

EPISODE 901

[INTRO]

[00:01] 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]

[00:23] Whitney Sewell

This is your daily real estate syndication Show. I'm your host Whitney Sewell. Today, our guest is Fritz Ritter. Thanks for being on the show, Fritz.

[00:32] Fritz Ritter

Thanks, Whitney. I'm happy to be on, man.

[00:34] Whitney Sewell

Yeah, honored to have you on the show. Fritz and I met at a conference two years ago, I can't remember now that gets its head to have been two years ago, didn't get any conferences last year. And so grateful to see your progression and your due diligence and how hard you've been working and making that happen. Looking forward to getting into that today. A little about Fritz, Pasadena, Maryland who started out in construction, as an electrician now focus on building teams and systems for Kronos Investment Partners to run the acquisitions flow and automations in their business. So for Fritz Welcome to the show, give us a little more about your focus right now, maybe your team that Chronos. And let's dive into some skills that you have that we all need to be able to improve on at least I don't know if we'll ever master them. But you're going to help us with that today.

[01:16] Fritz Ritter

I don't know if I'll ever mess from either, right? You want to always be a student. Kind of like, what I do now is I'm kind of handling a little bit more of the best relations, I do a lot of our automations as well. And in terms of like a lot of them back end stuff. So we don't forget tasks. So we know when to follow up different deals, go through our pipeline, and we know like, hey, if it's an R zero, and what needs to be done, do we need to get quotes? Do we need to, you know, go toward the property like, have we gotten pictures yet. So systems are really huge for me, because now it's taught in construction. If you're not organized, you can't operate. And

that's kind of been very transparent. And all across my life is like that. If my desk is messy, I can't do it. If anything is messy, you can't operate. So systems really helped me just keep everything organized, and just really have that conveyor belt. So you can kind of start thinking about, hey, what's next, right? And like, that's where construction also taught me is like, first you lay down the foundation, you start doing groundwork, then they pour the concrete, you start doing the walls, and you start putting fixtures in and leads from electrician standpoint, right? So I mean, like just understanding that conveyor belt, like everything we do in our business is a conveyor belt, in a way, it helps us get that next task in our mind. And we know what's next.

[02:26] Whitney Sewell

Yeah, as much as we can automate the better right or at least reminders, tasks, things like that, like you're talking about, you know, a few things you mentioned there, obviously, elaborate on some systems that you use, or allow you to elaborate on the systems that you use. And we'll break that up maybe a little he talked about follow up processes, you talked about deal pipelines, things like that, this focus on those, maybe separately, but as far as your follow up for investors, could you like just talk about some of the systems that you have in place some of the tools that you use, things like that.

[02:58] Fritz Ritter

So I mean, you know, when you're reaching out to new ambassadors, I can start from the reach out to the phone call to what you should have and be prepared way. So in terms of reaching out, you know, it's always better to kind of like, just start thinking in your mind and making a list, understand your network and your sphere of influence right now, and think about who would be interested in something like this. And you want to kind of think about this, in terms of how can I help them, like all this is for helping people, you know, like, we want to help our friends, our family, new people that we meet, invest, and just have a good vehicle to really protect and grow their capital, right? It's just a nice alternative. And so you want to make that list. And there's a few automations that I use as well through LinkedIn, this great program called LinkedIn helper, really, what you do is you design your avatar, you go through your sphere of influence, and then you realize maybe through a couple phone calls, you can see people who are interested in people who aren't, and you can kind of start like making that avatar. So you can kind of say, okay, mostly 25 to 35 year olds really kind of connect with me, most of them are more analytical. You can even go into job titles, like engineers, IT professionals, computer science majors or anything like that. And you can say, Okay, well, these are the people that really kind of connect with me, they understand the investment vehicle, and this is how I can reach so you go into this program called LinkedIn helper, and you can really filter it. It's pretty creepy. But you can filter it that way where you can say, Okay, I want people I live in Maryland, on people in Maryland, Baltimore, DC, maybe Virginia, so I can go meet them, right? And you can say, Okay, I want people who are computer science majors, it majors, anything like that people who are analytical and really like to look at numbers or who were interested. And they have good paying jobs, of course, right. We want to make sure that they understand the investment and can actually participate, and you want to reach out to them. And you can automate all this and add them all through this software. And you actually can even send them a message that's personalized. And that's been a way that I've been able to reach out to 1000s of people that I don't know See

