

EPISODE 840

[INTRODUCTION]

[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]

[0:00:23] .6WS: This is your daily Real Estate Syndication Show. I'm your host Whitney Sewell. Today, our guest is Ketan Patel. Thanks for being on the show again, Ketan.

[0:00:31.5] KP: Thank you, Whitney for the opportunity. Very excited to be on the show.

[0:00:35.4] WS: Ketan is a high-performance coach that helps motivated real estate entrepreneurs create more income and impact by aligning their thoughts, emotions and actions. He has mastered the art of getting results by combining techniques from Tony Robbin, Wim Hof, and Dr. Joe Dispenza. I'm not familiar with him. His unique program will give you the clarity, confidence, and strategy you need to achieve your goals faster and create an edge.

I would also encourage you to go back and listen to show 274, seems like forever ago, but it was July of 2019. So, about a year and a half ago, where Ketan and I talked about just the internal mindset game and just transformation. So, you can learn a lot more about him there as well. And I know he's going to share other ways you can find him and learn more about him. But today, you know, he is helping people just learn how to get into this business and being successful working with investors and raising capital, and that would be a great topic. So, many people ask me every week or want to schedule calls just to talk about this. And it's not easy getting started, that's for sure. But there's just some specific things that have helped people in such a big way.

So, Ketan, welcome to the show. Let's dive right in. I know you also go by KP, just so the listener knows. But you know, why don't you give us an update on what's happening with you and your business right now, and let's jump in to just your, really, your unique ability or how you're helping people.

[0:01:56.1] KP: On my business side of raising capital, I'm finishing the process to get the broker dealer license getting affiliated one so I could continue raising capital. I enjoy connecting with investors and educating them. That's one piece of the business. And the other piece of the business is I've realized that at the end of the day, the information is out there, but how do we know what is the right information for us at this point? What do I really need to listen? What do I really need to work because we have limited time?

I focus on that piece, helping investors diagnose what their challenges are, and work with them to create a strategy, something that would be unique, that would work for you to get results instead of just taking action randomly and hoping something would crack.

[0:02:42.2] WS: If we're doing things randomly and just hoping something happens, it's probably not going to happen the way you expect. And it usually doesn't anyway, but I don't know, that seems so – yeah, got to have a plan, right? Got to have a plan. And there's plenty of people that's been there before you that can help you speed that process up it. Let's back up just a little bit though – a broker dealers license, a lot of the listeners may not have heard of that before, and why that may even be useful. And we don't have to dive into the legal side of a lot of that. However, why is that important? Why is it something you're pursuing?

[0:03:13.6] KP: So, for me, over the years, I've done flips, I brought capital to the co-sponsors. I've done everything and I realized that my unique strategy is just raising capital. I don't want to buy buildings, I just want to have equity by raising capital. That's the niche I carved out rather than me trying to do everything right. So, finding deals or talking to contractors or asset management doesn't really excite me, but finding great sponsors, and doing the due diligence and looking at numbers and presenting that to investors, excites me. And to be in that business, if you are not involved with the sponsor on a day to day, from a legal standpoint, you are a placement agent, because you're getting compensation based on the amount you raise. And to

do that, you need to have a broker dealer working with you to follow all the SEC and FINRA guidelines.

If your business model, if somebody's business model is just to raise money for other people's deal, exclusively, then you know, it would be very important to get this license and it also opens up the opportunity for you to do more things in that realm, if your business model supports it.

[0:04:25.4] WS: Yeah, it's just something I've seen a few people pursue recently. And so, it's interesting. I know it's a difficult process and very intense, but congratulations to you for pursuing it. But let's jump in, to this capital raising skill and how to develop that and maybe how you've helped some people maybe give some examples, like you said, I know I get questions weekly from people about how we've done and how I raise capital and got started, all those things, but let's jump in there and how you help people and how you helped them with some actionable steps, especially from the beginning, and then we'll dive into some more technical pieces as well.

[0:05:00.4] KP: Sure. So, a quick backstory, years ago, when I was buying three family homes in one day, I just realized that there's only so much money we could invest our own capital. We are always going to run out. And as long as I want to be in real estate, it doesn't matter what I buy, where I buy, and what I want to do with it, I'll always need capital. So, when I had that breakthrough moment, I realized I need to master this thing because you could save more, you could make a million dollars on a refinance, buy another property, and you go back to that same square, right?

