

EPISODE 624**[INTRODUCTION]**

[0:00:00.0] 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]

[0:00:24.4] WS: This is your daily real estate syndication show. I'm your host Whitney Sewell. Today, our guest is Erin Spradlin. Thanks for being on the show, Erin.

[0:00:33.1] ES: Hi Whitney, thank you so much for having me today. I'm excited to talk.

[0:00:36.1] WS: Yeah, me too, especially you're in a market that I'm partial to so looking forward to hearing a little more about that as well. Erin is a real estate agent that buys and sells real estate in Denver and Colorado springs, short term rental niche, has a growing investment group called Denver Women Invest. Intended on bringing women into the space. Her company donates 2.8% of every commission back into charity in the community. Erin, thank you very much for your time.

I know, one of your strong points or super powers is being ultra-organized. I need help with that. I know a lot of the listeners do too. But before we get into that, I would love for you to just explain a little bit about who you're focused right now and your path in real estate?

[0:01:18.1] ES: Sure. Basically, we did get in through short term rental, which I think quite a few people have done. I actually really – I love Airbnb in that way because I think a lot of people have an interest in starting their own small business, or quitting a job that they're not happy with, and I think it seems intimidating to start your own business, or go or to go out on your own.

It did for me at least, and so I think in a lot of ways, people do Airbnb, they think they're just going to run out their basement and they start to realize, this is a business. I have a bank account, I have contract workers that do work for me, I have to be organized, and what not. Then it ends up growing into something else, and then it gives them confidence that they can run their own business, and quit their job. We hear that a lot, from a lot of people we work with, that that was also true for ourselves.

My husband was in public relations with the government and I was a digital marketing director. We were dating at the time, so this was 2014, but we weren't ready to live together. We kept throwing away a ton of money on dual rents. Again, this was you know – it's so crazy that 2015, 14, Airbnb was not as well known about. I mean, it was known but it was not what it was now. At that time, I just thought, I'm going to put my place up, see if I can get \$400 for the month. If I can, I'll be ecstatic.

Part of the reason why I knew about Airbnb is because the Democratic National Convention was in Denver in 2008 and Airbnb had a big presence then. Fast forward, I'm thinking about places so I put it up on Airbnb. Within half an hour, I had \$100 rental. It was the first time those people had rented, it was my first time. It basically never stopped after that. Then we actually did move in together because we were making so much that we weren't going to go back on that, and we started to do Airbnb arbitrage.

Then within the year, my husband was trying – he had looked for another investment to do this on because we were making such crazy money with it, and when he sent out letters to see if anyone would want to sell, tons of people were like, "Well, I'm not letting out, but I need a real estate agent," they thought he was the real estate agent.

Then we thought, people might be interested in an Airbnb investments real estate agent, and at that time too, Denver was becoming more familiar with it. They were getting laws, and we thought it's important for people to understand legally what they can and can't do. Obviously, because with investments, that's a big deal. Within a year or two – so, he came to me on and say I want to quit my job. I said okay. Then within a month, I got mad at my boss and I quit my job.

We just went for it and, you know, sometimes I think people think that it was like this really thought out plan. It was not, but it was awesome and I do think, you know, it became a sink or swim situation and so we put – we fully went for it, and now we're real estate agents. I absolutely love it and absolutely loves it, and that's not necessarily something I always saw for myself, but just I love owning my own business. I actually do think helping people with real estate is a pretty powerful thing, it's a huge financial decision so anyways, we love it.

[0:04:26.6] WS: Awesome. I want to get in to the how you're super organized, and you help us with that a little bit, but I also wanted to ask you, while we're talking about it, I know a lot of multi-family owners who are also are like using Airbnb for a few of the units. They're using say five units at a time or something, strictly just for Airbnb, and having a different source of revenue at that property. I have not done that yet at our properties, but what has been the latest on the Airbnb model, you know, during the COVID stuff, the pandemic?

[0:04:59.5] ES: Yeah, I think Denver at least was a little bit better position for what happened with COVID, because in Denver, starting January of 2017, you were not allowed – you're prohibited from doing Airbnb unless it was your primary residence. Essentially, if you had a mailing address there. Even if you had a duplex, by law, the other side could not be on Airbnb for under 30 days. Denver, the board that watches it, was really on top of it. It wasn't like you could fly under the radar, they were very much aware. A lot of people, including ourselves, converted our properties to 30 day rentals that were furnished, and just managed to do it that way, until you saw a lot of people do that or they dropped out of the space. When COVID happened, you saw the exact same thing.