if they're interested in diversifying. And one tip, I will say a lot of people may reach out and say like, Hey, don't leave your money in the stock market, put it in real estate, like you're crazy for doing that. And after this last year, in 2020, people who left their money in the stock market did All right, I think it's really good to view this as like, this is an alternative. This has tax advantages. This is a different play, maybe cash flow, maybe equity game, maybe both. And it's just good to explain it. So after I get them into that kind of like thing, I kind of fall out of Adams method of know, like, and trust. So that's the know, right? I reached out and they know me now. Now we're maybe talking maybe they're not interested. Either way, I reach out to them. And they're in the know column. Once we set up a call, I want to, like make sure I at least have three things that I understand about them. Understand their goals, family goals, planning wise, are they looking to make a big purchase down the line? Are they looking to just invest because they have really good w two job and they have some people called lazy capital, or just sitting in the bank not doing anything? I want to understand where they are on the timeline as well, right? Like, hey, are you just learning about this? And then maybe six months into, you're actually ready to make a commitment? Or are you ready now? Because you've already done your research? And depending on that answer, you also want to be able to give them materials that help that right. So if they're all in that beginning, like hey, you know, I've never heard of this real estate thing. I always thought you had to go get a hammer and fix and flip yourself, like I don't know about just giving you money, right? And so you want to have materials ready to give these new investors and just educate them, and just give them like as much background as possible on you. And then you want to understand their background as well. So I mean, like when I'm on the phone, I'll ask what their goals are this year, if they've ever invested in real estate before, what makes them interested in getting in real estate now, then I asked like, Hey, where are you at? Like, if you have an invest in this, like, how soon would you feel comfortable? What information would you need, and then I try to just like give them as much information as I can. So I give them our website, I give them our team profile, it's good to have a nice PowerPoint, that completely explains everything from your team, to how it works, the tax advantages, close transactions, if you can have it just anything possible to really kind of just give them the full picture of what this looks like, who's involved, and how they actually get a return on their investment. And then I also like to give them like cost segregation studies, which can really lead to that tax side of everything like hey, like, okay, I heard all these tax benefits. What does that actually mean for me? Well, you can give them some like good studies, and you can grab them online, you can ask cost segregation specialists, you can kind of give you maybe some examples or anything like that, or even YouTube videos, you can YouTube it. And there's plenty of explanations, but I try to have a lot of those materials lined up. So the team bio, a cost segregation, study, maybe a sample deal you want to give them so it's like, hey, if you invested this much, this is what the return would look like, and give them access to our website. And then I also let them know, like, hey, there's other teams doing this. And some people may not want to say that, right? They're like, Oh, I don't know about that, you know, I don't want to steal from these new ambassadors somewhere else, they got a lot of money, and they might go somewhere else. But at the end of the day, you want to help them and you want to be a resource, you want to be an option. And I don't want them to think that I'm like, I'm the only guy there's plenty of people out there doing this. So this is a good strategy for anybody looking to diversify. And if you for some reason, don't gel with me, there's plenty of other teams to figure

this out. And I just like to make that known. So it's not like, I'm selling too hard on myself, because I feel like when you get in that sales environment, people start to back up a little bit. They're just like, Okay, well, what's the catch? What's going on here? You're trying too hard to get me to say, of course.

[08:42] Whitney Sewell

Now, that makes a ton of sense. But I don't hear too often people saying, you know, give them another operator to think about or whether you're, you know, in that mode of helping them right. And I think if you're genuine about that, and they see that it's not going to be negative towards you. You're not only going to help you. Its a few questions here. I know a lot of people talk about like LinkedIn navigator. And now you're talking about LinkedIn helper, I assume that's something very similar. Are you familiar with both of those platforms?

