a property on their own.

That would be active management where you are leasing the property or hiring a Property Manager. You are owning it and managing it day to day. And some people really like that aspect of real state is dealing with the tenants and having control.

But then the other side of the coin is investing passively. Especially, I think the reason why so many physicians gravitate towards a passive position is because physicians, you guys are some of the busiest people I know, right?

Some people do active management and some people to both, some, people want to own their own properties and have passive portfolio exposure as well. And I think for one, the starting point there is most people are managing or owning real estate directly.

They most of time are doing so in their backyard, Peter, that'd be like you owning property in Idaho or me owning a property Tampa. Whereas we are investing passively with a manager that allowed opens up the tool to what type of asset classes you can invest in the types of strategies, the locations, property types.

So that just really expands the universe of what you're able to invest. And now. If you're investing passively, you can do through a publicly traded stocks, or you could do so privately through alternative investments.

And so one of the ways you do it publicly is by investing in publicly-traded REITs. That's a great way to get exposure.

Public REITs vs Private Real Estate Investing

You can invest in, and the great part about investing publicly, is you choose to exposure to certain sectors, where you own a broad basket of all of public REIts, so VNQ, I believe that's the ticker.

is the all REIT index, if you will, the Vanguard all read index. I believe that's the ticker. Or you can get sector specific exposure. You could buy Camden property trust, which is Sunbelt multifamily exposure, you could invest in ARE which has pure play life sciences exposure prologist, industrial exposure so you still mix and match in the public markets, but you're generally buying very well diversified funds essentially or portfolios where their strategy is predominantly income oriented.

So the whole goal of the public greed is really to generate. Reads by definition have to pay out 90% of their income through a dividend. And so you're usually getting three to 4% dividend is the reason why some people don't like reads is because if they're looking to diversify their portfolio outside of publicly traded stocks, the thing about REITs is that you are going to have a correlation most likely to the rest of your publicly-traded portfolio to a certain extent.

Right. I mean, some, people just don' like that volatility. As an example, when interest rates started going up in 2022, that had implications for private and public real estate.

A public, real state, you were seeing 30, 40, 50%, 60% drawdowns in the underlying public security because the public stock can trade at a discount or a premium to whatever the actual intrinsic value is with a net asset value of the real underlying real-estate, right?

Private real estate, however, is generally marked at whatever the prevailing net asset value is, and again, it trades so you don't have the same level of volatility.

Now, you can invest in private REITs as well, so it's a similar strategy as what you get in public REits, but again you're not going to be subject to public market volatility, Then the last way you can invest, which is, or one of the less, and there's a number of different ways, so I won't go through all of them.

What we do at Lightstone is we invest in individual investment opportunities. So I think a good analogy would be like, instead of buying the S&P 500, you're buying shares of Apple or you buying share of Procter & Gamble.

Like you are buying individual assets and building a portfolio yourself. And so we still very much believe in diversification. But the way that we've invested across our 40 year history at Lightstone is by being very selected and making very high conviction investments across a number of different sectors, right?

We invest in apartments, we invest industrial, invests in life sciences, retail. Really what we believe in is again, just making those investments on a deal by deal basis.

So that's. without going too long, those are some of the differences between public and private and investing in maybe a diversified REIT or diversify fund or making individual investments and building a more selective portfolio and having more control of which individual assets and markets you choose to invest in.

Yeah. So I'm just going to summarize for a second, because again, I've been envisioning myself in my first two or three years as an attending physician.

I didn't know what REIT meant. That means real estate investment trust. And because unless you've really applied to yourself, there's not a natural place where there are lots of…

teaching that happens in the medical process. You come out of residency and most people are in their late twenties or somewhere in there early half of their thirties.

And they, a lot of, their peers have said, Hey, I've been investing in an index fund for 15 years and I been doing this. and you kind of as a medical student or a resident, your eyes might just glaze over.

I'd been working 90 hours a week. What are you talking about? And so it's good to step back and say, when you enter the world of attending income, you need to be a really good guardian of that income.

And part of the process is to put aside 20 or 30% of your income ideally towards something that's going to build

long-term wealth. And you and I talked just for a second before we hit record.

