

EPISODE 517

[00:00:00] ANNOUNCER: Welcome to The Real Estate Syndication Show. Whether you are a seasoned investor or building a new real estate business, this is the show for you. Whitney Sewell talks to top experts in the business. Our goal is to help you master real estate syndication.

And now your host, Whitney Sewell.

[INTERVIEW]

[0:00:24.1] WS: This is your daily Real Estate Syndication show. I'm your host Whitney Sewell. Today, our guest is Mason Fiascone. Thanks for being on the show, Mason.

[0:00:33.8] MF: Absolutely. Happy to be here. Thanks for having me.

[0:00:35.2] WS: Yeah, happy to have you. I'm looking forward to this conversation. A little about Mason: He's the head of sales and marketing at Bullpen. Bullpen is a marketplace that connects expert commercial real estate analysis with top companies. It was founded after investing in real estate assets and identifying a massive opportunity to change the way commercial real estate talent is managed and structured.

Mason, give the listeners a little more about what Bullpen is and exactly what your focus is in this business?

[0:01:05.7] MF: Absolutely. Our focus is 100% on solving for the needs of commercial real estate firms. And you know, to start with why we're relevant, I'll get into absolutely what we do and you kind of mentioned it but solving for the way commercial real estate hires today, kind of flipping it on its head.

But our business is relevant because first of all, there's four million employees and two million companies in commercial real estate. So, it bifurcated of industry, you and your desk and your listeners know that. That means there's an average of two employees per firm and they're hiring

out VA's and all kinds of things to accommodate growth in commercial real estate. But hiring full-time and in house for over 80% of the industry is frankly impossible.

Also, deal flow is variable. One month, you might be looking 10 different deals across four markets and the next, nothing. Or say the coronavirus hits and there is 3% interest rates out there and you need three more people in your staff to help you underwrite all the deals you're seeing. Well, we find that that in hiring in house is kind of flawed because of that, it makes it expensive, hard to find top talent.

And so, what we've done is created a marketplace that essentially reinvents hiring by connecting employers and quality talents on an hourly, part time, full time basis, whatever works for that team, and it's built to solve all those pain points mentioned before. You can hire with flexibility, find top talent and really bring them on your team. It feels like you're there in house but they're not and then you can build expertise on your team so these are people who you can put in front of your clients, put in front of your investors, you can put in front of brokers and have them underwrite deals on the fly as you're negotiating contracts, different sellers or brokers,

So, it's a really high caliber people, the average people on our platform, the analysts have over 10 years of commercial real estate experience. They're really able to help bring expertise to your team.

So, what we do, we just connect analysts to employers in the most simple way and that's our go to market plan to day. There's a lot more opportunity out there in all of commercial real estate whether it's accountants, attorneys, property managers, that's where our future is headed. But right now, we're providing top quality analysts to firms that need them.

[0:03:12.1] WS: Okay, you mentioned like the talents that they have and in a minute, you know, I'd love for us talk about the difference in like our virtual assistant or the way we think about a virtual assistant compared to what you all are doing. But you know, you mentioned the talents, what are some of the things that these people on your team are going to be able to help us to do? Lay out a few more things other than just analysts or what is it?

[0:03:32.4] MF: Yeah, absolutely. Our most common task – well, first of all, we work across all verticals, all sectors. So, office, hospitality, retail, multifamily, any vertical and then in a sector, you know, in a vertical like brokerages, acquisitions teams, lenders, developers and then across all the different asset classes. We work with one-man acquisitions team, all the way up to a publically traded REIT.

The most common analyst tasks are disposition underwriting, identifying lease abstracts or writing investment memo's for brokers or teaser memos, acquisition underwriting for acquisitions firm or development underwriting, building the partnership equity waterfall that's going to benefit all the partners in a big deal.

Really, all of the detailed analytics, kind of the back bone of real estate if you will. All of these transactions are business transactions. And so, underwriting and getting in on the numbers, market research, anything that entails kind of the numbers on the real estate side of things which is the deal, right?

[0:04:32.3] WS: I just wanted to like hammer home, your people are focused on commercial real estate, you aren't a virtual assistant firm, like we've heard many times. Your team is focused on really the skills that like, I need my business, you know? The cool part is that I don't need to hire a full-time analyst, that I can create a relationship with somebody on your all's team and they help me to underwrite more deals.

