

**EPISODE 829**

[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 Hayden Harrington. Thanks for being on the show Hayden.

**[0:00:32.3] HH:** Hi, thanks for having me, Whitney.

**[0:00:33.9] WS:** Hayden is a managing partner at Momentum and has over 1.5 billion dollars' worth of deals over the last 12 months. That's incredible. He is currently under contract on a 29-million-dollar deal but I just want to put out, it will be closed by the time that this air. It will be a 506(b), that's why I want to mention that, we are conscious of that.

His first deal is a Class-A asset in Houston Texas, I want to just jump in Hayden to just to how you got there, right? There's so many people that are listening that are going to be dreaming about being where you're at right now and you know, as soon as possible but there's some things that need to happen initially. I know I had to experience these same things that did help you to make that happen.

Hayden, welcome again to the show, give us a little more about who you are, your focus and let's talk about how you got where you're at.

**[0:01:22.0] HH:** Yeah, absolutely, thanks again for having me on, again, Hayden Harrington, originally from The Woodlands, Texas which is a suburb of North Houston actually. Been up here in Dallas now for about six years, ventured in commercial real estate space about two years ago and yeah, it's been a long journey to where I am today, that's for sure.

It's taken a lot of time to get this first deal under my belt and you know, it's taken a while to meet the right people but finally surrounded by the right people, I got the right guidance and it's been really just an incredible ride.

**[0:01:55.4] WS:** Nice. You mentioned a couple of things that are already, I know we're probably going to talk about, I want to make sure you talk to the right people, right guidance. Why real estate, why syndication, doing a large deal like this, why that and not you know, flipping or wholesaling or short-term rentals, all these other things that you know, people also build wealth in real estate but why the syndication business for you?

**[0:02:16.7] HH:** You can do well at any of those so I think any of those is a good option, growing up with my dad, we did single-family fix and flips together and we had some rentals and so, there's just me and him doing all the work, he never liked to contract it out so I was who he dragged in there to help him out with all the work.

It was great, it was fun to learn how to do everything, what's behind walls, how to fix stuff. But it's a lot of work and also, it's a lot of risk, you know, we had tenants that would steal washers and dryers, that would get up and leave in the middle of the night and break their leases. You know, it cost you more in legal fees to go after them than you actually recouped. To me, I saw this as, "Well, this is a lot of work and it's a lot of risk." If something unexpected happens and something always will.

That's where the dream to go bigger was started and you know, I knew I wanted to go commercial. At first, I wanted to explore all the different niches of commercial so I looked at our family friend that owned office buildings. I talked to a lender who introduced me to a client of his that was a retail developer. I talked to some guys that did triple net stuff, CVS's and Walgreens and then of course, multi-family. I wanted to explore every aspect of commercial first and then figure out, "Okay, is multi-family where I actually want to be" based on the pros and cons, right?

Finally, after exploring them off, settled on multi-family. It's what I knew in a sense and felt the most comfortable with and I just liked the future prospect of it, you know? It looked very stable, everybody needs a place to live, not everybody needs an office as we're seeing right now. You can work from home, right? That's kind of where the dream came from growing up and then how I settled on multi-family and then just went all in. I think I like to talk about how – you got to put your blinders on like a racehorse, right?

When a racehorse is running a race, they put blinders on them for a reason, so they only see that finish line, they charge full steam ahead. You don't worry about what everybody else is doing, you just focus on that end goal that you have and so, that's what I did.

I just jumped in and I said, "You know what? I've got this big goal, I want to get into multi-family, I want to be a general partner. I'm going to figure out how to make it happen, I don't have all the answer but I'm just going to go for it."

**[0:04:33.3] WS:** Awesome. You do ultimately have to just decide to go for it, right? I mean, getting started, it's not easy. I mean, I like how you talked about how to have blinders on like a race horse. So true. There's going to be so many distractions, right? Shiny object syndrome and naysayers and all those things that are going to be yelling at you from the sidelines, trying to distract you.

How did you get your mind right to make this happen — you know, a 29-million-dollar deal, that's no small feat right there. That's where most people thinking about getting in syndication business, that's not where they're thinking about starting, that's for sure. Getting your mindset right, you know, how did you do that, how do you avoid the naysayers even though you got blinders on, how have you done that?

**[0:05:14.1] HH:** I'll preface this by saying that the 29-million-dollar deal was not what I expected either, that just kind of unfolded it blew me away as well. But I'm a big reader, I focus a lot on mindset, I focus a lot on what we tell ourselves, that inner dialogue is so important because that's what's going to lead to our reality.

For me, I had this big goal and you know, a lot of people tend to start small because they think they have to. But I didn't want to have to believe that was the only way. For me, I believe that hey, if you have a goal, there's a path to get there you just got to be willing to go out and find it and overcoming those hurdles that are going to inevitably come along the way and not give up the first time you run into one.

