

**EPISODE 895**

[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.

**0:00:25.0 Whitney Sewell** This is your daily real estate syndication show. I'm your host, Whitney Sewell. Today, our guest is Alex Olson. Thanks for being on the show, Alex.

**00:00:32.0 Alex Olson** Hey. How are you doing?

**00:00:33.0 WS** Doing great. Pleasure to have you on the show. You are an expert in helping us getting a broker's attention in a hot market. We're gonna talk about that amongst other things today. But a little about Alex as a commercial real estate investor himself, Alex understands the frustrations of not being able to locate off-market deals, not finding deals that cash flow, and running into dead ends. Without using a single dime, Alex set out to buy investment properties in some of the most sought-after areas of Kansas City. Now through the Buyer's Representation Success System, Alex and his colleague, Logan Freeman, who was also a guest on show 219, and they're taking real estate brokers to the next level. They have developed a proven system for helping 1031 exchange clients identify cash-flowing deals, develop a trusted team, and ensure that your 1031 exchange money is secure.

Well, that topic alone, that's difficult for so many people, right? That process of the 1031 exchange and ensuring that you're... That exchange is secure as meeting those timelines. Hopefully, we'll get into that.

Alex, give us a little background on yourself, what you're focused in right now, and let's dive into getting that brokers attention in a hot market, 'cause most markets that we're trying to get in are pretty high, are very competitive.

**0:01:45.6 AO:** Yeah. My background's in financial technology, and I have a degree in graphic design actually, and like all of us, we are all looking for something different with our lives. And so I spent about 15 years doing financial technology and managing affiliate marketing portfolio, and then I decided that real estate was a path for me and really got a knack for it, looking in good locations, I could feel the market and got into buying real estate. Then I had a mentor of mine say, "Hey look, man, I think you'd be a great real estate agent." And I said, "I don't wanna show houses and do the single-family home thing." He said, "No, no, no. I'm talking about a commercial real estate agent." And says, "Okay, I'll look into it." About a month later, I passed the exam. I interviewed all the large brokerage companies in town and said, "Hey, do you have a spot for me? Because I think I'm gonna be a decent agent here." And so I ended up with Clemons Real Estate and had a really good fit with them and what they're doing. I end up hooking up with Logan Freeman. He's been a mentor of mine, but also we are very complimentary to each other on what we do with the Buyer's Representation Success System, and really understanding, since we're both agents and investors, how to get the attention of a broker in any market. It's kind of an art and kind of a science to it.

**0:02:58.0 WS:** Well, let's dive into that, like I said, I know that that is something we're all trying to do, one way or another. Almost all of our deals have come through a broker, and so those relationships are so important. They are to us and they are to any buyer in real estate, right? So, let's talk about that. You talked about it being an art and a science. Get us started there when thinking through that relationship and how to get the attention of that broker.

**0:03:21.7 AO:** I'll talk a little bit about some of the mistakes an investor will make coming into any market that they're looking at maybe in many existing market, and that's taking the approach that you as an investor are, and I would say smarter, but you know exactly what you're looking for. You know what you've got on your plate. You know what you need. I only need two seconds with this broker, I'll tell them what I need, and he'll find it for me. Well, that's not quite the way the world works. It's based on trust. And so, the key to getting a broker's attention is coming into the market, coming into your place and saying, "Hey, look, Mr. or Mrs. Broker, I really have a need for filling my pipeline, but I need you to help me fill the pipeline - because that's what brokers are. We help people. And then from a broker side, the broker's gonna go, "Okay, well, is this person real or they tire kicker, 'cause everybody on the brokerage side is paid with their time. And so you talk to the buyer and what oftentimes you come to find

out is the buyers doesn't have a pre-approval letter, they don't have a track record, they just want to get on your hot list like everybody else, but there's no real incentive for the broker. So coming into the market, the number one thing you gotta have is a pre-approval letter from a financial institution, now you don't need to have that day one, but you need to come to the broker and say, "Hey look, I need you to help me find a local bank, because we can actually close on deals, I just need a local bank."

