

EPISODE 914

[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 Whitney Sewell: This is your daily Real Estate Syndication Show. I am your host, Whitney Sewell. Today, our guest is Kaylee McMahon. Thanks for being on the show Kaylee.

0:00:32.0 Kaylee McMahon: ... Whitney.

0:00:33.4 WS: Kaylee has purchased over 68.2 Million dollars worth multi-family real estate as a general partner and principal. She sold over 3 million in residential real estate before transitioning into her current full-time syndication role, and originally from Portland, Oregon. She founded the women who invest Wednesday Networking Group in Dallas, which is also digital, and a podcast called Number One Leading Ladies. She interviews women who are disrupting their industry and the realist story of how they got where they are.

She is developing technology to help make it easy and convenient for women to learn how to make passive income through apartment investing, the Chives app. That's incredible. I look forward to hearing more about that. I think that's intriguing, I would say, can take technology like that and really own it and help a lot of people at the same time. So, Kaylee, thank you for your time and being on the show. Give us a little more about your background in commercial real estate and kinda your focus right now.

0:01:27.8 KM: I mean, you kinda hit it, my background in commercial real estate is not the longest in the world, I've just been in the industry for three years, and the background started honestly, in residential real estate, where I was an apartment locator in Texas. You have to be a licensed real estate agent to be able to apartment locate, so while that was specifically working on luxury A-class type apartments... And that's not what I focus on now.

I at least gave me an idea to understand the patterns of people moving in and moving out, concessions, understanding A class building, like how occupied it usually is and why they run specials and certain things like that, but also the mindset of the person moving in, what they're looking for what amenities are important to them, etcetera, so I didn't know that it would go full circle like this until I got involved in investment in real estate, where I started flipping houses, I started investing in partial house note so kind of like a syndication works where you're dividing an asset that's dividing a much smaller asset, a house, and then all of us investors put down some money to own a partial percentage of the note on the house or the bank now on the house.

So similar, but different. Anyway, so it made... This make a lot of sense. When I met someone that was in the apartment industry who was very down to earth, really got it, really understood when you're working with people that are your partners or vendors, whatever it's about how you speak to them and how you treat them and pay them early and make sure that you're doing the right human things, I suppose the thing in life that makes us a lot more fun, it's not necessarily money being the only motivator behind why we renovate something or why we put in the dog park or whatnot, there's also some additional emotional and psychological benefits that I get out and a lot of my partners get out of getting involved in renovating or flipping multi-family apartments.

0:03:11.3 WS: Nice. No, that's incredible. Well, syndication is definitely a business that we love as well, and it needs to hear your transition into that, and as far as in the syndication business right now, elaborate a little more like your focus, a specific asset class or and even your niche about how you're helping women specifically?

0:03:28.1 KM: Yeah, so as far as the asset class, with the area of multi-family real estate that we focus on, it's kind of a popular area, so it's C-class workforce housing in areas where there is population growth, income growth, there is home value growth, there's a reduction in crime, and a couple of other things that we use as our five-prong approach to vetting a market or what we wanna invest, typically in this maybe changing...

I'm kind of doing some research now, but typically it's been in 1970 or newer build, there are situations where I just bought a way older building than that, but the entire thing was gutted and redone in 2001, so it's interesting how there can be some exceptions to the rule when you're looking for something, but for the most part, you do have to have a baseline principle of why you pick a certain build Deer, why you pick a certain market and things like that.

So as far as using multi-family as a platform or... I always knew that I needed to find a vector and some sort of vector that would allow me to be able to... Whether it was at the time, in my thought process was create physical space to be able to get away from codependent relationships, abuse things that I went through, because that's what real estate did for me, was be able to show me, Oh, this check that I'm getting every month, and it was just from the house Flip that turned into a single family rental, I don't have to address any kind of way or be this perfect sales rep or do any kind of certain things to deserve her to earn this check.

It was just the fact that I put the deal together and then gave me the idea that, okay, if I could do more of this than I could not only be able to take care of myself and prioritize my time and prioritize the things that I do, so at the time, it was needed to do a lot of introspective self-work and understand what I really wanted in life and who I was and not what my parents told me I should be or believe or think or do or whatnot, like, Do I really love animals?

My great person, do I treat people with respect, or do I use certain words because they were taught to me growing up, or are those things that I don't actually believe in that I should be calling someone that name or... There's a lot of learning that I had to do. But they have the time and the space to do it. Patrolling Real Estate gave that to me to be able to not have to do the

40, 50, 60 hours a week of what was a sales rep, and then also hustling in single family retail sales, so without having to be on this constant hamster wheel, I was able to stop and take some time and figure out who I was and what I was doing in this life, and I realized that real estate and specifically multi-family, when you're adding another zero, you're able to have a platform to use to show other individual other women.