For me, I had the goal and you know, like I said, you know, put the blinders on and just start getting out there, started talking to people and you know, your network is your net worth and I just started trying to connect with the right people. At first, I started to just offer to work for free, you know, I was like "Hey, I need to be around people that are doing deals." Got a lot of doors closed on me actually, you know? I didn't quite understand why because I was like, "I'm smart, I'm capable, who wouldn't want free work, right?"

But it took me a while to realize, it took me a few people to deny that for me to realize that that's not actual tangible value. If I'm offering free work, well, in their minds, they're going to have to hold my hand to teach me. That doesn't seem so appealing.

Especially when somebody that's experienced is busy, got a lot going on. That wasn't true value and I know that's where a lot of people start, that's the first thing that they think about too so I had to rethink what value it was and you know, the more I think about it, the more I realize that tangible value in this space is a deal or capital.

That's the quickest way to speak to a syndicator is finding deals or finding capital. I knew, in my mind that finding a deal would be pretty tough because you know, a broker's not going to give a sweet deal to somebody they've never heard of. Any deal you find on LoopNet has already been passed by a thousand other people, right?

So, I knew that would be pretty challenging. I started with the capital round and you know, I didn't know a bunch of people that have a lot of money but I said, well, just because I don't know them, doesn't mean I can't find them. That's where I started, you know? I was going around the networking events and just seeing kind of how the game is played, you know?

I realized that, you know, the people that we're doing the deals were the ones that were hosting the networking events and I looked at that and said, you know, I looked around and there was a lot of investors that came to these things and said, "Okay, this is their pool, this is where they pull equity from."

Then in my mind, I just ask myself the question, "Well, what if I can do this better" you know? What if I can create an event that attracts more people that provides them with a better experience and then in turn, leads them to want to invest with us.

That's the route I chose and I had met Dustin Miles, my current partner, and we'd meet up for lunch and he was kind enough to you know, answer some of my questions and just take the time to sit down with me and the second time we have lunch, I pitched the idea to him and I was like, "Hey, I've got this idea, been kind of noticing some opportunity for improvements here, what do you think?"

I don't know why but he said, "sure." He took a huge chance on me, which I'm forever grateful for. He's just the most humble and nicest guy you'll ever meet but you know, we took a chance and first one we did, we had 20 people show up and we filled half the room with just friends and people we knew in the industry but you know, the next time we had 40, next time we had 60, next time we had over a hundred, we outgrew our space.

Then the next eight months, we averaged you know, hundred, 120 people out of every single month. We ended up having to do it at the Westin, it's a big, huge space at a nice brand-new hotel, you know, turned into quite the thing but you know, I never planned any of that, I never expected it to be like that, it's just kind of unfolded, you know, when you set your mind to something and just you know, opportunity kind of reveals itself as you go down that path and you are willing to put in the effort.

**[0:09:30.3] WS:** What made you better? What did you do that made your conference or your meet-ups so much better than you know, the other ones that you are attending?

**[0:09:38.4] HH:** I think it's just paying attention to little details, customer experience is all about the little details. How you make them feel, how you treat them as soon as they walk in the door,

all of that stuff matters, you know? Like one thing that you know, is real common at networking events when I started going to them was, you check in with – you write your name down on a sheet of paper. And in my mind, I was like, well, I don't have the greatest handwriting and there's probably others out there that don't either. If I can't read their handwriting, that's a lost opportunity, you know? That's a lost lead.

Doing stuff like a digital check-in with a computer or a tablet. Little stuff like that, we give them free food. Who wants to go to a networking event and pay for their own food? Then on top of that, the problem with restaurants is you sit down on the table and you're locked in that seat so you're talking to maybe two people, right?

Common tendency would be for people as they sit there for an hour and you meet two people. I knew that was an issue. If you want to build your network, that's what this business is, you know, all about networking, it's all about who you know.

That's not very conducive to that goal and so just kind of focusing in on those little details and creating an environment that is actually geared towards helping people grow their network. Because I knew, if they left with a stack of business cards, that they'd come back.

**[0:10:58.3] WS:** Interesting. Now, I love how you thought about that and thought, "How can we do this better?" Obviously, it was the right thinking, right? I mean, it has paid off. I would say that's how you probably surrounded yourself with the right people, obviously Dustin was one of those as well.

You found somebody like Dustin, and he's also been on the show, that's been out there doing deals, that has experience and a lot of it. That's incredible, you know, you were able to bring value to him. We've talked often on the show about you know, find somebody that's more experienced, find a way to work for them for free and add value.