Okay, boom, that's something I can help you out with. Number two, I know a little bit about your market, whether it's San Antonio or Kansas City or wherever. I'm a buyer and I know a little bit about your market, and here's what I know about it, and so that tells the broker two things: One, they know that they've gotta have financing that they are prepared to get it; and two, they've actually spent 10 minutes or five minutes researching that market. Without that, the broker is gonna go on to somebody else that has proven those things, whether it's a past relationship or somebody that's got a 1031 exchange, whatever the case may be. And I think so often, an investor just thinks they can get on somebody's hot list, - which is fine, I don't a problem building a long-term relationship with anybody - but if you want that attention that I need attention now, that's the two places to start.

**0:05:33.5 WS:** Now that some great advice. And I wanted to ask you, if you'll elaborate on maybe the difference in, let's say, an experienced investor coming into a new market and creating that relationship versus a newbie or somebody like this is their first deal and talking to that broker and going through the same things obviously. If we've done 100 million in real estate, it's not gonna be hard to get in a pre-approval letter, those things, or is that needed at that time, if you can show a broker in a brand new market, first-time relationship, however, you have hundreds of millions in real estate are the same things needed.

**0:06:07.8 AO:** Yes. There's a lot to be set up obviously about experience. We all know that experience is great to have. I don't know every top buyer in the Kansas City market and every top buyer coming out of state or wherever in any other market. But you as an investor, you can have obviously, your investor bio. It's a great thing to include when speaking to an agent saying, "Hey look, here's kind of our tear sheet, or here's what we've done in the past, here's our success stories." Those kind of things, the broker gets an understanding of, "Okay, this person's bought some stuff recently, they didn't stop buying in 2012, and expected cap..." Some of those things are important. So, it doesn't have to necessarily be the exact same, but I would definitely

recommend you to have a tear sheet or some kind of investor bio that's there, and then also having general requirements of what you're looking for and how you operate helps the broker know... again, it's a trust thing of, "Okay, this person knows what they're doing, this person is gonna be a good fit for this market," because there's a lot of people that aren't a good fit for Kansas City or Dallas or Nashville, but they might be a great fit for Detroit or Cleveland or something like that.

And a broker can help steer you that way if you've built some trust with them and maybe it doesn't work out, maybe it does. So, that's the experienced investor sheet. And then even if you're on the inexperienced side, you still should have some kind of bio about yourself, you know. "Hey, I'm in a tech firm for 10 years and I'm an investor." Even though you have a invested to dine, you're still investing because you've committed to a trade. So, having something available is really going to create trust, say, "Hey Look, this person's put time and effort into it." And so me as a broker, I know, "Okay, this person's put time and effort into it, they can speak some of the lingo, but hey, they're also looking for help." And I can provide that help. That's where I add value. I can help you. If you don't need my help and why are you talking to me. So that's the way I look at the situation in both sides of the equation. Very experienced versus not experienced. You need to have a bio and then some kind of proven history or at least proven mentality that you're going to take down real estate transaction.

**0:08:19.2 WS:** So how did, as a broker, like you know who your top buyers are, or like you just said, you're evaluating that when you have that conversation, right. You're seeing who can definitely close? Who can definitely raise the money? Who's been pretty approved to understand the market? Maybe you've worked with them before, and maybe outside of closing a deal with someone before, numerous times, 'cause obviously that builds a ton of confidence, but... So, the person that's coming in brand new, if they were all in the same slide here, how did the top one or two buyers become the top one or two buyers on your list?

**0:08:49.0 AS** It starts with looking at, okay, this particular buyer, they talk to me two or three times, they liked what the market had, and being frank in honest, and candid, they didn't complain about cap rates, they didn't complain about IRR. They said, "Okay, it's my criteria." And that's what it's about. Are you a right fit for the market as it is now?