[0:04:56.4] MF: Exactly. What we've seen from the kind of best in class, that people really use in our platform to the best of their ability to find talent for their team is for example, we have one broker who has three Bullpen, three analysts that he can tap into via the Bullpen platform. And say one is an expert on retail, when he's underwriting and selling 200-million-dollar retail deal in his town, he taps on that analyst and starts working them hourly and get them involved on the project, putting them in front of the partners.

And at the same time if he's got an office deal up the road, he taps on his office analyst via the Bullpen platform and gets him going right away. There's kind of no lag time of regular hiring, you got that person on your team, in front of your clients within the couple of days. And they're really specialized in those skills that you need for commercial real estate only.

[0:05:42.7] WS: I can think through some of the things like maybe the listeners are wanting to ask you and one thing I would think, "Okay. I'm hiring somebody on your team to help me underwrite deals. You know, they're getting to see obviously lots of information or deals that I'm seeing., before obviously, we ever have one under contract, helping us through that process of underwriting. Or you know, they're probably seeing it before I am," you know, if that's the case.

They're seeing deals and if it's something that we think we want to pursue then I'll look at it potentially. What about this – we might call it sensitive information or just you know, just information, obviously, we don't want blasted out to other operators potentially, things like that, how is that handled?

[0:06:17.3] MF: Yeah, absolutely. Everything through the – that's facilitated through the Bullpen or Bullpen platform is 100% confidential. So, the analyst have signed as well as the employer signed with that analyst, we're really connecting the pieces here and so when a firm hires out an analyst and they get to talk and then they decide that they want to start a relationship and you want to hire that analyst on their team through the Bullpen platform, you know, the due diligence is, sometimes, also on them player to make sure they're finding the right person.

And then that contract has 100% confidentiality built into it and what we're doing as Bullpen on the front end is vetting these analysts before they ever get to anybody that's interested in hiring someone, we're putting through them through a pretty rigorous testing and understanding their background and making sure that they're quality people who are going to be the right people to put on your deals.

Anybody who is a quality operator, analyst, broker in this space understands that deals happen via relationships and losing relationships is going to lose your ability to succeed in this space. And so, we're focused on finding the top talent and vetting them, to make sure that that first of all, they have the credibility needed to be trustworthy.

Second of all, in those contracts that we're facilitating between CRE firm and analyst, the confidentiality agreement is absolutely worked in there. Similarly, if you're talking to a broker and

it's an off-market deal, they have you sign a little confidentiality agreement out front, right? Just like that, I think it's pretty similar to how we operate, if that makes sense.

[0:07:43.8] WS: Okay, one question I wanted to ask you is how you – qualified, you hire them as part of your firm and then I'm hiring them to underwrite deals for me but I was thinking about how I would know that they're qualified. How do you know they're qualified to underwrite deals?

[0:07:57.7] MF: Yeah, absolutely. For one, we're looking at their past experience. And so, I think I mentioned it earlier on but the average person has over 10 years' experience as an MBA and that they're using in this platform. And so, there is a variance of experience level and you do pay for that experience level across the board. But one of the things we do is put them through a skills assessment.

If they're an acquisitions focused underwriter, then we're going to give them an example and have them underwrite and see what their skills are like and we're going to pressure them a little bit on the different metrics and the underwriting there. Same with on the loan side, do they understand the terminology and the different product available out there on the lending side. We put them through that skills assessment.

And then in the process of hiring through the Bullpen platform, you'll get on and talk with our team, myself or my team, explain to us your need, the project, the kind of tasks you want someone working on, the people you want them connecting with in your organization, And then I'll go in and actually hand select and work with our internal algorithm that's going to match your project to the right analyst for those skills.

And so, we're going to facilitate that to make sure you're finding the right person with the right skills. It's that skill assessment upfront, understand their background, talking to people they worked with in the past and then always continuing to make sure that there's quality all the way through, getting that feedback loop from the people who do hire our analysts to make sure that everyone that's getting hired is quality.

[0:09:16.8] WS: You mentioned that I'm going to pay for that experience, you know, maybe someone's a lot more experienced and I would expect that but how does that work? As far as, is it an hourly thing or is it like they're analyzing deals, is it per deal or how do we pay them?

[0:09:30.9] MF: Yeah, absolutely, again, you hit it on the head, that varies by analyst. At the end of the day, we're a market place and so it's subject to the analyst approval. It varies by analyst. Overall, it ranges from about a hundred to \$200 an hour and that depends on the seniority of the analyst and the type of talent.

For example, if you want a director of acquisitions who is actively pursuing deals and building relationships with brokers in the market, that's going to be very different than an analyst doing some quick calc's on a disposition modeling from multi-family space. But that's typically the range, \$100 to \$200 an hour because this is talent that you can put in front of your investors, in front of your brokers and underwrite investment deals.

