

EPISODE 1208

[INTRODUCTION]

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Chris Freeman (CF): First, need to learn from the best in order to earn like the best.

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Whitney Sewell (WS): This is your daily Real Estate Syndication Show. I'm your host, Whitney Sewell. Today our guest, Chris Freeman. He has over 25 years in high-tech sales and sales leadership. Chris actively invested in multifamily with a buying whole strategy focus in the Pacific Northwest. In an effort to share his experience with other high-tech sales professionals, he founded High Tech Freedom. High Tech Freedom is helping high-tech sales professionals to create passive income in real estate while crushing their sales quota. You're going to learn a lot from Chris because he not only started while working full-time, he's still working full-time. He had that 401K.

He had all those investments in the stock market and they were just doing amazing. He was investing in tech. He was investing in something that he knew a lot about and it was going just fabulous until it wasn't. Obviously, many things happened. It crashed and he realized that he needed to do something else. And we talk about why real estate helped him through that, how he's transitioned to real estate, to small multi-family and grew that to a pretty large scale. But then realized some key things that were keeping him from scaling to larger apartments through syndication.

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WS: And he goes into that today. There are many things in this interview that I get asked questions about almost on a weekly basis numerous times. So, we go into a number of those things. I know many of you have asked me personally through email, or we've talked on the phone or through chat on Facebook or through a Group, or one way or the other. We talk about those, I would say, specifically focused on Chris's unique situation. Also how he started a

podcast and why it's not specifically real estate-focused but why that's been a good thing. I know you're going to learn a lot.

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WS: Chris, welcome to the show. You have a background that at first I thought wasn't as common. But, I think I hear more and more people like you who have a position where they're in tech, where they're in some other industry, and maybe they're high-income earners, and they hear about this opportunity in real estate. And then it grows into something more than they ever imagined. And even though, I've never talked to you before, except right before the shot seems like from what I know about you, that's a little bit of what happened to you. So yeah, I think it's something that as listeners hear your story, they're going to think - you know what, that's me - or - I could see myself doing that. Or it's going to encourage them.

Well, let's jump right in. Tell us a little bit about yourself. What do you do as a job? As a j-o-b? And then let's get into the transition and why real estate? And then I know you've transitioned bigger from there. So, let's dive in.

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Chris Freeman (CF): Yeah, so I'm in high-tech sales, high-tech sales leadership. I've been doing that for 26 years. I started in that industry back in '99 or actually '95. But in '99, I was doing really well, making a great income, great commissions, wanted to start dabbling in the multifamily space and bought a duplex. But, I quickly learned the difference between the stock market and real estate as I was dumping all of my commissions into the market at the time and mostly buying technology stocks since that's what I knew, and they were skyrocketing. Well, when the dot-com bubble crashed, all that cratered - my portfolio cratered, my 401K cratered. I had a future partner at that time that had been in the multifamily space for 30 years here in the Pacific Northwest. And I was watching him continue to make incredible income without really missing a beat.

So really at that point, I just started to take my commissions instead of going out on golf every week with my friends. I kind of started to peel off some of that income and put it into real estate, multifamily really from day one. Then self-managing all of that along the way. And at

some point, it started to scale and it really opened up my eyes to the potential of fully replacing my W2 income at some point.

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WS: So, you were doing well. You were investing in stocks. It wasn't just like you were investing in all kinds of random things, you were investing in something you knew a lot about, some knowledge in that that most would not have probably. However, you were doing great until you weren't doing great. It pushed you in another direction. Tell us a little bit about what went off. Okay, I'm not as secure as I thought I was, I need to do something else. What did that look like? You had this friend, did you just reach out to him? How did you start educating yourself about real estate? What happened then for you to feel comfortable moving forward and actually buying a rental property?

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CF: Yeah. I think, initially living in a duplex, living in half of it, was my first taste. And then, I found a local guy here who I met and we agreed - and let's see, he was older - we agreed to go out and buy a fourplex. I was really nervous but he'd been doing it a long time. So, in my mind, hey, if it's good for him, it's good for me. I'm along for the ride. Once we started doing that, I kind of found the lane that I like. He had the lane that he liked, and we formed a really great partnership and just continued.

And this is really important, we continued to buy smaller 8, 10-unit, 15-unit buildings, let it cash flow, left the money in the account, didn't take it out 'cause he didn't need it, I didn't need it. And then we let it grow. Throw a little bit more in there and then go redeploy and just so compounding off that cash flow. Every building was unique and kind of a small experience along the way, and I built a lot of confidence over time.