Obviously now is a moving target, right? It's always changing. And so once a buyer commits to... Okay, yep. This is me, I'm ready to go, let's get this thing done. That's where you kinda go, "Okay, this person's a good buyer, I'm going to do more and more deals with this person because they took the aggressive approach to it", maybe it wasn't the perfect - as so many investors come in looking for the unicorn, and maybe it wasn't the perfect investment, but they were willing to take the time and to answer your question further, is a lot of feedback going on in that. I'm sending them a deal or two, or maybe they're already on my top 10 list in terms of, "Here's the top 10 deals available at any given moment." And okay, so here's 10, I send you two or three I think you like... You come back to me asking me questions about it, maybe you're saying this isn't the right fit because it's an A, B or C, maybe you're putting in an offer, it's that kind of relationship of... You didn't just go dark on me and I haven't heard from you in three weeks or three months, you actually kept up the conversation, it

**0:10:11.7 WS:** Makes a complete enough for many brokers. Just the feedback, right. Good questions, maybe about that specific offering or you're showing interest, and like you said, you're not just complaining about the market all the time. Is there anything that stood out to you as far as or has there been, as far as the feedback that has been given, are there questions that really say, "Oh, this guy is really digging into this", or what shows you the end that this is gonna be a good buyer?

**0:10:36.2 AS:** Yeah, so there's a couple of things that I would say are part of that equation. And that is, "Okay, did the buyer come back and ask a course for a rent roll in T-12? Okay, that's of course, what you've gotta have when you're evaluating a deal. Did the buyer come back and say, "You know what, the performance of the property is important to me, but what's most important to to me is where I can take this property." So, "Hey, Alex, or Hey, Mr. Mr. Broker, what kind of rent can I get this too?" And I'll provide some feedback on that. And so those are the kind of questions that tell the broker, "Okay, this guy or gal is interested in this market". When you start asking questions like, "Are all the refrigerators brand new?" Those are all important questions to ask, but it also tells me, "Okay, this person is looking for something that maybe doesn't exist, and those kind of questions maybe aren't important right now, what's the most important is, is this property going to be close to a fit? If it is, let's keep looking at it together. I can go and ask to sell or any questions we need to.

However, keep in mind, this is probably an off-market deal. He's not entitled one and two, he's not motivated to answer all these questions. So sometimes you gotta rattle their chains, get an offer in front of them and see where that takes us.

**0:11:53.0 WS** Would you speak to that right there. I think it's a great point. And sometimes early on, like you'd mentioned, it's not time to ask all the detailed questions, right? You may have to put an offer in front of a seller to get the ball rolling. Could you just speak to that process a little bit? Because I know there's a fear of there too, 'cause maybe you don't know all the answers yet and you're submitting an offer.

**0:12:13.0 AO:** What I look at is Sam Zell, who's a billionaire real estate investor who wrote an awesome book, *Am I Being Too Subtle?* And in that, he talks about how he looked for every single deal that was presented to him, on how to make that deal work and how to buy the deal. And so when investor comes to me, they should be looking at what are the things that are gonna blow up this deal. And then back out of that, really, what the core questions are, if washer and dryers are included is gonna blow up the deal, let's get that question out of the way right away instead of messing around with other questions. So those are the things that you should know as an investor. Is it really kind of what blows up the deal? Maybe it's just your offer price. You have a very experienced investor and you have a specific price based on the product available based on the existing NOU the seller is providing you. Maybe that's your way of doing it, but maybe you are okay with some value add there, and 50% of the washers and dryers are all older, the roof is 20 years old just because you've driven by it or looked at it, Google maps, whatever the case may be. But have your list of deal killers available right away, so you're not wasting your time on it as an investor, and you can move on to the next deal

**0:13:26.0 WS:** Speak to getting into the most sought-after areas in the Kansas City Market, but obviously speak to... In a way that we can do that in our own markets. How did you do that? And any tips there?