Even as the market dried up, they just ended up extending to 30 day leases, really targeting obviously medical professionals. I think you saw a little bit of an expansion of where people were going, at least amongst our clients. Instead of just focusing on Airbnb, which honestly was still a very good driver for 30 or more days, but instead of having that focus, you saw the people going to Furnished Finders, and Facebook Marketplace has been awesome for it, Zillow has been awesome for it.

That's what you're seeing on that end and then in Colorado Springs, they actually just passed the law on it as well. Colorado Springs in the past have been a free for all, you could do it in as many units as you wanted, and now, they're under restriction in and has to be at least duplex owning or up, if you're an investor. You can't have another Airbnb within 500 feet. Beyond that, they allow you to do it in your primary residence.

You just saw people flip to a model that we were already seeing in Denver.

[0:06:43.7] WS: Okay, Airbnb is still going strong?

[0:06:47.5] ES: Well, that's interesting. Obviously, we had like such a hot market for that for so long and then, you know, it seemed like in March and April, it dried up a little bit. You know, again, a lot of people converted. The people that didn't convert seemed to do quite well actually. They had a rough like two or three weeks but then they ended up recovering from that, and then we're kind of the only game in town for a little bit. Then, they did really well and according to people, it's seems like the summer's quite hot and they're fully booked.

I think what I'm interested in on that front, is just it seems like a lot of the customers that is from within the state of Colorado where as in the past, it was national and international, so we'll see how that ends up shaking out. I think what medium term rentals, as far as medical professionals and what not, it's been interesting because some of those contracts have been canceled because the hospitals aren't doing surgeries and stuff.

Now, it seems like that comes back, there's an 18 month delay on it, so I think those people will still be a very strong generator.

[0:07:52.6] WS: Wow, okay. I just wondered. Personally, I'm sure we'll still have the listeners have as well just about Airbnb and how that's working right now. But you know, as far as being super organized, give us some tips on how you have been super organized in your business or, you know, from the transition to working to moving into your own business, you know, there's lots of stuff that you don't even know to organize yet, right?

How you did that and what that looks like now on a daily basis, how you stay organized?

[0:08:19.0] ES: Yeah, sure. I think I have the benefit of working for a couple of small businesses before I went out on my own, so I could see some practices that I thought worked or didn't work. I know we were talking about this before the show started, but I think my professional advice to anyone, whether it's an investment or otherwise, is to get to know Excel. It's such a powerful tool and you can take lots of free online classes. I actually took a class at my local library and that really helped me get up to speed.

I would say, amongst investors, obviously, Excel is kind of a gold standard. People really use that. I think Bigger Pockets and some other places offer tools where you can run your own numbers, but it's behind the scenes whereas Excel, you kind of know exactly what you're plugging in and what that means.

I would always say, Excel is the best way to manage any business, whether it's your own finances or finances for something else but then, also, I just think there's really powerful tools that you can use across the board. I like to do lists and I like Wrike. A to do list just a daily task list and then Wrike, I usually setup, you can do templates and stuff. One thing that I think is very helpful as an organized person is you know, making sure that there are certain tasks that you do every week and that you do every month. I always hear this from people.

They get intimidated or things get out of control because of the unpleasant to put it off. If you just – I do this right in Wrike. If you do this on Wrike, you can setup templates where you're just looking at it every week or every month for just standard things. Some examples of things that I do are, I catalog my mileage every week on MileIQ, every week, I look at mint.com, which catalogs my expenses. Then every month, there are certain things I do like reach out to clients that I haven't talked to in a while, or check my personal assets and finances, invoice people.

Finally, I think one thing for us at least because we are client heavy, we have a weekly meeting every Monday. It's like not learning from each other a little bit but then also allows us to cover one another easily because that's like, this person, you know, this is what's happening in inspection and stuff so we both know what's going on.

Those are kind of my highlights. They just think not letting things get away from you is a big one, and also using your inbox as a to do list, so that you – I have very few outstanding emails. My inbox might have 10 or fewer emails at all times, because if I've addressed them and they have been archived, and if they haven't been archived then they need to get addressed.

[0:10:52.8] WS: Okay. I mean, inbox management. Is that your tip? Just like address it right then so you can archive it, or do you have a method of like categorizing or how do you do that?

[0:11:03.3] ES: I mean, I would say inbox management, so it's always in your face and you're always seeing it. I think, obviously, I have folders and labels for people that more than that, I would just say, making yourself do certain things every week. Maybe dedicating Monday to unpleasant tasks or whatever but, that way, it doesn't get away from you and you do those things that you don't necessarily want to do but are good for your business.