[0:10:08.0] WS: Do I get to work with the same one every time or a different one, how does that work?

[0:10:12.4] MF: Totally up to you and how you want to build your team. So if you want to hire someone on a part time basis and have them work on ongoing task and finding deals and performing market research, you can find that right person for you and stick with them and you can supplement that person with other people for like I mention the retail or the office space and bring those in and how you like.

So, once you are in the Bullpen platform, you are able to see who is available and whether they are working in the evenings or the mornings or whether they're fulltime and available during the working hours of the day. And so, it is really how you want to build your team and we have seen it done and bought in different ways. It works for different teams.

[0:10:46.7] WS: And are they all located in the US or all over the world?

[0:10:49.8] MF: Absolutely 100% US-based and that is another one of the benefits too. If you are on the acquisition side and you are acquiring in Texas and in California and in New York,

you can hire an analyst in each of those local markets so you got that local expertise there since real estate is local.

[0:11:04.4] WS: So, we could actually hire somebody that has local knowledge of the market not just numbers behind the deal but actually knows the market as well?

[0:11:13.0] MF: Exactly, they might say, "Yeah one block over, I was there the other day I nearly got robbed. So, you might not want to buy there," something like that. That is a stretch but yeah, definitely that local expertise is there.

[0:11:22.3] WS: You know these people being this qualified, I just wonder why don't they go work for a big firm or why don't they start their own business. Why do they want to work for me for a few deals and somebody else and somebody else and why do they do that?

[0:11:34.0] MF: That's a great question. In the commercial real estate corporate world, there is often a lot of churn and a lot of working 60, 80, 100 hours a week for big corporation and really working very hard. And you get a lot of amazing experience and work for some really qualified people, but you are not in control of your time.

So just like I am sure your listeners yourself get into real estate to free up your time, give yourself the ability to work on what you want to work on well, we are offering that for this analysts who have a really specific skillset who may not want to go out and raise capital to acquire property but they've got a really highly specialized skill in underwriting or acquisitions for all the analytical work of commercial real estate.

And so, what we are offering them really is the ability to control their own time, control their own schedule. So those who kind of leave the corporate world and want to work on their own, we are bringing them some of the best deals to work on through the Bullpen platform.

So, we've really top-notch employers who want to hire them out and then that is for the people who are available fulltime during the day. Others, it can be a form of a side hustle. So, they are working in the mornings, the evenings and the lunchtime hour and it's their ability to be able to generate some extra income for themselves.

Leveraging that high skill, a high talent skillset through our platform and they wouldn't really be able to find that, maybe they could find a deal or a team here or there to work on but we are bringing them the best quality to work on.

[0:12:56.0] WS: So what about if we are underwriting deals and we have a specific model that we like to use or template or software something like that? You know we hire this individual, how does that work as far as are they going to learn our software or do we need to learn theirs? How do we communicate that or maybe they do theirs, we do ours and we see where we come out? How does that relationship work as far as just what we're using?

[0:13:19.3] MF: Yeah that is a great question. So, I actually was just talking with one of our analysts the other day and he loves ARGUS. So as an example, for a software it is used for underwriting and it's his favorite thing and actually he pays for that software himself so that when he gets hires to the Bullpen platform, he is using that software.

And so that would be tagged on his profile and if you mention that in coming to us, "I want someone who knows the ARGUS system." Or, "I want someone who knows this software system," then we are going to bring you someone who knows that system and you'll be able to work with them.

If you want someone who's going to bring a new model to the table to upskill your underwriting then we absolutely have that and actually on our site you can have a couple of those models that we have released in different blog posts. One written by one of our analysts, her retail disposition model. And so, you can go on and see the way she underwrites the model that she uses.

A lot of firms do actually come to us hoping to work with us and in that experience get a model that works better for them and then the analyst who built that model and as you know I'm sure building your own model, it's not static. There is always changes. There is always little formulas or ways to get better. So, our analysts are always doing that on their own and then they bring that to the table when they start working with someone like you.

[0:14:27.7] WS: Nice, what else do we need to know about Bullpen and just using a service like this?

[0:14:32.0] MF: So, I think that understanding who we are and the way we work is one of the critical things. And then I think getting on there and understanding what are the kind of things that I should be outsourcing to an expert? You'd probably hear the same with the VA's but it's really about the mindset of do I have to do this all myself? When do I want to hire the big guns and when should I hire the absolute expert and when can I bring in someone to help me underwrite? And then when should I hire a VA?