**0:13:37.5 AO:** Yeah, so from the most desirable markets, I think in any market, of course, economic driver and what are the growing aspects of your market. And a couple of things that I always looked at where... I don't care if there's a pandemic going on or not... major established institutional universities. They aren't moving anywhere in a city. They're not gonna pick up their land and move somewhere else. That's number one. That's always gonna be an item. Number

two is hospital, a major institutional hospital. There's millions of dollars being put into hospitals all over the country. And those hundreds of millions of dollars are generating a large amount of jobs. So those people are coming into the market, and they're really looking forward to having a place close to it. So those are two. And then any major transportation hub that's being developed or has been developed. I don't care what market you're in, transportation is key to access to jobs. So if you've got a street car, you've got new subway access, new kind of transportation hubs, whatever that case may be. Those are also gonna be in high demand, and so those are the markets and the areas I would stick you from a...

These are gonna be appreciating, they're gonna be there forever. If you're buying old investor, those are the markets and the areas I would invest in

**0:14:54.8 WS:** Being on the broker side, getting to see lots of deals, getting to talk to so many buyers, and even what we're just talking about right now, knowing the economic drivers and it's great like universities, hospitals, those things that are always gonna have just so much money being put into those things all the time, they're not going anywhere. How are the best way to prepare for a downturn?

**0:15:15.3 AO:** Best to prepare for downturn where the product that they've bought or that they're, of course looking at buying is not over-priced, in that even if you have a decent vacancy rate, meaning a high vacancy rate, that you can still obviously make your payments. That's number one. And number two, don't get involved in too big of a rehab project to where if the rehab project blows up, that the whole thing is a vast... There's a lot of people that wanted to do the BRR, the BRR method on things, which is great. However, it's also dangerous if you haven't done it before. So, don't risk your large investments on something like that, that you haven't done. And then another thing that you really should look at is making sure that you're diversified in your type of investment. If you've got a 1000 multi-family units that are all in C-class suburbs, you might wanna think about diversifying to some A-suburbs, maybe even into some B-suburbs, maybe even obviously, the urban core area. I think there's gonna be a little bit more value coming into the urban core area because of people thinking, "Okay, we're going on to the suburbs, more space that could raise the cap rates in some urban cores across the country". So keep your eyes always looking for good deals that you're not gonna overpay for.

**0:16:36.4 WS:** On that same note, what's your prediction for just the real estate market over the next six to 12 months.

**0:16:42.1 AO:** Multi-family is gonna maintain very hot. It's going to become increasingly harder to find great cash-flowing deals in any market. I think investors should look to other asset types that are recession resistant. And those asset types are industrial and neighborhood retail shopping centers that have resistant, Amazon recession-resistant style tenants. Good examples like a Dollar General or Dollar Tree, those dollar stores. They're not gonna move anywhere. They're well financed, they're well capitalized. All that kind of goods up, and then the other makeup of the shopping center, stuff that you can't get on Amazon or at least easily like tire shop or your nail salon, your hair salon, and making sure that they have good tenants in them. And those things are pretty available, and the cap rates on those, at least here in my market, or about a point or 0.5 higher than multi-family. And typically they have less headaches. And oh, by the way, that cap rate that I just gave you includes 15% to 20% vacancy rate. And those same is usually if you buy the right ones, of course, they're not vacant that often, you're all on five 10 year leases.

And so if you buy it right and you treat the tent right and got the right tenants in there, you've already baked in a lot of potential cash reserves. So anyway, those are kind of the things that I would consider is looking at other assets, we've got some programs here in Kansas City that Logan and I have developed to help you look at the other asset classes, because we can sense that multi-family is gonna become harder and harder to get into. But the other thing you can also look at too is the smaller multi-family deals, and yes, they're very hot, but look at five to 10 units instead of your 50 units. My point is, don't pass great deals just because it doesn't necessarily fit into your perfect box. And so try and figure out a way to make the deal work for you if most people are telling you it's a pretty dang good deal.

**0:18:42.0 WS** Alex, do you have any daily habits that you are disciplined about that have helped you achieve success?

**0:18:45.0 AO** The number one daily habit is prospecting, cold calling. And that is typically made to apartment owners, retail shopping center owners, maybe it's even just networking, studs, networking masters that I cold call and say, "Hey, look, you know, I know you're amazing in what you do. Tell me about how I can help you. Those kind of things. So, I think just prospecting



in general, every single day from 9:30 AM to 10:30 AM has set me up, and I think others would speak to that to where you have long-term relationships to turn into success of the day. And a lot of that, I would say 95% that's cold calling. Pick up the phone and making a call. I don't like calling people. But now it's a habit. I don't mind it.