I don't think somebody that's brand new, very first job, first time they ever received an attending paycheck, probably shouldn't go and all of it on individual real estate.

Probably ought to diversify a little bit. And like you said, one of your jobs is to identify who's appropriate for working with somebody like Lightstone and who should just be putting something in an S&P 500 index fund or something like that.

And so I guess one of the questions I want to follow up on that, who's appropriate for this? For someone who says, I wanted to move away from publicly traded things to something where I'm a little bit more directly owning investment properties.

Also, what percentage of my asset allocation should I be putting toward real estate versus how much should be exposed to the market through like a traditional index fund or something like that?

Yeah, so tackle the first one first, which is, I think the biggest, who is it right for? I, think, the thing that I always want to make sure people understand when they're considering this as a potential part of their portfolio are the differences in the liquidity profile of what we do versus investing in public markets, even public greets, right?

If you are invested in Public Securities, you can hit the buy and sell button at your leisure. You can get liquidity same day or next day. That is not what you can do in most private alternative investments in real estate is no different, right?

Now these days there are semi-liquid REITs that provide some liquidity, but there's usually a cost for that. Like what we do at Lightstone is we're generally doing some type of value add deal that is anywhere between three and five years.

And so now there's cashflow generally throughout the life of the investment. But let's say that you needed that money, like your actual principal, let say you invested a hundred grand as an example, and you need it to tap into that a 100 grand a year later, we're not going to be able to provide that for you.

The way that the liquidity happens in our world is once that investment is sold. Some people now, who is there right now? How much should somebody have of this?

It is what I've learned in my six years is that everybody is different in this regard.

Who Should Invest and How Much to Allocate

Because me personally, some of the worst investment decisions I've ever made in my career have been because I have the ability to sell. And when I'm watching the market go down 30% or 20% during COVID or during 2022 or when the marketing went down 20%, I am an emotional human being.

And so I make really bad decisions when I'm emotionally charged. I don't have a wealth manager, I manage my own portfolio, and I've made the worst investment decisions of my life selling at the absolute bottom.

Like I, am terrible at managing emotions when it comes to my money. The one benefit to investing in something more illiquid is that you're forced to ride that out.

We see this, right? It is human behavior. Unfortunately, when people are actually investing the most is usually like the worst time to invest. And when, people don't want to, invest is actually when you probably want, to be invested the, most, right?

So again, some people, but that's not for everybody, But some, like I totally understand, you should always have a good chunk of your, I think portfolio in something that is more liquid, because you just never know what's going to

happen.

You need to access that liquidity. But I do think that there is a role for having private investments. I don't think necessarily for the reasons of managing volatility, but more just because you can usually get some more upside than what you might be able to get in the markets.

And you're really forced to ride out periods of market dislocation. most of the time to the investors benefit rather than trying to pull your money at the absolute worst time.

So again, I've met investors that have and advisors too. I worked with a lot of advisors. They very much believe in more of The Yale endowment approach and having 60, 70% of their capital tied up in illiquid investments.

I'm not saying that's what you should do. Most people are putting anywhere between 5% and 15% to 20% of their investments in illiquid alternatives like real estate or like private equity or something like that.

But what I've learned is it is very much dependent on the individual and their comfort level. I think what most people like about real state though is that It's just more, it's easier to understand generally, especially if you're investing in an apartment building or even industrial, usually when you have a conversation with people understand the business plan, and it is much different than investing maybe in a business or something like that where there's more moving parts.

But again, everyone's journey is different and their investment preferences are generally different as well. Yeah, I guess one of the big points, and I had someone that taught me this a little bit when I was at the very beginning of my career and was thankful for that, but again, don't feel like it was really incorporated a lot into our formal training.

One of big things is you need to put your money to work for you. If you have it in your savings account only at your bank, traditionally, recently that number has been a bit higher, those savings accounts return a more.

But traditionally it's been less than the inflation rate if you leave something like that. The big message of the day is you got to invest in something that will allow that money to grow slowly with over time and you can diversify across real estate or like I say, stock market index funds.