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WS: Nice. So, this friend helped a lot. Were you married at the time? I just wondered, or family? You were house hacking, was it just you?

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CF: Just me. My wife was living in one part of town, I was living in the duplex. And that was, we're just starting the family process.

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WS: Wow, okay. I just wonder 'cause we were attempting to house hack as a family when I first started, when we just opened to real estate. It didn't work out that way. But, I could imagine that it's difficult. I already have a family and you're trying to start that way.

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CF: Once we got married, I didn't stay in the duplex.

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WS: Interesting. So, I guess, transition from there. You started growing your own real estate portfolio, in the end, you were still with the same partner in business, so what did that look like?

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CF: Being that he was 30 years older, he started to age out of the business a little bit. So, we hit 100-plus units and kinda hit that challenge of scale. I couldn't self-manage it anymore. So busy that we couldn't, really, I couldn't step back and look for deals and look for opportunities. I felt like I was not growing so I learned to release some of the ownership of it, moved all of that to property management.

Then also, started to think about how do I scale or diversify outside of my backyard, Portland, Oregon. That's when I started looking at syndication. Looking at 100-plus-unit types of buildings and assets, and just looking in different markets as a way to scale up and get a little bit more professional about our approach.

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WS: Nice. I picked up on something there. You said you had to release ownership to scale. Can you elaborate on what that means exactly?

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CF: Yeah. Well, I think going into this, I was naturally a pretty frugal person. So, the idea of giving up a few percent to a property manager, I was like - oh, that's my money. And then, I'm working with somebody who came from a completely different era, who came through pretty frugal upbringings and he wanted to do everything.

So, that was kind of my 20 years of real estate experience. We don't hire anybody except our maintenance guy that's on staff. And what I learned was, there are other people that can do it way better. There are other people, who can do it at scale and actually make me money versus me thinking that I'm saving a few dollars. So, once I kinda got over that hump, it was just, really, it just kinda open my mind to growth and scale and leveraging other people that are better at doing things than I am.

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WS: 50% of 100 million is a lot more than 100% of 1 million, right?

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CF: Yeah, yeah, totally.

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WS: So, think through that. That's incredible. So, you released ownership to scale and you saw the benefit of that. Even a couple of things you mentioned there should be kind of eye-opening to the listeners I hope. I was in that at one time as well, thinking - okay, I'm just going to self-manage these units - and man, just the stress of that. It's going to keep you from looking for more units and halfway getting it done. So, then you find that you transition to syndication, tell us a little bit about moving into the syndication business versus the mindset of looking for those small multis.

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CF: So, I started networking a ton and I was in a couple of different groups to just expand my network outside of Pacific Northwest. One of the things I quickly learned was, I can't do it by myself. I need to go find a partner and I really struggled with that. That was hard because I was

trying to get good at all of it. So, finding a partner, working with some brokers, underwriting deals, I just shifted all this other work that I was doing on the property management side to trying to do all of this syndication stuff by myself. I wasn't able to do any of it well.

And so what I decided to do is instead of talking to ten people a week to find a partner, I really just tried to pick one or two people that I thought - Hey, if I can go work with him or her, that's who I wanted to work with. So, I put all of my energy in trying to build a relationship, finding ways to add value, and honestly just marketing a little bit to a couple of individuals so that if they had their next deal they'll say - You know what, Chris has potential. Let me bring him on and maybe he can help out with a few things that I'm struggling with.

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WS: Elaborate on that, please. You pick one or two people to work with. You started marketing a little bit. Tell us a little bit about marketing. In a way where like you just said - Hey, those operators, they would take a chance on you or they notice something in you. I get that question numerous times a week.

How do I do that? How do I connect with that operator? Obviously, getting started, it helps speed the process up in a big way if you can work with somebody that's already established. Please dive into that 'cause I know there are people that are wondering that.

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CF: Yeah, it does. So, I found an individual who was actually getting quite a bit of deal flow. He's a retired engineer, has been doing syndication, a real estate coach, just a huge network, goes to every conference. He's got a pretty good deal flow, and what I noticed was, at some point he's going to need help, either he's going to need help with capital raising side, help with some of the other kind of managing the systems, the process, whatever it might be. So, I didn't quite know exactly what it was but you can't figure that out by having just one networking conversation with somebody or two networking conversations. You kinda have to talk to them over and over and over again.