[09:07] Fritz Ritter

So I haven't seen navigator but helper is something that's pretty cool. And they've actually advanced it since the previous time I was using it. So

[09:14] Whitney Sewell

Okay, what is your now? So now obviously, you can narrow that down, you can get a focus of your list. Same of people with this criteria. It's incredible, right? That you can have that list narrowed that down like that. Tell me about your first contact with someone on that list, you know, is that through messenger? Is that through email? How do you do that? And you know, what's been the most successful and what does that message say?

[09:39] Fritz Ritter

So I've had a couple of different things and I've tried in this goes along with anything marketing, right? You're going to keep throwing things out there and see what works right. You got to keep tweaking, keep saying like just testing things. So I've tested different groups. I've tested different messages. And when you're making your avatar you want to understand their pain points, you know, what's their heaven and what's their house? And so you can understand kind of like what they're talking about maybe, right? So you can go online and like, look at different forums that, you know, maybe you can say, okay, real estate agents talking about investing in real estate, you can go on these boards and see what people maybe are complaining about, right? I can't find a deal. You can look at all these things. And the message will definitely be curated to the person and maybe their profession. So real estate professionals, my message to them was like, hey, you're a real estate professional, this cost segregation study helps you tremendously. Here's an example. And this is what it means for real estate professionals. So I'll give them a PDF. And this will all be through LinkedIn messenger, because on LinkedIn helper, you can pre write these messages and say, Hey, and then have first name. And it'll send it to 500,000 people in a day. So you can connect with tons and tons of people. Now you're mass sending this out. So some people don't like that, you may not get tons of responses, but the responses you do get will be highly qualified, because you're going to send them something super specific. And it's going to be speaking to them. Right. So another one I've done is to engineers, I've given like a kind of a case study. And I was just like, hey, first name, my name is Fritz Ritter, I work in

the real estate world. Here's a recent study I did on if I had \$50,000, to invest in dividends, or a multifamily deal, what does the return look like? So I would send them this PDF. And it's just a simple PDF, right? You know, it just goes along. And if people respond to it, I have automations in LinkedIn helper to where, if they respond to it, they get added to my list to reach back out to and send them my calendula link to set up a call. So it's gotten super automated, which is amazingly, they've done some really cool upgrades, the first version, you could send these messages, and then you have like, 60 messages to try to respond to, which, you know, could get overwhelming to some people if you don't have a VA doing it. But now you can kind of be like, Okay, well wait a day, whoever responded will get added to my CRM, and then those are the people that I'm going to reach out to. And so the message is really depends on who you're sending it to. And it'll just always be a LinkedIn message.

[12:10] Whitney Sewell

Sure. So you're trying to build the message, obviously. So it's tailored to the recipient. So that way, they feel like it's more of a personalized message, even if they know it's not. You've done some homework there. And they can see that in one thing that you mentioned there, too. I wanted you to clarify, are you sending these yourself and following up and doing those things? Or do you have a VA that's helping you with that,

[12:32] Fritz Ritter

So the system will actually send these out. And it is crazy, because when you watch it on your computer, it will actually type letter by letter. So it's like a human. So LinkedIn doesn't pick up that it's like actually a bot. So I will literally send probably 500 messages a day. And just close it down in a work in the background. And I can work on so many other things that could be a phone calls all day. And they always send 500 messages it does for me, I pre write the message, and then it just types it as they go. And it's, it's so creepy. I wish I could do a screen share and show people but like, you go on it No, scroll up and down on their profile. And then I'll go down, and then I'll look at like their information. And then I'll click off of it. And then I'll click message and I'll type, it'll literally look like I'm typing on the keyboard, but I'll go like this, and I'm not actually typing is very creepy.

[13:25] Whitney Sewell

So it's not just like an automatic thing, it's actually taking time so that way, it does seem like a true response. That's really neat. It's just neat to know these systems, right? And so other people can implement these things and learn how you know, you're connecting with so many people. Have you seen it and want to move on? But have you seen that to be productive? I mean, in the pay off?