There's a lot of things you could do, but one of most important things is to recognize those risks. Like you said, if it's illiquid, you cannot access that during that time of it.

For Lightstone Direct, how long would you say most of, what's the timeline on most investments? from investment to when you expect that to pay back or do you have a permanent ownership in that or what's your typical setup on that?

Yeah, generally speaking, we're investing with a three to five year time horizon. So we very much follow, not always, but oftentimes we are following what I would just simply put as a buy, fix, sell strategy.

We're buying an asset that is underperforming for some reason, so maybe the property needs physical capital improvements. Maybe the rent roll is below market.

The rents on the rental are below where the market is today. Or the property just hasn't been performing operationally. And so we'll come in and again, we have we are vertically integrated.

So we haven't in-house asset management. team, we have in-house property management for our multifamily strategies. So what we're doing is we are coming in, buying assets that have cash flow day one, that pay a dividend over the course of three to four years.

And then after we've executed that value-added business plan and stabilized the building, then we look to sell that investment to someone that is looking for maybe an investment with less risk, somewhere private capital, institutional capital.

That's when investors earn back their capital Plus, hopefully, some type of return on top of the distributions that we've paid along the way. Okay. So, just as an example, if somebody put the number you gave, you've put $100,000 into it, You could expect somewhere in three to five years, that asset is then sold and you gain the proceeds.

But in the meantime, there's some payback that comes during that, but you can't go back and say, I want my original $ 100, 000 back today. You have to leave it in there for that period of time.

With that in mind, what are the typical rates of return that I realize that's something you can't predict because future market volatility is something that none of us can predict.

But in general, What do you see that compared to like an index fund or more of a stock market based approach? Yeah, I mean, right now in a store plate, the S&P 500 right, now, especially after the last three, it used to be about 8%. Now it's like around 10% because it has done so well over the past couple of years.

By just using that as your benchmark, we'll say the SMP500, gives you nine to 10 percent a year on average, which is more on the optimistic side. So what we generally look for is anywhere between a 14 to 16% annualized return, net IRR.

And so that difference there is what you would call the liquidity premium. I see you're getting an extra 6% in return. That's the target, right? For trading liquidity, meaning that, like we talked about earlier, that you won't be able to access that through the life of that three to four-year-old.

Now, one benefit for us is we're targeting generally 14 to 16% over four years, but that's what we are not saying is that you're going to get 14-16% every year.

The way that return is actually earned is quite lumpy. During the first three or four year, we were paying a distribution rate of anywhere from 6-8% on average, just depending on the deal.

Now, what I've learned just working with a lot of physicians and most physicians, it seems like the number one thing they care about more than most other cohorts and for obvious reasons is tax efficiency.

Because you guys, physicians are generally obviously high W-2 or high income earners and taxed enough.

Lightstone Directu2019s Strategy, Returns, and Risk Management

So I think why so many are drawn to real estate is that you're able to earn tax efficient income throughout that three to four year period before realizing the profit from selling the investment in year four.

So that's what can usually make it so attractive. But again, there are strategies you can take that Maybe you're earning 10 to 12 percent, but it's far less risky or you are shooting for 18 to 20 percent.

But there's significantly more risk attached to it. And usually what we like to play in that middle of the field of 14 to 16 percent type of returns. Because we don't really use a lot of leverage on our deals.

If most people can understand this, when you buy your home, you usually put a mortgage on it and You may put 50, 60, 70, 80, 90% debt when you're purchasing a home.

Real states, they're different. When we're buying a property, a bank will come in and give us a loan. I think what differentiates Lightstone is we are being very conservative in the amount of debt that we put on a So as an example, we have a project right now that we've just recently launched.

We're only levered at 54% loan to value, right? As an, example if it's a hundred million dollar deal, that means we got $54 million in debt on the property and $46 million dollars in equity.

So that's generally, especially by investment standards, very conservative. And again, part of one of our core tenets is wealth preservation first, tax-efficient income, and also generating some very tax efficient capital appreciation over the life of the whole.

But again wealth, preservation being very much first and foremost as far as how we think about this for risk management respect. Because again, and we haven't really talked about this, but we put a lot of our own money in these deals.