But it is a hindrance, right? At first, because their first thought is well, you know, I'm going to have to take time to teach you things, right? I love that. You know, you figured out a way that this is going to be my focus and I can go do this and then you approach them, you know,

somebody in the business already and said hey, "This is what I see and this is what I can help with or help do." What about just the right guidance as well.

You mentioned that early on, how did you get the right guidance? All these things start happening when you have the right people surrounding, you, right? Like you talked about but just people too that you can ask questions to and you can say hey, you know, how do you do this because there's so many moving parts to this business.

You can't know it all in the beginning but it's so important you have people on your team that do. How did you do that?

**[0:12:04.9] HH:** I think it all comes down to your own mindset, you know? Believing that you can attract this relationship, having that positive intent in your mind that really go out there and I'm going to make this happen no matter what and you write people are going to come into my life.

I didn't know how that was going to unfold but if you keep that centered in your mind and in your focus, you can create it because those thoughts will lead to actions and those actions will create your reality or attract the right people.

For instance, our general contractor who I office with today, met him because you know, I was initially sending messages to people on Meet-up to try and get them out to our networking event, I was trying to build a room and he was one of the few that actually responded and we just connected instantly and you know, went from there.

I think if you have good intent, you'll attract good people and kind of your external as a reflection of your internal. You know, my advice to anybody out there that's looking to build a team, whether it's you know, apartment that you can learn from or maybe a contractor that can help you get renovations knocked out or anything like that, it all comes down to that intent and that belief within your own mind that hey, I can make this happen.

It's crazy, that stars would kind of align if you keep at it and you keep that belief and the right people will show up and the right people will stay, you know, there's some like I said, I got a lot

of doors closed on me too but I wasn't willing to accept that as the end. I just said, "Okay, that's a closed door, now let me go find a different path."

I think that's important too, just because one relationship might not workout, it may lead you to the right relationship.

**[0:13:43.2] WS:** How much of this conference or this thing you created there with Dustin play a role in your capital raising ability for this deal?

**[0:13:49.8] HH:** Yeah, it's helped a ton by far. You know, any time that you're leading event or something like that or podcast, you know, you get looked at as an authority figure. People would definitely look to you for experience and guidance and look at you as an expert.

You know, Dustin and I, I don't have all the answers, but together we compliment each other really well, you know, so we bring complimentary skills to the table. You know, if I don't have the answer, maybe Dustin does, you know? We're constantly on the phone with investors and stuff like that.

It's just been a huge help for people too, not only get to know us a little bit better because they're going to invest if they know, like and trust you, right? It's been very helpful for that and it's been also very helpful for us to be looked at as authority figures, which then helps you to raise money.

**[0:14:36.7] WS:** Give us a couple of tips on how you've grown that group I mean, specifically and how you get people to keep coming back?

**[0:14:43.6] HH:** I think it's all in the value that you provide them with their experience there. You know, Dustin and I talked after we did our first one, we were like, "You know, it's great when we had 20 people show up but what's really going to matter is if they come back."

Because if they don't come back, that means we're doing something wrong here. But if they do, that means we're on to something. I think again, it just goes back to paying attention to all of the little details. People remember how you make them feel not what you say. If you make them feel



good and excited and feel like – I mean we called it momentum, so you know again, that's a psychological thing is why we did that is we wanted people to feel like they are gaining momentum every time they came to one of our events.

It's just a little psychological queue that reinforces how I need to keep coming back. I want to feel like I am making progress and so we just paid attention to all of those little things to try and create this environment and this culture that excited people.

**[0:15:37.4] WS:** What's been the hardest part of this journey into the syndication business for you Hayden?

**[0:15:41.5] HH:** Patience, for sure. You know, I got started in 2019 and for anybody that's in the business probably especially in Texas probably knows that prices were pretty high in 2019 and it was extremely competitive, which made it very hard to get a deal. You know, we have very strict underwriting criteria for ourselves. We're not going to get overly aggressive. We want to be as realistic as possible and that made it very challenging in 2019 to be able to get any offers out the door.

That was challenging, you know seeing other people around you doing deals but you again, you can't worry about what other people are doing. You can only focus on your own process, your own criteria and just keep moving forward with that. You know, we underwrote a ton of deals and only submitted offers on the handful, kept close on a couple. That was probably the most challenging thing is to continuously be motivated when you're really far apart on some of these deals.

I mean there was a lot of deals that we're like, "Man, we're a few million dollars off, like I don't know how these people are making these deals work," and that was challenging but again, it led us to this deal, which is what — more than worth it. We actually had an LOI accepted in March on a 1963 deal, half-chiller, half converted into individual A-tracks, half pitched roof, half flat roof. We were super excited about that too but you know, then COVID hit and so that was a rollercoaster week too.