[13:42] Fritz Ritter

Yeah, you know, when I first started doing it, I mean, I'm going to start testing with my message a little bit more. And like, that's really the thing is you want to keep testing with your message. Because you could have this great system and send it out to 500 people, and your message could be wrong, right, and you'll get three or four responses out of 150. You're like, wow, you know, this, great, I got this nice system, but it doesn't work. And it's just really just keep curating

that message. And you know, you can make it even more personal. You don't always have to give them something you just like, Hey, you know, I work in here, I work with a lot of engineers, like, reach out to me, it could be a number of things. But I have seen a very productive and I've gotten on numerous phone calls with people I've never met before in my life. And they're willing to take a call because I've sent them something that's interesting to them to where they're just like, okay, you know, I'll hear you out. Let's see what's going on with this guy.

[14:30] Whitney Sewell

So you send them something like that. And then eventually they get the link to schedule something. Why are they scheduling call with you? What do they feel like they're going to get out of that phone conversation?

[14:39] Fritz Ritter

So in the message, especially the recent one, I'll be like, hey, you know, this is my recent study on this. I work in the real estate realm. If you'd like to learn more about maybe getting into one of these real estate deals, I would love to talk more. So normally, you know, you get one or two response or you get one of three responses. One they don't answer at all. Two, they'll say No, thank you. And three they'll say, yeah, I'm interested, like, let's talk more. And I've even gotten sound like, I'm not going to read your report. But I love the talk, right? Like, it's just people just looking for an investment. And you get one of those three responses. But that's typically what kind of happens. But you kind of leave that question on there. Like, if you'd like to learn more, you want to kind of like, give them like a call to action, like reach back out, if you want to learn more, or see more of this. And then that way, you know, when they are reaching back out, that's what they're reaching out for. They want to learn more, they want to see how they get involved, they want to know, either how to do it themselves, or just invest passively, right.

[15:32] Whitney Sewell

Nice. That's awesome. It's great information. And so many people are trying to build their investor bases, right, and grow and as fast as I can. But here's one tool, you know, obviously, that can really speed that up. If you get good at it, I would imagine. But you know, being authentic as possible, as important, I think, to develop that know, like and trust, like you talked about, right? And I wanted you to speak to also like getting them on the phone, you talk to you know, a couple things there. But what about that conversation? A lot of people are afraid to get on the phone, how do you handle that conversation? So you are, you're not coming off sales, but obviously, it's first time we're talking to this individual speak to your conversation a little bit and how you develop that know, like, and trust, you know, through that phone call. So therefore, they would consider you as you know, someone they would invest with

[16:16] Fritz Ritter

Some of the more recent calls that I've had probably really good examples. There are people who have been in some sort of real estate deal in the past, they're a great w two job, maybe they have a single family rental, or they've done a flip or something, right, but they just don't have the time to continue to do it, or they don't have the urge to continue to do it. So you know, I've had people reach out and they're saying, hey, you know, I'm trying to get into multifamily.

I'm like, great, you know, let's talk about that. What are your goals with this, so that while I'm trying to create a lot of passive incomes, like sweet, you know, that's, that's what we're all looking for. Right? Like, that sounds like a good idea. And that mindset of just understanding their goals is so important, because there's been phone calls where they're honestly just not interested. And I'm getting on the phone. And I'm really not nervous, because at the end of the day, I just want to be a resource, because they may not be the investor for me, but they could know somebody, or know somebody of somebody. And so like, some people be like, yeah, I'm trying to get into multifamily like, well, you know, like, what's your thoughts about that? Are you trying to invest passively? Do you want a house hack? Are you trying to be the operator be like, oh, well, what are those options look like? So then you kind of go down the list, I may even explain and talk about flipping, you know, on our phone calls are just completely off track. But it's really just being engaged with them and understand that you're listening to them. I'm not trying to just show you like, Hey, don't worry about flipping, you don't need all that take all your money out of your 401k Let's go buy apartments, like, that's, to me seems like, okay, you're trying to sell me something like I'd rather just be like, Hey, you know, I've tried flipping, I didn't like it, you know, house hack before, here's my experience. Here's what we're doing. Now, here's how you could be involved either as a joint venture, the building small enough, or if we're looking for a syndication, here how you can be involved as a GP or LP. So I'll just give them as many options as possible. And then my feedback on wholesaling, flipping, buy and hold single family or anything. So I mean, it depends on what they asked me, but just having that mindset of like, I'm here to help them in any way possible. Because really, at the end of the day, all they said is they want to learn more about real estate. And being somebody who's in real estate. I've been obsessed with real estate for a couple years now. Like I'll talk real estate all day. Sure, man, if you want to talk about anything I'll do.