So the big differentiator of Lightstone, we've put at least 20% of her own capital in every deal we do. And we'd been investing for 40 years. We invested throughout the great financial crisis.

we got punched in the face and lost money on a deal. That's really helped inform how our organization operates today, which is. Thinking about things from the downside perspective first.

So how are we going to lose money in this deal? That's the first thing we think of. And then we work from there. A lot of that is how much debt we take.

How much cash flow the building is producing. Are we stress testing different scenarios? What happens if all the tenants leave this industrial building?

We look at that. It's called an as vacay scenario. We'd look that all of the time. What happens if the tenants renew? Like, what is our strategy if we do this?

How do we need to build cash reserves for this scenario? So all of these, my old boss used to say something. I love it. Risk management is about the decisions you make before a disaster or before not a Disaster risk management.

Is about to decisions. You make. Before a recession, not dirty. And that's really much how we think about it at Lightstone. Again, like we don't want to take on too much leverage and we like putting being in that let's call it 14 to 16% type IRRs on deals.

That's one of the things that I found really engaging and attractive about Lightstone Direct. When I read about it, when I came across your information, the fact that LightStone Direct invests 20% along with other investors is a big deal.

It's not just you arranging a deal for somebody else and they take all the risks. Light Stone also is very much in that situation with all investors. So everybody should have the same motivation.

That it's a win-win. If they do well, Light stone does well. And if they poorly, light stone also does poorly. It's good to assess all those risks. You can't take risk out of these things.

There's risk with investing in just about everything, including the stock market. But it's important to access that risk. And I like that you said you're not targeting the most risky assets, but you are targeting something that's getting more of a 14 to 16 percent.

It is a trade-off for having those resources that your put into it illiquid during that time. That's a good education piece for our audience. And for me, and for all of us to understand what piece this has in building it.

One of the other questions I wanted to ask you about that is as a person is building their profile. So say you work with doctors and say somebody's somewhere in maybe six to 10 years after they're finished their residency.

They have a mortgage on a home. they've been investing in whatever their 401k allowed them to invest. When you start looking at total net worth and stuff, when would you say that's appropriate for a person to invest in real estate?

Like we said, maybe it's not the appropriate thing for when someone is brand new and has nothing but debt that is

in their very first one or two years of residency.

But when you would say it is appropriate to take on something like this as part of their portfolio? Yeah, what we see more most frequently is people that are in the net worth of two to three million dollar range at that point, right?

And so again, you're taking maybe a 5% position in your portfolio or 3% in that first real estate investment if you are making a $100,000 check or whatever.

But again it's really a personal preference at the end of the day. What we see just across our own data from investors that are investing at a lightstone, two to three million seems to be sort of the sweet spot, I would say, is when people start to think about making an investment.

But sometimes people, what I've learned too is that people that maybe their net worth isn't there and their income is there, maybe they'll take a portion of their own income and they will do one deal a year.

We see that too, right? So one-deal every couple of years they're doing. Again, it just depends on the individual. Yeah, I think it's, but it is an important part of the conversation.

Like this podcast goes to people of a variety of different career stages and most physicians if they will put aside about 20% of their gross income year by year, even if you had it in a total stock market fund or an S&P 500 fund.

The rule of 72 or whatever that rule is, says that most things will double about every seven years. So you can see that by somewhere around eight to 10 years in, most doctors should have more than a million dollars saved.

And then over that time horizon that can increase. Then you really do need to say, how am I diversifying this? How am building long-term diversification?

And how's that going to serve me for financial independence in the future? This is an important tool that we've talked about. What mistakes have you seen people make as they assess this risk?

Oh yeah, there's a lot, but I would say the biggest mistake I see all investors make, physicians, individuals, it doesn't really matter who, is getting enamored with very aggressive target returns.

What we'll see this often is that we put a deal out and people are like, oh, 15% is too low. I have another manager that's going to do a 20% EIR and I'm like okay, well, can you send me the debt?

Can I take a look at it, like the deal that you're looking at? They'll send it to me and it's like, well, okay, here's a couple of differences. One is this deal is they're borrowing at 80% on the cost.