And thinking through those task that's something we can do if you set up but introductory call with us, we can walk through a little bit more of the detail on the projects and the tasks that our analysts are really best at and get to know us and what our analysts like to work on and then go from there and really upscale your team with expertise that it is going to set you apart in the market.

[0:15:15.6] WS: That's amazing. What is a way that you all have recently improved your business that we could apply to ours?

[0:15:19.9] MF: One of the recent things is realizing that from a leadership team and a founder perspective, I think this is what our founder would say, is that it is not all in the weight of the leadership team. You need to hire and find the great people just like we're providing for other businesses, we need to do that in our own business as well and find people who are real experts in what we do. So, for example on the engineering, coding, product side.

Making sure we have people that are dedicated to focusing on making that the best platform for our analysts and for the firms coming on. Instead of one or two people trying to do it all. So just taking our own advice to heart really in our own platform.

[0:15:56.0] WS: What's the number one thing that's contributed to your success?

[0:15:58.5] MF: Hyper-focus on our customer. At the end of the day over the past year or two made decisions that we thought were great fix and would really benefit the business. But we

didn't get that customer feedback up front and so we realized that wasn't going to actually contribute to our success.

So always hearing from our customers from the firms and from the analyst on what they want to see from Bullpen and what is going to make their business a success. So, being focused on that first.

[0:16:23.7] WS: How do you like to give back?

[0:16:25.3] MF: Well for me personally, I am a man of faith and so it comes down to my community and my wife and our future family. Our first is due in May and so really focus on that.

[0:16:34.6] WS: Congratulations.

[0:16:35.2] MF: Thank you very much. Our family and our macro and our micro family here and the community that we live in. So, whether it is with church and volunteering or just spending time praying together as a family. I think if you asked our CEO and founder, he is actually starting a church in San Francisco with a team because – I have identified San Francisco as a space that could use a lot more church and a lot more faith to be honest. And so, that's one of the biggest ways that we are both giving back to our community.

[0:16:59.4] WS: Wow, well Mason I am grateful for you sharing the way you give back and grateful for your time today sharing about Bullpen. and I know I have enjoyed getting to know you all and potentially using your services in the future. I love outsourcing things and getting things off my plate in any way that I can. But there is specific things that we've never looked to outsource until I met your team. Something like underwriting, I am not going to hire just any random VA off Upwork to do something like that.

You know I am going to assume I have to do it myself or my business partner, you know? It is very interesting to have a group like yourself who is hiring people that are overly qualified to do these things that we can reach out to and say on an hourly basis, whether it is an hour a week or two hours a week or whatever it maybe and we don't have to employ somebody fulltime. And we get even better service most likely, somebody that is overly qualified.

So, thank you again for just going through that and what that service could do for us and helping us think outside the box a little bit. How does the listener get in touch with you and learn more about Bullpen?

[0:17:58.1] MF: Absolutely, so bullpenre.com is the best way to hear more about us and learn more about us. So, for employers and firms if you are in need of top talent like Whitney just mentioned and you want to take your business to the next level just reach out. We are a website and our sales team will get you immediately into our process and you could have an analyst working on your team within three to five days.

And then if you are an analyst and you are listening to show. And if you are quality analyst and you want to work flexibly on your own terms or want to start working on more projects on the side, reach out. We'd love you to apply as an analyst, where are a market place here for both sides of the business. So reach out at bullpenre.com.

[0:18:32.5] WS: Awesome, Mason. That's a wrap.

[0:18:33.9] MF: All right.

[0:18:34.6] WS: Thank you very much.

[END OF INTERVIEW]

[0:18:36.1] WS: Don't go yet, thank you for listening to today's episode. I would love it if you would go to iTunes right now and leave a rating and written review. I want to hear your feedback. It makes a big difference in getting the podcast out there. You can also go to the Real Estate Syndication Show on Facebook so you can connect with me and we can also receive feedback and your questions there that you want me to answer on the show.

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with me, sign up on the contact us page so you can talk to me directly. Have a blessed day and I will talk to you tomorrow.

[OUTRO]

[0:19:16.7] ANNOUNCER: Thank you for listening to the Real Estate Syndication Show, brought to you by Life Bridge Capital. Life Bridge Capital works with investors nationwide to invest in real estate while also donating 50% of its profits to assist parents who are committing to adoption. Life Bridge Capital, making a difference one investor and one child at a time. Connect online at www.LifeBridgeCapital.com for free material and videos to further your success.

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