[18:29] Whitney Sewell

Yeah. So its adding value where they're at, right, depending on what they're interested in. And then obviously educating them about maybe syndication, you know, if they're debating about investing in this type of opportunity. So Britt, you know, from your experience in real estate, and what you've seen over the last year, do you have any predictions over the next six to 12 months of what you expect to happen in the real estate industry? That's a tough question. But I expect you to have the answer.

[18:53] Fritz Ritter

VSI get your pen and pad now. So I think it's hard to tell. I mean, there's a lot of moving parts. I mean, luckily on our podcast, we interviewed Neil bawa who's just wealth of knowledge and all that data science and stuff like that. It mean, he kind of opened my mind a lot to like a lot of moving parts, like the US economy as a whole could be doing great. And if one of these foreign nations go under, it's going to affect our economy very negatively. You know, I didn't picture that, right. I'm just thinking like, you know, whatever, we're in these hot markets, and you're always going to do great. I mean, the Fed is not talking about raising rates for the next couple of years. I think cap rates are going to continue to stay pretty low in the hot areas. I mean, unemployment scary high. So I mean, like, it's really hard for me to tell like, which way the winds going to blow in terms of where we're going to head towards like something that's really going to

impact our sales or impact our buying acquisitions. But it's so hard to tell. And I feel like we've been just floating in purgatory because we still have so many people unemployed, and the government doesn't, you know, I don't know if they're going to pay us \$2,000, which won't really help anybody who's been Maybe struggling for the last six months to \$1,000 might help them that month, but it sure isn't going to help for the rest. I've heard there's over like, it was like 15,000, or something mortgages like on the verge of going to default. And they're just in their forbearance thing. And I just have no clue. I mean, the new government could continue that eviction moratorium which we just have to underwrite for that. So I mean, it's just continuing to be conservative on our underwriting, understanding where cap rates probably are going to be, depending on interest rates. But for right now, you just got to go with that Sure thing, which is the cash flow number, you'll know that from acquisition. So just continue to pay attention to that number. And then just do your best as you try to project how that exit cap is going to be. I feel like

[20:42] Whitney Sewell

I wanted to ask you, though, there's a few questions I typically ask at the end. But you know, from a couple things you and I talked about, before we started recording, I wanted to give you a moment to talk about something else. And so one thing you mentioned was taking effective notes. And I tell that is kind of a skill that's not talked about very often, but it's very important. And so I take notes through every podcast, and helps me to ask better questions to stay better focused, and all those things, right. But through every investor call, I also take a lot of notes, and for many reasons, but I wanted to hear just your thoughts on that. And maybe give a few tips. Obviously, we don't have a ton of time left, but I wanted you to give us a couple pointers on your thoughts on that on taking effective notes how you do that, and why

[21:22] Fritz Ritter

you should always have a notepad, whenever you make a call, do not schedule calls, while you're in the car, while you're at work, while you're anywhere not near something that you can write on. That is a very crucial thing that I learned early on, because you'll forget so much. But it's really just being an active listener, right? Like you really want to listen to what's going on, and things that are important, right. So if there's birthdays, spouse, kids, maybe, hey, we're going on vacation, like write down things that are personal, you really want to learn about these people. Because I mean, you know, if they end up going into one of your deals, you're going to be married to them. So you want to end up learning about them, knowing about them know, their hobbies, you know, be able to be like a really good person, right? So where it's like, hey, this guy likes golf, you know, and he lives in Florida, I'm going down to Florida, maybe I can call him up and say, hey, let's hit the links. And you know, maybe we can catch up and just build that relationship. So I mean, it's really just about noticing things that matter to other people and being genuinely interested about them. I mean, you know how to win friends and influence. People want to be generally interested in what they have to say, and then take notes on what's important, you know, they get ready to do some big life event. Hey, you know, my wife's pregnant, you know, we're expecting in the next month, I'd love to catch up. So if you talk too much down, like, hey, you know, I heard so and so it's been born. Yeah. How's it going? How's everything adjusting to the new house? Right? Have you guys baby proofed it yet? Just being