That's very, that's high, right? So the capital structure is significantly more risky, which everyone, if you're not living and breathing this, what I do every day, you may not notice.

So I would, as a cautionary tale to anybody that is investing, one of the first things you should ask is how much debt are you going to be taking on this property?

When you think about where most people go wrong, almost I'll say it again, it's like leverage too much debt. The second thing is not maybe not doing enough due diligence on the manager.

I tell everybody that's talking to us and they'll ask me all the time, who are your biggest competitors? And I give them a list of names and I, with that, I create a bunch of questions.

Not only you should ask us, but you shouldn't ask any manager. What's your track record? How long you've been doing this? Tell me about how long has your investment team been investing together?

Have the strategy that you're trying to raise money for right now, have you executed it before? Talk about, how

much are they actually investing in the deal?

There's just a lot of different questions that people ask. I think sometimes people may get overly focused on the individual deal and the way that's presented in a deck as opposed to understanding who's behind this, who is actually executing this strategy that is going to be responsible for generating the returns.

Because I would say most people should focus on underwriting the manager as much if not more than under writing the individuals deal. And again, there's a lot out there.

And, again I'm happy to speak with anybody as far as that is, I think a challenge sometimes. Sometimes people just don't know what questions to ask, but now there are so many more tools at people's disposal, whether it's chat, GPT, many blogs that have been written.

There's definitely a lots of physician groups out that they focus on this in investor clubs in general, where their sole purpose is to focus, on evaluating managers and evaluating these types of investments because.

They can be, it can, be a lot to look at, right? That's a big difference between going out and buying Apple shares or going on and buy an S&P index fund and doing one of our deals.

If you want to do one our deal, what I'm going to send you is. a deck, a prospectus, like a private place memorandum that's 60 pages long, an operating agreement that another 30 pages along.

And that can be a lot for someone to read.

Common Mistakes and Due Diligence Tips

There's a lotta legal language in there that you may not, and again, that part of my job is to help walk people through all of that, but it's lot to look at.

So it a very different evaluation process and some people will make these types of investments without doing enough due diligence. Sometimes it just understanding what questions do I need to ask.

What is this manager's background? Have they done this strategy before? And then what are their underwriting assumptions? How much debt are they using?

Again, there's nuances to the individual deal, but I would really start there for anybody that's starting to evaluate the space and figuring out what direction to go.

That's really useful. Two things you've said that make Lightstone Direct stand out in my mind is that it's got a 40-year history, stood the test of time through various financial situations.

And the second is there's a 20% co-investment happening where Lightstones Directing directly investing its own assets and capital into these deals. Are there other things that makes LightStone Direct unique or different than other similar investing platforms?

Yeah, I would say one is just we are a $12 billion organization, but we're still very entrepreneurial in a sense that we've not only we invested across multiple market cycles, But again, because we invest so heavily in everything we do, we just look at things through a much different lens.

than other managers. And again, it's why I can't emphasize, like people will say, oh, skin in the game. What does skin-in-the-game actually mean behind the scenes?

I could tell you as someone that sits in an investment committee every Tuesday, what it means is just an unlevel or unreal amount of scrutiny for deals that go through our platform.

Like sometimes I just feel bad for acquisitions guys because their deals just get put through the wringer. That is because we put so much of our own money in these deals.

And again, I mentioned earlier, just like the level of the different scenarios that we look at deals to examine, like, the difference outcomes and how they impact our returns.

So I would say that. But then two is, again we play, we invest across just a number of different asset classes. A lot of managers, they may invest only in Sunbelt Multifamily Real Estate, or they only do multifamily in the Midwest or like they're much more specialized organizations.

There are certainly benefits to that, but the problem with that is they can't always necessarily be objective about if the tide's moving against them, investing in something else where we have that ability and that agility to do so.

And as an example, like for us, it's been really tough to make deals in southeastern portion of the United States for multifamily assets. They don't really work mathematically for.

Right. But we can invest in the Midwest and the multifamily and those look good. We can. Invest in sub-institutional class B industrial buildings. So I know not a lot, but just multi-tenant industrial building where we see there's opportunity there.