For people who are starting, the first thing would be the branding piece, very important to have a brand. I'm not just talking about having business cards and websites and some decks, but having some core messages about two levels. One is the personal level. So, for me, when I was a pharmacist, I was very passionate about creating passive income on the side. So, my message to other pharmacists and doctors and attorneys and passive investors was, "Hey, I get it, you don't have the time and energy but that doesn't mean you just don't do any investment." There's the passive alternative, right? So, that was my story. I've always been around numbers, and I liked the investment side.

I developed my own personal brand. For you, it could be some kind of different message. And that's how you really connect with the investors because too many investors do gun jumping. So, basically, you're talking about the deal, this is the best market, this is the best return. But what happens is you have not built that trust and connection with the investor. And to build the trust and connection with the passive investors or active investors, you need to have your authentic story out in your brand. So, for me, it was you know, I grew up in India, I came to this country not speaking English. For you, it could be something like you were not happy with that corporate job or whatever that's true, that made you go into real estate, right? So, reincorporate that into your branding elements. And then on a business side, you want to communicate those things as well that you know what, my philosophy is that you should always have, not just using the word conservative underwriting or big metros — but going a little bit into detail, what do you really believe in terms of strategy.

So, I believe that a good operation and good management company is just fundamental, or even analyze jumping more than 20%, it just seems too high of a risk, or I believe in a defined strategy of only looking at certain assets in certain markets, or I believe in an opportunistic view, whatever your business model and your thought process is, you want to extract some of those points out.

This way, what happens is, when investors come across your deck, or your call, or your website, you just have the same message going, and the message is kind of based on you and connection, then later on, you could dive into talking about the deals and stuff.

[0:08:07.8] WS: I love that or just breaking it down like that. It seems simple. But most people do not do those things when they're trying to get started. But it can make such a big difference. And you laid out even your personal story and thinking about like you, coming from a pharmacy background, that helps you to niche down as well, doesn't it? So, you don't have just like, just shotgun approach, you're going to connect with those individuals with a similar background, and with you, it may be people from India or maybe pharmacists, or have you seen that happen that way?

[0:08:36.7] KP: Absolutely. So, I definitely think when you start, the next point is to developing an investor profile, which I did in the beginning. So, when you don't have that clarity, I'm talking

to everybody and a lot of people wanted to partner and they are pulling you in different directions. That happens in the beginning. But when you are very, very clear that I'm only looking for passive investors that want to put \$50,000 or more into class B apartments with this kind of return structure and this kind of risk profile, it really makes it clear. You have a 10-minute call or your communication, you just know, "Okay, they are not a good fit." It doesn't mean everybody would invest in I didn't know about this thing. So, I didn't develop a profile and I'm chasing investors left and right.

Having that profile, and definitely using an affinity, so we all have some kind of base that we are affinity. So, let's say for me was pharmacy or doctors. For you, you love golf so much, maybe you are in that community, right? Maybe you're religious and you have religious communities and things like that. There's always some angle of your life. Somewhere, where a lot of times, you know, normally you wouldn't reach out, you'll feel like I don't want to reach out, I'm appearing sale-sy or something like that, which we could talk about later, but that's what I would encourage, to find that affinity group.

[0:10:01.6] WS: Nice. Okay, so we're going to develop our core messages. And then we're going to develop that investor profile. What's next?

[0:10:08.2] KP: Yes, so you develop that investor profile. So, now you kind of have an idea of what kind of people you're looking for. Now, you develop the launchpad, so as to speak. So, the launch pad, for most people would be the inner circle/ I call it the inner circle/ It could be anybody that has, you know, you went to school with, you worked at a previous job, and whatnot, because what happens is, those people already know you. And a lot of them will trust you fairly quickly.

Only thing you need to bring to the equation is can they trust your expertise with investments and real estate — versus getting a lead from somebody you don't know you need to build that rapport, because after all, they are putting big amounts of money to work with you. So, developing that inner circle, having a quick excel sheet or something like that, and not making any assumptions. I reached out to a pharmacy classmate like six, seven years later, turns out their husband does exactly syndication investments and nothing else. And they are like, so excited, and they're like, "I can't believe this." I reached out to a childhood friend I hadn't

connected in 15, 20 years, and it was just good. We won't be a good fit for everybody, but the way I was doing was, I'm giving them opportunity. I'm educating them. And if it's not a right fit, I wouldn't offer them the investment. If they don't have the merits to look at the pros and cons — but a lot of these folks are waiting for somebody they know to bring something because they are too afraid on themselves to just go online and just contact somebody. So, you're giving them that opportunity.