really involved in that personal life? Because when it's too businessy, I mean, some people like talking on numbers and don't want to talk about personal life. That's how it is. But I think the more personal information you can take notes on, the better the relationships going to be.

[22:59] Whitney Sewell

I agree more times than not people will talk about things that aren't as business related, right? And it just helps to get to know you a little bit, personally, you know, on your personal side, outside of real estate, but you tell us, what's your best source for meeting new investors right now.

[23:13] Fritz Ritter

So meeting new investors, I joined a mastermind group called m one, that's been a really good resource to me, Facebook groups, just reaching out to people seeing who's active, and just posting a lot. I mean, there's been a way for people to reach out to me LinkedIn been huge, obviously, because you can, you know, you can search by profession, and everything like that. That's been LinkedIn, and Facebook have been my real way to outreach to new ambassadors that maybe people don't know. And then like, through my mastermind group as well. So it's really just utilizing that sphere and then using like, something like LinkedIn to really kind of reach out to other professionals.

[23:49] Whitney Sewell

What's the number one thing that's contributed to your success?

[23:52] Fritz Ritter

Number one thing, I think it's just determination, and just continuing to have the drive. Because I mean, this market has been hot, it's been very hot, it's been very hard to find deals, you can go to three years without finding a deal. My team closed on a JV deal last year, but we were looking for two years before that. So I mean, it's few and far between. I mean, you get better and better at doing things. Maybe you underwrote, too conservatively. Maybe, you know, you passed up a lot of things because you weren't sure. But it's just really being patient. And just continuing like I like to call it like putting in the reps to go to the gym, right? Like you can't go to the gym once and be like, check me out, right like, you know, start pumping off you need to go every day, and really kind of see those results after a while. It's what you do when no one's looking. Right.

[24:38] Whitney Sewell

That's right. Yeah. How do you like to get back?

[24:40] Fritz Ritter

I like to give back through a lot of donations. My donate a lot to my church. I'm a big all timers, contributors, St. Jude, and I'm starting to give back to ma'am John Flynn. But it's operation Underground Railroad. That's what it is. I was a part of that. Child trafficking victims.

[24:58] Whitney Sewell

Awesome for its pretty Are you giving back in that way? I've heard of that organization a few times now. And I'm grateful for any work around, you know, helping minimize the number of children and adults that are being trafficked. Horrible, horrible thing. But thank you just for giving back your time today and going through your automations your follow up process, how you use LinkedIn helper, even your messaging system, they're a you know, getting them on the call what that call sounds like the goals that you have for that call and do what you said you wanted to know at least three things you listed out, you know, whether it's their goals, or family goals, or their lazy capital, you call it just their timeline for investing. And have they done their research there's numerous things there that's just crucial when you're thinking through that call. And then you want to document even birthdays and special events and things that he talked about. So you can bring that up again later right or ask them follow up, maybe send them a small gift and you know who it is but you know, just grateful for your time I liked what you said a minute ago It's what you do and no one is looking it's so true in so many ways right? But tell the listeners how they can get in touch with you and learn more about you.

[25:58] Fritz Ritter

Anybody who's listening can go to KronosInvestmentPartners.com there, you'll see a lot of information about me and my team you also get you know, available to this free eBook that me my team wrote on underwriting and also if you're interested about any of our deals in the future, or do you want to learn more about investing you can email me at Fritz@KronosInvestmentPartners.com.

[OUTRO]

[26:20] 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.

[END]