Hi, I can do this, or I should be living under bridge right now, statistically, but I'm not because I did the work, I got away, and here's my mess, and so it's not my message, so I kinda leverage our portfolio and we're doing a tour on Friday with the news acquisition from last year where it's going to be a female focus to her, I'm asking all the men that are coming to bring a daughter, a niece, someone in their life, it's a woman so that they just see it and they understand how the process works. Renovations, and they get comfortable with it and they go, Oh my God, I can do this too.

0:06:27.4 WS: No, that's awesome, that's a neat thought process there to bring somebody else with you and you're focus is women. So that's incredible. Or even if we were doing a tour and we said, hey, just bring a child with you, so you're encouraging the next generation and opening their eyes to some of these opportunities, tell me a little about how tech has helped you build your platform.

0:06:45.7 KM: Yeah, so thank God for tech. And it's not like I'm a big AI tech person, but I'm learning quite a bit. But because of covid happening this last year, we were very limited in the amount of networking that we could do, limited in the amount of... Even tours I could take Texas, luckily, has been very open, and so as far as keeping your distance and figuring out ways to make certain things happen, I feel like I've been very blessed that I could live in New York and I would have gotten no acquisitions done no work done in the last year.

So technology has been a way to kind of bridge that gap and be able to continue to talk to people like we are now, without having to physically be with each other, have meetings. Next thing I'm gonna be working on is setting up a monthly webinar, or I'm going through all of the different things that we offer, if you know nothing about real estate and you just wanna

understand how it cash flows... We have the app for that.

And anyway, point is, is the technology has been great to try to bridge that gap, and then also, like I mentioned with the tech and this little app that we're coming out with eventually, basically what it does is it takes someone from different mental stages of wherever they're at... And you can go from, Okay, I know nothing about real estate, and I just wanna understand, there's a mindset section of the app, and there's also an education on cash flow in real estate assets, so it's all the asset classes and all the way to vetting documents.

0:08:07.4 WS: Nice, which is a very difficult part. That's for sure, as far as vetting documents and understanding what you're looking at, that can be pretty overwhelming in itself when you are learning this business and you have to review a bunch of documents and so... It's interesting, tell me about, I guess, a little about how the app helps with documents and reviewing, things like that.

0:08:26.7 KM: Trying to keep my dog quiet, so the app itself, there's been a couple of... So really what I'm doing is I'm taking content that I built during the lockdown is I'm like, Well, what I'm gonna do is I'm going to reach out to women who have had two plus years of experience, cash flowing, whatever their asset classes, RB park, mobile home parks apartments, retail, we've pretty much covered the whole game, and I still have a list of women to get through, but the point is, is we're going through the pros and cons, how they make money, and so you're watching a woman that's done it already quite a bit.

Watching them, explain how the process works for them, there's a transcription at the bottom, and then the next stage for us is working through how to make little quizzes so you can kind of make sure that you've understood what you viewed in that video, but the documents part of that has been a couple of review documents that a couple of SEC attorneys that I've worked with, and this is specific to a syndication or an offering like that, but I know so many of those asset classes, because it ends up being a passive investment.

They all kind of have similar situations, but I've just looked at these three phases and I've gone,

okay, so women don't get involved with these investments because like me, at a certain point, I go, Oh my God, I'm not... Am I old enough? Do I know enough? And you kinda have this self doubt, and so once you can leave in yourself and once you can believe that you do deserve this... That you can call yourself an investor. It's not something that's air marked for certain people in our society that you can do is to then having the ability to go past the mindset, Look at how it works, the details of it, and then the documents... That's the last piece that I found that people are women specifically, they go, Hold on, you're handing me a 150 pages and stuff, What are you hiding in there, they freak out and then not even bother investing, and it's pretty much as simple as you're...

I don't wanna say too lazy, but if you're too inexperienced or unsophisticated to understand how to review those documents, obviously go have an attorney look through them, but when you're doing it for the first time, you might be going, Oh my God, I have to hire an attorney just to look at a document, while this guide was built, a couple of the guides were built by SEC attorneys who said, Okay, well, here are 16 things that when you're going through there, there are some big things you really wanna hit on, like capital calls, the operating agreement who's in charge business plan.