[0:11:47.3] WS: Speak a little bit about being that expertise trust. You do have that trust potentially already with that friend or family member, they may like you, trust you, they've known you for a very long time. But I know I get the question also, often where it's when they first hear you're in the real estate business, they're like, "Wait a minute, I thought you were a pharmacist?" Or "I thought you were doing this thing over here? Where did this come from?" And so, developing that expertise, trust, how do you do that?

[0:12:15.3] KP: For me, I just told them my story that I realized that I need to create some passive income. So, I bought a single-family house with two partners, it went well, then bought another one, another one, it didn't go well in the beginning. But then eventually, and then I bought more and more and one day, I realized that I need to leverage and then people started reaching out to you, right?

For me, my first apartment syndication deal, I had the experiences of investing in properties to leverage. I had made an LP investment that I leveraged. I have been reading reports about years and years about how to do this repositioning Class A value-add. I didn't even know at that time what I was reading. But it made sense to me when the opportunity came to me.

You do a lot of ways to demonstrate because we all have to start somewhere on the scale. Sometimes you are just at so much of a beginning, all you need to remember is as long as you are a few steps ahead, you have something to contribute. And what you could do in the very beginning, if you have done no deals at all, I would say just read all the books, listen to all the podcasts. And if you could put in a considerable amount of time, you will have a model forming in your head about how all this is working.

So, you could communicate the basis of that model and people would understand that they'll see your sincerity. If you're being sincere and you're learning and you're excited about all these things, they'll connect with you and they'll understand that you're starting in it. And if you're putting in your own capital, okay, we want to put our capital besides you too, or something.

[0:13:53.4] WS: Anything else about the launchpad specifically, before we move on.

[0:13:58.1] KP: One more thing with the launchpad is also transferring the success. You might have like a sales job where you're doing great, or we always have some accomplishments in the past, but it's just human nature to forget about it quickly and move on. So, as you do all these things you might want to look at past and pick up something that you could bring into your presentation with the investors.

I'll tell investors that, "Okay, I'm not the experienced pro real estate investor, but I got a Doctor of Pharmacy while learning English at an accelerated pace. And if I could do that, I understand this is different work. But all it needs is just me putting in the time and energy and then I'm going to have the mentors or whatnot." So, anybody could use that approach as well to bring their past success and just kind of marry them with with this future target.

[0:14:53.2] WS: Great advice, right there. And yeah, using that past success, that expertise, showing what you've done. I wanted to highlight one thing also, you said, something like this, "As long as you're a few steps ahead, you have something to contribute to others." And I think a lot of times people feel like, "Oh, I don't have any way that I can add value, or I don't have any way to connect with people. I don't have any way to help them." But ultimately, you probably do have a lot of ways, right? I think it's a big mindset shift when no, even if you've just been studying, maybe you haven't done a deal yet. But you've been studying and you've been working harder, and you're ahead of that other person that hadn't done anything yet. But you know, you have some way to help and add value.

[0:15:33.7] KP: Absolutely. I agree. And here's the thing, if you give that value and forget about them investing or anything, but who knows what they'll do with that. Now you're moving on, but you got a little bit of practice and the ways things come back around, everything's connected — will be surprising.

[0:15:52.6] WS: Yeah, I know, that's awesome. Yeah, and you got better at just trying to help and putting yourself out there. All right, we've gone over the launchpad, what's after that?

[0:16:00.7] KP: So, now, you have the launchpad, now you have done the investor conversations. And what happens with the inner circle is clarifying your message. And being good on phone with the investors and, understanding their needs, understanding their motivations, understanding their challenges is very, very critical. It doesn't happen overnight. But the beauty is for the people you know and trust, from the insider list that we made, it's much easier to connect. You have low pressure situation. So, you get the ability to crack these things. So, later on, when you have an investor that's considering putting 200,000 in your deal, you don't have to worry about making a blunder or looking like it's your fifth call, right.

After all that, and once you start making these calls, we'll start getting feedback. Very, very important thing that I tell my clients is, sometimes we get so busy taking action, that we stop paying attention to the feedback. Anytime you take action, you get three kinds of feedback. It's either a positive feedback, this is working, somebody wants to invest, they're interested, it could be neutral, nothing shaking, or it could be negative, right? Negative in the sense of like, maybe this is not the right way. So, it's very critical to see what messages you're getting, the feedback. And then based on that, you reshape your list or the way you talk or your branding, or whatever that particular situation is.

[0:17:28.8] WS: What are some things you're using now just more automate this process of finding investors or nurturing those relationships. I want to move forward just a little bit before we run out of time, those who are already, let's say, they've already developed their core messages and they're kind of at this place now, they are talking to investors. What are some ways that you've automated this process, and just really honed in that relationship piece?