You know, all those time and effort leads up to finally getting offer accepted and then a global pandemic, like nobody has ever seen hits. So that was crazy. We had our offer accepted on a Monday and we had to rescind it by that Friday just because we had no idea what was going on. You know that was crazy but then again, you know, we kept – we took the proactive approach when COVID hit too. We're like, "You know, we are not going to sit on the sidelines."

We want to understand what's going on, where is the opportunity going to be in on the other side of this? A lot of people started taking vacations, stopped underwriting deals really, well, what's the point? And so in our minds, we're like, "We want to understand this so that we can convey to our investors what's going on here? Where's the opportunity going to be?" we just kept at it and you know, it's led to this 2012 construction class-A deal in Houston that we're super excited about.

**[0:18:03.6] WS:** Hayden, do you have a couple of daily habits that you're disciplined about that have helped you achieve success and get to this point?

**[0:18:09.6] HH:** I get up every morning, I work out. That is kind of a non-negotiable for me just to get moving. I read every day, I think that is really important and just take time to think. Try to clear my mind, I think all that is extremely important and focusing on those goals that I want to achieve. I think taking care of your mind is super important. Again, like I believe in my opinion. That's where it all stems from is those thoughts and those beliefs that you hold in your mind is what leads to your external reality.

Taking time for that, taking time for myself and getting rid of all the external distractions and opinions and just taking time to reflect on where I'm at, where I want to go and then, you know how am I going to get there.

**[0:18:54.6] WS:** Yeah, I loved what you said earlier. Just how you said, you know, what we tell ourselves leads to our reality. I am currently reading a book, this guy is in his mid-70s and he talks about how people start to tell themselves that they're going to die like in their 80s or when they are 80 years old and you'll notice that people who believe that like the 20 years before that, they're like preparing to die. I mean they are like going downhill, downhill.

But he just says, you know that those who can tell themselves they're going to live to a 150, whether you will or not, either way just a mental part of telling yourself that, you are so much better off. I mean you are so much more active. You are so much more productive because you are going somewhere, you know? Yeah, I can't stress that enough. What you tell yourself is such a big deal. What's the number one thing that's contributed to your success?

**[0:19:37.0] HH:** The people around me, absolutely, and the mindset is everything. Personally, I don't believe in being self-made because there is so many people that have helped me along the way that I am incredibly grateful for. I owe a lot of where I'm at today to the people that have been able to help me along the way and you know, I can't say that enough. Doing it together with great people is way more fulfilling than doing it on your own to begin with.

For me, you know the biggest thing that I'm grateful for that's, you know, that's been helped is just the people around me. You know I can't say that enough.

**[0:20:08.5] WS:** How do you like to give back?

**[0:20:10.1] HH:** The great thing about this business is, is good and bad, you know? It's challenging but you know, you kind of need somebody to help you to get your foot in the door because the bank is not going to even lend you if you are just starting out. It's one of those businesses that you need a helping hand to get you up and then you can offer the same to somebody else too. You know, offering time for anybody that has questions I think is so important.

It is something that I love to do because again, like if Dustin wouldn't have taken a chance on me, this man never happened. I want to pay it forward by doing the same to other people. On top of that, you know, we are very, very adamant about giving back with communities. Dustin, he's gone above and beyond for all of his tenants at his communities and bought food for them and pizzas and snow cones and stuff like that and doing events.

It is something that we're both real passionate about. It's just giving back to tenants and residents. We even threw a charity event last year for a cancer cure services out of Fort Worth, which Dustin is a board member of so we're all about giving back in really any way we can. You

know, I'm talking with my contractor right now about potentially doing something for the holidays with the local coffee shop that we love. You know, we're all about giving back in any way that we can.

**[0:21:23.9] WS:** Awesome, well Hayden I'm grateful to have gotten to know you a little better here and hear a little more about your story. Mine would be very similar just in the mindset. Reading, reading, reading and getting up early and making time for those things every day. The listeners have heard me talk about that many times, so I just cannot stress that enough and it is obvious, you know, for you it's worked as well.

Congratulations to you. You're at that point now where so many of the listeners are dreaming about being but you've laid it out there. I mean it's not rocket science but it does take a lot of drive and determination and if your mindset is not there, it is going to be difficult to keep going or maybe if you haven't put those blinders on yet like you're talking about but Hayden, you know, how can the listeners get in touch with you and learn more about you?

**[0:22:06.0] HH:** Our website is [momentummultifamily.com](http://momentummultifamily.com). If you've got questions again, I'm happy to answer them and you can reach me at [hayden@momentummultifamily.com](mailto:hayden@momentummultifamily.com).

**[0:22:17.5] WS:** Awesome, that's a wrap Hayden. Thank you so much.

[END OF INTERVIEW]

**[0:22:21.1] 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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[OUTRO]

**[0:23:01.2] 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](http://www.LifeBridgeCapital.com) for free material and videos to further your success.

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