There are certain things that are really important to make sure that you understand. Then to start asking the operating team questions, and not just, I've had investors do this, and I hate that they did this because it's now become a problem for me where they wanna invest and they just trust a friend and they talk to me and I'm like, Okay, well, what questions do you have? What do you wanna know? And then they won't have any questions, that's the worst thing, I really appreciate it when an investor has a list of questions and they just want answers, and so then...

0:11:06.8 WS: For sure, those are the ones that's gonna learn the most... Right. When they came prepared, no doubt. Any coaching or mentoring type of relationship. You know... Speak to also, it's neat that you have a niche down on women, helping women and figuring out what holds them back and helping them in a big way. Tell me though, just one, how has niching down like that helped your business or your brand specifically, often people say we finance

down that much, I'm not gonna have enough people that will want to follow me or listen to my podcast or all those things. How has that helped you?

0:11:41.3 KM: It's gotten me a lot of attention, and that was something I learned from probably the first mentor I ever worked with that, look, you're not gonna be for everybody, and until you can accept that you're not going to have people essentially final in your direction, because what I get is emails daily or text messages daily where someone thought or saw something and go, Oh my God, that reminds me of Kaylee because it's exactly either what she needs to be taking and posting on her social media because this is a great statistic, or here's a good resource or whatnot, it's made it to where it's on top of mind when it comes to that, not that, but when it comes to empowering women financially, and there are many other women that do the same thing, and so what it's also helped with like...

I'm in a massive group called Commercial Real Estate women, and it's global, so there's women in the UK all over the place, and when we post in our group and you're asking for something, it makes it very helpful for the group who can provide the answer that you want for them to respond and because you're just very clear on who you wanna work with and what you want, so it makes it clear when you're asking for it, you're not making people go, Well, I don't know if I fit that box or whatever...

You're either going, Yes, I do or I don't know. So I think it's help to bring the right people that really care about the same thing around me.

0:12:58.0 WS: No doubt about it, I just think it's a great thing to elaborate on 'cause I get the question often, and people that God can't niche to just not gonna be enough people listening. And it's false. And you hit the nail on helm, you said you're not going to be for everybody, and you're just not... And you gotta get over that. We go ahead.

0:13:13.8 KM: And there's seven billion people out there, and half of them are women, you think you don't have enough of an audience or your mind like... So this isn't like super niche, niche down really, to tell you the truth, and then people wanna call me names too, that's the

other thing that when you're different, people wanna call you sexist races that we wanna label you, 'cause human beings need to put things in a black and white box, and it just doesn't work that way, like, No, I just have the ability to take my business and focus on an under-served group... That's all I'm doing, I'm not any kind of thing. I just wanna focus on the people that I understand the best, because the mess that I've been through, I'm making that mess my message, 'cause I get it, you know?

0:13:53.7 WS: No, that's awesome. Tell me a little bit about your... The number one way to find new investors right now for your best source, there's

0:13:59.9 KM: A couple... I tell you through so, because like I mentioned, you're kinda having to depend on technology, but a lot of it has to do with even things like this, and thank you very much, I'm grateful to be able to be on your show and be able to... As I grow, so I've been on your show before and there's... I guarantee you so much growth that's happened professionally, emotionally, I mean so much in the meantime, and so I'm able to show people who I am via how I'm talking an interview and get them interested in what it is that I focus on or do, and then they basically just go to my website and then I provide value...

I've provided resources that it's like, Okay, if you wanna understand more about who got a series on 1031 exchanges, and I've interviewed in the intermediary and so she went through the whole thing. So if you have a 1031 exchange, you wanna understand how that works, you can go and spend time on there, but really, I guess technology has really helped to get me connected with webinars when it comes to self-directed IRA companies, so I don't have to be in New York, I don't have to be in New Jersey, don't have to be in Florida to be able to present with them, and again, like you mentioned earlier, because of being so unique or niche or whatever, like this is Mark...

This is National Women's Month, and so I have been blown up the last week on, Do you wanna be on this panel? Do you wanna be on this panel, do you wanna... And so being able to speak about what I'm passionate about has been a very good resource, again, for me to attract the right investors who not only get to make money, but they also give a rip about what we're

doing, and it's a mission-driven investment for them, there's two things, they get money and it actually does something for their community, so being able to speak has been very helpful, and then like I mentioned, the next thing that, again, being an authority that I'm going to be doing is once monthly.

Just having a webinar that basically goes through all the different ways that you can learn, get involved with options, you have how the process works on my home page, it's pretty clear, Here's what the money comes from, here's who finds the deals, here's how you get returns, and here's how to get involved but a lot of people like to see me in person and because we kinda can't... Tech has been a good thing. So...