[0:17:50.8] KP: So, once this is all done, for me, it has been more one on one calls, or I've just built a strong relationship. But now, I'm moving on automating making a video course with more details. So, even if they are not doing business with me, they are just getting very, very savvy at being passive investors. So, either writing articles, a short ebook, some kind of video course, you could do any of those things to just keep providing value to our investor base and use that

when the new leads come in so they could just see you as an expert and then they're interested in having a call with you.

[0:18:26.3] WS: Are there any unique ways right now, specifically to you that you're finding investors?

[0:18:31.2] KP: I don't have anything specific. It's just, you know, an investor from here and investor from here. But I do know that I do have a good success with referrals. Overall, in my business, I have not even done as much marketing. But I realized that I would go above and beyond and investors have told me when it comes to educating them. So, when they tell me they're ready to invest, I'll still tell them about the risk, I'll make sure they understand, I'll be very patient. And they really liked that and then doing some check-ins with them. And you know, they are busy, but they appreciate just checking on after the investment here and there. And then naturally, referral pieces, a big one that I'm working on developing even more.

[0:19:13.4] WS: So, do you have any daily habits that you are disciplined about that have helped you achieve success?

[0:19:19.6] KP: Absolutely. I'm a big, big fan of morning routine. So, over the last three years, I carve out two hours in the morning where I meditate, or I do Wim Hof, or I'm reading books that really inspire you or get you thinking about the mental sciences, the early 1900s, anything that jives you. So, doing all those things, writing something just puts you in that state where you are making better decisions and you're more inspired.

[0:19:48.8] WS: Nice. Two hours. Yeah, that's a big commitment. I couldn't agree more. Such an important commitment to make. Any other improvements just to the capital raising side that you wanted the – I wanted to give opportunity for that or recently, anything that you've learned as your business has grown, that you could just help us with also?

[0:20:06.4] KP: Yes, for a capital raising, what I've learned is that the marketing has to be leveraged now. So, if you are doing videos, figure out a way, this is something I'm working on from videos, you could get the articles out. From the articles, you could do the ebook. From your podcast, you could take small blurbs out and post that. So, once you put the time and effort into

the content, making sure you're getting more mileage from that content, and also systemizing the content creation process, working in batches, this way these things happen versus if they're mixed into your day to day business, you might not have time, right?

[0:20:46.9] WS: How do you find somebody to help you get more mileage out of your content like that?

[0:20:51.9] KP: So, I've just invested a good amount of money with some marketing consultants. So, I got the concepts and everything down, and now, it's just the execution piece. So, depending on where you are, if you're not generating anything, content wise, it might be wise to just the step one, and being honest with yourself that if you're not going to write, just get the writer. If you're not going to edit the videos, just get there. Because sometimes it just feels like, I'm not sure if this is going to work, do I really want to invest, but it's all an investment that really helps you.

[0:21:24.4] WS: What's the number one thing that's contributed to your success?

[0:21:27.3] KP: I would say, it's just the mindset and looking at myself and having coaches and consultants and them just looking at you differently than yourself and creating that space to really observe yourself what what needs to be changed, what needs to be improved, and the evolution.

[0:21:46.2] WS: Yeah, being willing to change is difficult, right? Especially in the beginning.

[0:21:50.1] KP: Yes.

[0:21:51.3] WS: So, how do you like to give back?

[0:21:53.1] KP: I like to give back by –I'm working on doing some things in India like installing like a water filter system to this school. I am working on making a library there as well. So, certain parts where I grew up, there weren't libraries in schools and things like that. So, that has been a passion project that's moving along.

[0:22:13.9] WS: That's really neat. I love that. This way of giving back like that. That's really outside the box seems like to me, thanks for doing that, KP. Appreciate your time today and giving back to us and really just walking through, getting started in this business by building those relationships with investors and thinking outside the box, realizing you do have ways that you can add value to people. Even if you're just getting started most likely, you're still ahead of some people that you could add value to. So, grateful for your time, tell the listeners how they can get in touch with you and learn more by you.

[0:22:42.8] KP: Yeah, thank you so much, Whitney, for the opportunity to share the message and really appreciate you taking the time, giving me an opportunity and listeners could email me at ketan@ketanpatel.com or go to my website, ketanpatel.com. We'll be putting more resources on time management and decision and capital raising and all of the fascinating, and we'll also be launching a YouTube channel.

[0:23:11.7] WS: Awesome. That's a wrap. Thank you very much, KP.

[0:23:14.7] KP: Thank you.

[END OF INTERVIEW]

[0:23:15.4] 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]

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