**0:19:28.0 WS** How often are you following up?

**0:19:29.0 AO** I try to follow up every two months. Most of the time, it's just a voice mail or a text or something like that, 'cause they don't answer their phone, which is totally fine. I get it. They're all busy. They don't know me even though I've left them three or four messages. But eventually they'll either pick up or tell me to stop calling or tell me "You talk to sell and so..." And none of that stuff bothers me. So, it's something that you just gotta do and hopefully eventually that 9:30 to 10:30 will just be people call me at some point, maybe I'll take five years. But I'm not afraid of making phone calls, and I think that is a habit that's gotta be built if you wanna be really successful in real estate.

**0:20:04.2 WS** And maybe we just answered it, but what's the number one thing that's contributed to your success?

**0:20:07.8 AO:** Well, that's been a great piece of it. I think the other piece of it is too, is working with great people. I know it sounds cliché, but I'm not saying that Logan Freeman... And I don't know what you would think of me saying this, but maybe he's not Michael Jordan of the real estate world in Kansas City, but if I was a pretty dang good NBA basketball, I would wanna play through the Michael Jordan, Kobe Bryant or somebody like that. I don't care how good they are and how good I am. I want to be on that team. And so find people like that where you can try to be on their team and be a good person for them, work hard for them. Michael Jordan worked extremely hard. Kobe Bryant worked extremely hard, so if you're not pulling your weight, they're not gonna pass you the ball. So that's my best advice is find the best out there and don't give up. Work harder than they are, if you think you can. And if you can't work as hard as them, then find somebody else that you can have as a mentor, but that's probably been my best success.

**0:21:03.0 WS** And how do you like to give back?

**0:21:03.80 AO** I give back by just trying to give my time wherever I can. It's very time-consuming. Every day has a set schedule, but there's new brokers that are coming into the game every day. There's new investors that don't know how to get started that I'm happy to help mentor with telling them the ropes of the game. The other important thing is children in church or any religious institution, doesn't have to be a Christian institution, but I think providing financial support or some kind of support in that way is important because they're the future of the world. I'm not the future. We shape them to be who they are, and so however we can see them to be the best people, they will be hopefully better people than we are at time. So those are kind of my ways to give back.

**0:21:48.4 WS:** Nice, well Alex, I'm grateful for your time just to have met you at how you've given back today. Because in our business, in the commercial real estate or syndication business, getting the brokers attention in a hot market is crucial, and you've laid out numerous things... Just talking about being an art and a science, having that pre-approval out or the track record, and just creating that relationship and how important that is, and people talking to you numerous times, providing good feedback, questions, showing that you've done your homework on the market, the deal, and how important those things are, and whether it's economic drivers as well, like the universities and hospitals and things like that. So grateful for your time and just laying out many great things for us, and especially the newbies that are trying to get into a market. It's difficult. It's always been difficult, right, but it's not getting easier to get into hot market, so you better go ahead and get started. Don't wait for it to cool off. So, Alex, thank you again. Tell the listeners how they can get in touch with you and learn more about you.

**0:22:41.5 AO:** Yeah. So please connect with me on LinkedIn. That's my favorite way of connecting. And then you can also email me at [Alex@ClemonsRealEstate.com](mailto:Alex@ClemonsRealEstate.com). I still check my emails. Some people I know these days are so busy, they don't look into their email. But I check it every day and all the time and respond. I'm an email responder, so I'm usually responding right away if I can. So email me in [Alex@ClemonsRealEstate.com](mailto:Alex@ClemonsRealEstate.com). Hit me up on LinkedIn. Happy to chat further about anything about real estate and looking forward to it. I really appreciate being on the show.

[END OF INTERVIEW]

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**0:23:12.2 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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