0:16:02.8 WS: Tell me, are there any daily habits that you have, that you are disciplined about that have helped you achieve success?

0:16:09.2 KM: So... Yes and no. Tell the truth. What's it called? Not time blocking, but I guess it is literally... If I look at my schedule today, I'm not really worried about what I need to be doing because I have a reminder in my calendar that says, okay, here's what you need to be doing, and like today, I've got a block for this, I have a block from 11 to three every day. That says, get shit done. So during that block, that's when I don't drive and I don't have phone calls and I don't...

I get stuff done, I have a list of things that we're working on, and so it's gonna require some website editions or dragging and dropping things, or creating or filling out documents for legal documents for a new offering or things that actually require work. So to sit down and get it done, I'm working on a book. That's part of that in there. Etcetera. So basically, time blocking has been huge, and so if I've got a project like the book, like the app, like whatever, people are like, Oh my God, you're all over the place, or so ADD...

And it's like, well, not really because I have a development team or a team that's actually doing the work when it comes to ghost riding the chapters or actually doing the development behind the scenes on the app itself, but I'm just the puppeteer, I'm just the director, so one hour a

week for each of these ventures were like, I'm doing tech research one hour a week, so I just have a block that I religiously make sure that I block everything else.

I have a cool thing called robo killer on my phone, I love that thing, so I get 30 plus calls a day, and so unless it's my bank, unless it's my attorney, unless it's an appointment I have coming up, something, I just kinda look at the pop-up that comes up on your phone, I go, Oh no, I'm back to work, so I can actually concentrate and get my stuff done, that's been big, and then mentally through covid or through the lock down through the other things legally, that I'm dealing with.

The best thing that I've found to feel like you can have your power back, because a lot of the times when people are bombarding you or when you get negative feelings about something you have to deal with, it can tend to bleed into your personal life and bleed into your mental space where you don't have peace, and so the best way I found is you can do it with an actual journal or... I know I'm gonna lose it, so I just do it digitally in my phone. There's an app I use called Morning, and I forget what the journal is actually called, but basically you're going through and before the day starts, you're going in there and saying what you're grateful for, what we make today great.

Your daily affirmation. That's been huge. I have that on my mirror, I'm the most influential woman in my generation, and nothing can stop me, that's mine, and I say it every day to myself out loud, and then... This is the big one. What are some amazing things that happened today? It was hard mentally for me to get to that place where I got what you're writing this step down before the day even starts. How would I know what happened today?

I don't know what's gonna happen today, but in reality, if you fill this whole thing out and it takes less than five minutes every day, I felt so empowered by you, again, you're gonna get bombarded by people who don't respect your boundaries or people who don't understand that it's respectful and professional to make an appointment and they just feel like they could just call you whatever, and that's my own opinion, and people love be on the phone all day, I don't...

But when you are clear on what is going to happen today, what's interesting is your emails and your behaviors and your things you jot down, and just certain subliminal things throughout the day start happening, and it's so crazy to watch how within a day or three or whatever that week, all that stuff manifests and happens, so that's given me a lot of peace to go, you know, when you're bringing bombard with something, it's like, You know what? No, I know what I'm gonna do that, and this isn't one of them, so this can wait till tomorrow and I'm gonna sleep on it, and I'm gonna be very clear on how I'm gonna handle this, so it's helped quite a bit. It's a long answer.

0:19:43.2 WS: No, it sounds like you plan your day out, you're very purposeful and consistent, I find those things build success very fast, faster than what I may be slower than what people expect it, there's no... Just this pill you can take and success happens tomorrow, but those consistent purposeful actions definitely lead to big success. Later on down the road, I had an all-day meeting last week and it was cancelled like the night before, and I thought, Wait a minute, what am I gonna do with all this time?

And that was probably the most productive morning I've had in a long time, and so I appreciate that, like we could say like 11 to 30, where it's like I'm getting things done. I'm not like there's other things that you're blocking out because it's a distraction, so what about the number one thing that's contributed to your success?

0:20:27.2 KM: I think the number one thing has been my natural ability to want to learn to tell you the truth, so it helps to, I think, create a sense of being a little bit more humble than some people come across... I'll be honest with you, when I've sat in people's offices, if they really like themselves, it is such a turn-off because I'm like, you're acting like you know everything, and then it's gonna limit your growth, it's going to limit what you can even make it, money-wise.

I feel like my innate, I'm a lifetime learner from the Gulistan finder test or whatnot, if I'm in a position or a job where I'm not consistently learning all the time, I'm very unhappy and I get kind of kinda anxious, I need to be learning. And so I'm very happy if every single day I can

learn at least one thing, and just because that's who I am, I think that going into meetings with people that...