And so the fact that allows us to be more objective and really follow wherever we believe that the best risk adjusted returns are going to. I think that's a huge advantage for us.

Yeah. One other, just as we talk about this asset class in detail, what other advice would you give physicians? Again, you've identified the ideal person as someone that says, okay, I'm getting to that, or I am getting that net worth class where I probably want to diversify.

I've educated myself about private real estate deals and I look for this opportunity. What other advise would give you physicians to look? Obviously, this is not personalized advice.

This is a general forum for people to receive information. But where would you tell people, to go outside of contacting you directly? Is there any other place that you would want them to seek information?

Yeah. I mean, look, if you want to learn more about us specifically, I would say go to lightstonedirect.com. learn more about the space and how to invest.

And there are a number of different investment clubs that you can join. I can just rattle off some in Boulder investment group as one, 506 group is another.

There are some positions, forums out there as well, which you could join, I believe White Coat Investor, there's all sorts of groups that can you join that are essentially peer groups of individuals, long angles and other ones, another great one.

These are all individual high net worth investors that look at deals together and people provide their opinions on them. And you'll hear from people who have invested with that manager before, and they'll tell you if they've had a good experience or not.

There's no better thing you can have than a personal reference from somebody that has invested what that managers before. And so that's the great part about where we are today in general is you have so many groups and communities out there that are built for different purposes.

How to Learn More and Closing Remarks

And all of these are some of the ones I dropped. They're all names, the communities that exist to support each other and to help and educate each on learning about the space.

Because in generally, alternative investments are becoming a significant, a larger chunk of people's portfolios. The learning curve is, is can be steep.

And so this helps help compress that timeframe by being able to talk to others that are maybe been doing this a little bit longer and help you avoid some of the pitfalls that people make.

Yeah. No, like you said, you're seeking for the win-win educated investor that knows what they're about. They've got the appropriate net worth and appropriate understanding of risk and the illiquidity of it.

And then you couple with someone like Lightstone Direct and you gain information from someone, like Jonathan Spitz, and then it can be a win-win over that period of time because you co-invest in that and it really helps.

How can people get a hold of you, Jonathan? If you go forward and someone says, okay, I think this actually fits what I'm interested in doing, how do they contact you outside of just going out through LightStone Direct?

Is there a LinkedIn profile or a direct web page or any specific place you would want them to go? Yeah, I would say you can reach out to me directly. My email is jspitz at lightstone direct.com.

And I really enjoy talking to people that are newer in their journey and just, and again, like we don't have to talk about our offerings. If you just want to understand, you know, what to look for.

I'm happy to have conversations with people and be a resource because at the end of the day, the more that we can help and to just be resource on that.

Look, hopefully eventually you enjoy what we're doing at Lightstone and maybe make an allocation with us, but if not, The more, what, whatever we can do to help add value in your journey.

I think that's great. So we'd love to hear from anyone. Shoot me an email anytime. We'd be happy to jump on a call. That's awesome. Hey, I've really enjoyed this and Jonathan, it's been super instructive and I, think people will gain value from this, whether they're at the very beginning of that journey or they are well advanced and they look at different options.

And so I appreciate you going over all that. Any final words or thoughts you've had as we wrap up our time here? No, I would say no. Look, we think that now is really an interesting time to start considering the real estate space more broadly, whether it's you're going out and looking for a rental or whether you want to invest in public REITs or evaluating private real state.

We didn't really talk too much about what the, kind of what, the forecast is there, but look, We think right now interest rates are starting to moderate finally.

And we think now is a really exciting time to start thinking about the space because the last three years have been very challenging places. Real estate has not been the darling of the investment universe over the past couple of years, but we that's about to change in a big way.

If anyone's curious or wants to learn more, like I said, feel free to reach out to me directly. Happy to talk about that more. Thank you so much, Jonathan.

I really appreciate it. Hope you keep in touch and appreciate you being a guest on the podcast today. Yeah, absolutely. Thanks Peter. This was fun. Thanks for tuning in to the Doctors Making a Difference podcast.

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