[0:11:27.0] WS: Yeah, I mean, my inbox is just – it's so hard to keep up, like I might get a hundred emails or more some days and it's very difficult. I'll just have hours of email and I'll get it way down there, I'll feel really good about it, you know? And then a week later, it will be like back up to 400 or something crazy.

That's just in the important and unread section, that's not like everything else.

[0:11:50.3] ES: You might be more popular than me, Whitney. I don't know that I have 400 important emails a week, but I definitely got a level of junk.

[0:11:58.8] WS: What about mint.com, you mentioned using mint.com, is that something that can replace your accountant or is that – I mean how well does that work for you? I have never used it.

[0:12:07.9] ES: Yeah so I think I will say a good bookkeeper and a good CPA I think are not replaceable, especially when you have business partners or you have something complicated in your booking. We tried to do it ourselves and, really, we had awesome business partners that were very understanding but I think it just created a lot of headaches. It was definitely worth it to pay for someone else to do it.

With that said, if you are doing it for yourself and you are using mint.com, I think it's great. It is a great way to manage your finances and look at what is going on every week. I find it most useful when you are looking at erroneous charges that don't really make sense. I caught Compass just adding charges, certain months, when they shouldn't have. Mint will flag that and other things. The thing that I would say about Mint is that it is a lot of work that you have to put in in the beginning to upload all of your accounts and label things.

But then after you do it, I think it is well worth it, and then to look at trends, like, this property is costing me this much or you know, my water bill spiked, what's that about? You know things like that.

[0:13:14.7] WS: Okay, so I know a big thing you are focused on right now is having women get into real estate, right? And you have a group there, Denver Women Invest. So I hope people will look it up. So, tell me though about just the fear of holding people back, especially women. That can imply to men or women for sure but we definitely see less women in the space than men. So maybe you could talk about that a little bit or talk to the women who are listening and help them get past that fear.

[0:13:43.7] ES: Yeah, so I mean with Bigger Pockets, you know Bigger Pockets is Denver-based, but it is obviously national and international. They have a pretty big scene here in Colorado and I had started going to Bigger Pockets meetings with my husband and when I would go, I remember the first one I went to, I mean it was 98% men. People are throwing around terms. Had my husband had not been with me I would have walked right in and walked right out.

It just didn't feel like anything that felt comfortable to me. No one looked like me. I didn't know what I was talking about. I was in a space that was not familiar to me and I didn't like that. I thought, you know, after I did start to become uncomfortable in that space, I started to notice there were a lot of women standing on the sidelines, looking at their feet, not talking, or even like married couples that seemed young that just didn't want – you know, they felt that they were a little bit out of their element. I both felt sympathetic for them but also frustrated that this environment wasn't friendly. I think as the United States has started us to have a little bit more

recognition around how certain people are more welcome in places than others and stuff, and I just thought how can we work with that?

When I did my masters, I did it about advertising to females and one thing that come up with that is that women make 85% of housing decisions, 91% of consumer decisions across the board, but then when it comes to investors, they are only 25%. So that was very frustrating to me. I thought, "It is not that different. Why are women just dropping off a cliff when it comes to investing?" So I decided to open this group and it's only females. It is a round table, so people come in and give speeches on whatever their focus is.

So we might have an environmental hazards for someone to come in. We might have an inspector to come in, a lender, a CPA, whatever. They will come in and speak and then we open it up for questions and then a pretty heavy emphasis on sharing. So if you know something that you think someone else needs to know, or that you are good that, then we feel like it's a little bit your responsibility to help others with that. That's how the group started. It is probably two years old now, and we do it for every – it's free, and we do it once a month for about 90 minutes. I definitely have men asked if they could join the group and the answer is no –

[0:16:09.8] WS: What do you think is holding most women back though? I mean just the fear, or just feeling like they don't know, they get fearful, I mean just turn away from it and don't keep pursuing it?

[0:16:18.6] ES: Yeah, sure. I think it's like women, their strongest suit is also maybe something that holds them back. They are a little bit more risk averse. I hate to be stereotypical here, but maybe a little more thoughtful. I know that there is a lot of studies where women certainly feel like they can't do the next level job or whatever. Or they are just – they are faster than they see themselves as there, and I think men don't have that as much.

I have a lot of 25 year old men come to me, and they are very confident, and very ready. Sometimes correctly so, sometimes not. You just don't see that with women as much. So I am just – the focus is to say to them like, "What does it take for you to feel more comfortable?" And also I think, you know, for men it is a little bit more like they hear a relative talk about it and then they feel like they should do it. They read a book and then they go do it.

For women, I think they need to hear about it from a podcast, read a book, hear it from a friends. It is more of a multimedia or multi source for them to feel comfortable.

