

# A Low Risk Approach: From Aerospace to Multifamily Syndications

One of the unique facts about our founders, Alex and Sarah May, is that they both come from engineering backgrounds and bring a highly analytical, number-based approach to investing. Before starting Regency Investment Group, Sarah and Alex were aerospace engineers working on space projects.

“Our mentality there is, in the space world, is that you have to be perfect. Nothing can be wrong because when you launch spacecraft, if anything is wrong, you can't just repair it. There's a lot of risk analysis always being done and really trying to make sure that there aren't going to be any problems.” - Alex

With their background in spacecraft risk-assessment, they bring that concept of ‘what-if’ analysis to investing to make sure the properties can withstand various “bad day” scenarios. The beauty of that is when you can do a what-if analysis, account for all the worst-case scenarios and still show that, “Hey, even if this goes wrong or this goes wrong, we're still going to be okay,” that brings a lot of confidence.

The ability to do all the analytical work allows Alex and Sarah to discern between large and small risks. With small risks, maybe returns wouldn't be what you hoped they would be, but at least you know you're going to be fine and returns will be satisfactory for your investors. By being able to take an engineered approach to risk management, Regency Investment Group has the skills to mitigate the large risks and minimize the small risks for each of their properties.

Before a deal is even mentioned to investors, Regency has put work already to make sure the project has maximum potential for profitability. They've built a team, started the loan process, worked with attorneys, and projected the financial performance for the deal. The risk management approach employed is important because Regency fronts the money to kick off these projects, which means if Regency is bringing a deal to investors, the project has their full confidence. There's a lot of upfront risks for the sponsors. With each deal, their entire reputation could be at stake.

“We've made it a point to make sure we're really careful on what deals we're going after. When you're doing that best and final offer, you're ready to go and put hard (non-refundable) money down. You want to be committed and know that it's the right deal.”

Investing in multifamily properties can be a big step, and the Regency team strives to find properties that minimize risk for investors while providing excellent financial returns. By conducting thorough financial assessments and due diligence early on in the property acquisition process, we are able to shape our business plan to maximize on the opportunities while mitigating risk.