

Action

By Bill Williams

Co-Founder, Advisory Board Member

As a long term, 50+ years CWS investor, I have been through many market cycles and global events: wars, pandemics, irrational exuberance...the works. And there are several lessons I have learned through these years which I am happy to share with you.

Systems Matter: “Atomic Habits” author James Clear wrote “You do not rise to the level of your goals. You fall to the level of your systems.” The reason CWS Capital Partners is one of the very few companies to survive and thrive for over 50 years is due to 1) maintaining a consistent culture of integrity coupled with a focus on sustained profitability, and 2) continually evolving the operating systems related to property management, leasing, acquisitions and dispositions, and human resources. This culture allows CWS to attract the best people and the systems allow CWS to create competitive advantages over our peers through superior operations. This has been and will continue to be a winning system.

Financial Capacity Matters: In good times you need cash to take advantage of opportunities; in bad times you need cash to weather storms. On offense, CWS has built a strong reputation with investors that gives CWS wide access to capital when the time is right to be buying. On defense, CWS has consistently used moderate leverage in its purchases so that when unexpected events occur (like when interest rates dramatically increase in one year), CWS can make the adjustments needed to operate the properties through those challenges.

Asset Class Matters: Crypto, Stocks, Bonds, Commodities, Real Estate, Fixed Income, etc. There are lots of choices. However, for my money, nothing beats the reward of building and preserving my wealth with carefully selected real estate at CWS. Taking advantages of favorable tax treatment in depreciation deductions and 1031 exchanges when buying new properties in locations with favorable demographics in growing markets can help generate more outsized returns. That said, real estate is a long-term investment strategy. Warren Buffett once said, “If you aren't willing to own a stock for five to 10 years, don't even think about owning it for 10 minutes” and that is even more true for real estate.

Partners Matter: A cardinal rule is to never invest in a deal, no matter how good it looks, unless you trust your partner. CWS's commitment to transparency and active communication with all its partners (investors, lenders, tenants, employees) builds trust and keeps everyone on the same page regarding current events and future plans. Further, CWS has a significant number of long-time tenured partners running the company with experience in multiple real estate cycles with excellent strategic minds to motivate people through the ups and downs that come with each cycle.

In closing, 2022 was a transition year. The massive spike in interest rates and inflation impacted all asset classes, and political turmoil and conflict at home and abroad had us a tad uneasy. CWS was not immune to these challenges but had the discipline to make some difficult decisions and adapt to the changes going into 2023 with a focus on the long-term care of CWS properties and financial prosperity for its investors. I greatly appreciate CWS's excellence in the areas listed and feel very comfortable with the CWS team managing my money and investing it in high-quality real estate for many years to come.