[0:17:16.6] WS: And what is a way that you have recently improved your business that we could apply to ours?

[0:17:20.5] ES: Sure, so I think one way that I recently improved my business is to check my finances every week. I think that might be a small one, but I just thought that that is a policy that we've ended up implementing. Then the other thing that I do to help my business is I just check in with my clients every single week, religiously. Even if it is just to say, "I know you heard from me last week, but let me know if you need anything from me."

I think communication is the biggest thing you can do to be strong in your business. So many problems can be alleviated by strong communication.

[0:17:53.4] WS: Good advice, and as far as the weekly financial check, is that from implementing Mint?

[0:17:58.6] ES: Yeah, actually it is. So there is Mint ,but I mean I had Mint for a long time. So it's Mint, and looking at any outliers, but then also just looking at every week. You know, where is our savings? Where are our taxes? Since we are self-employed, so just making sure we are on top of that at the end of the year that that's going to be okay. You know, what debts do we have across properties, cars, student loans, you name it. Just having a pre-high level overview but making sure that there is no emergencies that are sneaking up on us.

[0:18:29.4] WS: So what is your best source for meeting or finding new investors?

[0:18:33.8] ES: Bigger Pockets for sure. I mean I think Bigger Pockets is a huge one, but then also I would say Denver Women Invest, because in addition to wanting to bring people into that space, I know, because of the research I've done, that women are seven times more likely to give you a referral than a man. So they are more important client base for me, and when I meet males they are married that want to invest, I always say, "Get your wife on the phone."

I know because it's not – it has to be both of you. Both of you have to be on the same page and typically the female is maybe a little bit more reticent to that end than the male. So I just want to make sure I am in front of both of them, and then also like I said, on a business level it is smarter for me to have females.

[0:19:15.6] WS: So what's the number one thing that's contributed to your success?

[0:19:18.8] ES: Organization. I would say organization, and honestly just having content on Bigger Pockets. I had tapered off, we're starting again. I had written basically one blog post for Bigger Pockets every single week for the last two and a half years, and that has gotten especially – I wrote a post about why you should invest in Colorado Springs, and that has driven me a lot of clients as Colorado Springs has graduated and so I think just thing I don't want to –

I think sometimes people get interested in content and then they drop off very quickly on it if they don't see immediate returns. I think you need to think of it as a marathon instead of a sprint.

[0:19:54.1] WS: For sure, any thought leadership platform, and that sounds like that is what you've done with that. I'd love to see that article by the way. So how do you like to give back?

[0:20:02.7] ES: Oh, that's a great question, thank you. So one thing is that we do a lot of free education. We feel like our job is to sell you one house but to educate you that you feel comfortable. Even outside of our client base, we do free classes on how to buy a house, how to sell a house, how to do Airbnb investing, but beyond that, for every transaction that we do – in Denver, the standard rate is 2.8% as the commission that the buyer's agent or the seller's agent gets for a property, so we got that 2.8% commission and then we take 2.8 of that 2.8 and give it to a charity of our client's choosing.

So we ask them what is important, and then we do that. We also feel like that is especially important for investors, because it is very easy to go in and spend your money somewhere and not know anything about that community. We just found doing that create a little bit of a buy in. They have to do some research or think about what is important to them.

So we do it across the board for all of our clients but I really do like doing it for our investors, because it makes them think about what they are investing a little bit more.

[0:21:05.5] WS: Erin, I appreciate the way you give back. I appreciate you giving back today with us on the show, and giving of your time, and helping us to be more organized. I try to be organized but I'll tell you what, you can get away from you, can't it? But it so important and I appreciate you sharing just some tips, and just, you know, like Mint.com and things like that I should probably try, instead of trying to do them as much manually. Even how you help women investors as well.

I mean I appreciate that and just your focus there. We would definitely like to have more women guests on the show as well. So I am very open to that. Tell the listeners how they can get in touch with you and learn more about you.

[0:21:42.1] ES: Awesome thank you, Whitney. So two ways you can get a hold of me. The first is my real estate company where we have a lot of resources about Denver and Colorado Springs, and investing if you are interested in any of those topics. That real estate website address is erinandjamesrealestate.com, or if you're a female and you're curious, even if you are out of state, right now all of our stuff is online Zoom because of COVID. You are more than welcome to join those as well and that is just denverwomeninvest.com, and you will be able to see a schedule there and also how to contact me.

[0:22:16.0] WS: Awesome, thank you. That's a wrap.

[0:22:17.7] ES: All right, thanks Whitney.

[END OF INTERVIEW]

[0:22:19.5] 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

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[OUTRO]

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