I'll catch myself habitually. When you know something about something, you feel like you wanna talk about it. So my fund that I'm starting really soon here, I understood the basic structure, I understood the basics of it, right? And then I had a meeting with somebody who has worked for Goldman, they had done 500 million dollar funds, and getting that time with that person, I walked in with my companion into that meeting and they said, Judge, this experience with this...

And I started to talk as if I knew what he was gonna say, or I knew how the mean was gonna go, and I'm glad that this person kind of put me in my place, but I have to do this internally to myself when I go into any meeting with anyone or it doesn't matter how experienced they are, then you go into that meeting going, I know nothing, I literally know nothing, and it's my job to ask questions and to be open and to listen and to absorb as much as possible. I think that innate curiosity and will to learn, I think that's been very helpful.

0:22:14.2 WS: No, it's a great skill to be humble and teachable, that's kind of the opposite pride for... It's difficult for a lot of us, and it's a great skill to have. How do you like to give back?

0:22:23.6 KM: I like to give back directly to my community, so specifically, as I've already said, the empowering women is very, very, very important to me, and I kind of look at women is my sister, so with my actual biological sisters, I told them for a long time that... So basically, I try to help people directly in my community, I know I could donate to UNICEF, I know that I could go to Africa,

I know that there's so much stuff that I could do in these underserved areas of the planet that just are suffering, and whether it's suffering because of past history of what's happened in the world before I ever existed, or whether it's injustices that are happening now, whatever the deal is, is that's a community that I could focus on, or I could sit there and go, Okay, my mess

is... My message is something that I...

So the abuse that I went through, one third of people go through the same thing, you know what I mean? And it's insane how big of a problem it is, and how the stigma behind people not wanting to talk about abuse and wanting to talk about... 'cause it makes you feel dirty, like you did something wrong, and it's not something you ever asked for, some point is is I find that by not only financially empowered women so that they don't have to fit a mold to be any certain kind of person, but also basically, just empower them.

And is it really important to me? And so when I have friends that, whether it's a dating situation or like a banker that treats in a certain way or a past relationship, there's so many things that it spans or goes into, but it's really just, don't let that person treat you like that, you know what I mean, just affecting my immediate community, and then also with all my associates or people that... And someone else would probably say that work for me or whatever, but that our associates, trying to get them into a position where I'm asking them about their expertise, I'm asking them about what do they...

Because they have the level of expertise, whether it's the property management, whether it's the construction, whether it's whatever the CPA, and then kind of defaulting to them and saying, Okay, well, based on your expertise, what do you suggest is like the top three things, and then I'll maybe I'll pick something or even default to them and say, You know what, you're the expert, go for it, and I find that empowering people, even in that way, makes the end product of whatever you're doing together much more high quality because they take pride in whatever they were doing...

And then also if something goes wrong, that person takes a 1000% accountability for whatever it is because they were in charge. So calling my head of construction like, boss, you know what I mean? I'm like, You're the boss. So I feel like I'm very blessed to be in the situation that I'm in now. And so, just treat people how you wanna be treated. The people in my life that empowered me to even believe in myself and to go forward with this... That's kind of my role I see in other people's lives.

0:25:00.0 WS: Now, no. Awesome treatment, golden rule. It goes a long way ...Well, Kaylee, it's been a pleasure to hear your story again and get to know you a little better and learn just more about your desire to empower women and how you're doing that through real estate, it's such a great tool for anyone and it's a great living stories like yourself where you're helping so many do that and learn that they can also have financial freedom through real estate, tell them no listeners how they can get in touch with her more value.

0:25:27.0 KM: Yes, the number one thing I'd like you to do would be to go to my website, the apartmentqueen.com, and there is an investor qualification quiz on there, so if you're interested in getting involved in future deals, events, anything that basically you'll be getting from our mailing list, so all the things that we do basically just get on there and what it will do is it'll put you on our list, the other thing that you can do is also on the website, there's a couple of different pages that right now are kind of placeholders.

For example, if you're an a credit investor, we have a future fund coming out just for credit investor, and you get on the wait list right now before we have that launch, it's a female focus fund, so all the men that Invest in that fund, it's required that you fill out your subscription documents with a female mentee, and then we have a procedure for giving you a higher preferred return without getting too much in the details on the site, you can find all those things on there, and if you're interested in networking with other women who invest, also women who invest Wednesday, there's a sign up for that on there as well, and you can email the admin at the apartmentqueen.com.

[END OF INTERVIEW]

[OUTRO]

0:26:23.4 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.
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