And so what I started to do is, I'm a salesperson, so I'm always thinking about adding value before asking for something, I would ask him questions like, Hey, where are you struggling? Or what are some of the challenges? Or I would come back to him and say - Hey, I'm pretty

excited just working on my list. I had another person that said that they can invest 50k. I found another person that can invest a 100k. So, I drop them a little text like that. Then, I would sometimes ask him - Hey, tell me what are some of the deals that you're working on because I want to give my investor list of some potential projects that are out there just so they have something a little bit more specific to grab on to. So, I would find reasons to reach out to them.

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CF: But I will say, I was doing that intentionally at least once a week touching with something. And I clearly remember, I was sitting in out of the coast and getting kinda frustrated because it hadn't worked out yet. I was like - Alright, well, maybe I need to rethink my plan. Put my energy into somebody else. That day, as I was kind of like, what was me feeling sorry for myself, he called me and he says - Hey, we've got this deal. Do you wanna join us on the team?

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WS: Nice. Alright, I just appreciate you elaborating on that. I get that question often. It's great to hear it from someone else - how you did that, how you connected with this operator, even asking for something like, "Do you have an example I could share with my investors? Even sending investors his way. Your adding value is a way for him to see something positive from you often, or consistently. And building that relationship, incredible.

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CF: And by the way, I think sometimes what's overlooked is, if you really want to go work with somebody, I'll invest in one of his deals. Just to show them I'm serious.

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WS: Were you still working full-time when you were making this transition as far as, you had 100 units or so, and then you're transitioning to syndication. Were you still working full-time at the same time?

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CF: Yeah, and I still am.

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WS: You still are. So, speak to that balance a little bit, of work and a real estate business syndication and family. People also ask that often - How do you do that? How do you manage that even now and make all that happen?

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CF: You have to be, you have to focus on the highest priority things. So, just in terms of work, we're doing this call my time, 6:45 AM, before my W2 job. So, each week I still use this paper planner, you can't see it, but I use a paper planner. I sit down and I really, a lot of people have mapped out my annual goals, but more importantly, I do sit down and figure out what are the big things I need to get done this quarter? What are the big things, maybe three big things I need to get done for the month? And I take that down, really kinda meat and potatoes of the week and the day.

And so every day, I'm listing out my big three things I need to get done. And one of those has to be revenue-generating for my W2 job, and ideally one of those has to be revenue-generating in some way for the real estate business. I start my morning off the same way. I've got a pretty rigid routine, and then I try to shut it down around 5:30. Then, do a little time with the family, come back around and take care of some real estate stuff, and then I come back to the family. Usually the kids and I watch a little bit of a TV show each night.

So, I'm just really intentional about the big things and I could tell you there are things on my list you just never get done. That's one thing you learn in sales, it's really easy for people to be busy but oftentimes, we're not busy doing things that really matter. What is going to drive outcomes, if you can focus on those things, just your productivity goes way up to the right.

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WS: What about the other things that still have to get done?

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CF: You know, I definitely hired a VA. She's been tremendous and she's taken some things that I was doing but not doing very well - maybe it's follow up with certain people, maybe follow-up

emails, maybe proactive emails to somebody that we're booking a meeting, just like managing my calendar - it's been fantastic. I have a podcast, it's more focused on tech salespeople. And she's really done an incredible job. Shout out to Joanna to coordinate all of that. I couldn't even do that. I couldn't do that and do my job and do real estate if I didn't have that help. I read that book "Who Not How" earlier in the year, and that opened my mind. Yeah, that opened my mind. So, it's like every time something comes up, wait a minute, could somebody else be doing that versus me? That's allowed me to scale.

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WS: Love that. It's a great book. I was just pointing at it on my shelf behind me. Dan Sullivan, actually, and another guy's name, Benjamin Hardy. A great book, highly recommend that. I appreciate you mentioning that 'cause I would encourage the listener to read that as well and shift you're thinking to exactly how Chris is talking about right now. As you are doing these tasks throughout the day, what could somebody else be doing so you can focus on the higher value things at work? But also, you can focus on things at home that are of higher value as well.

So, you're not managing that podcast when you could be spending time watching a show or out with the kids or doing something like that. That I would consider very high value. Speak a little bit about your podcast. You have a podcast and it's not real estate-focused. Why is that? How does that connect to real estate or doesn't?

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CF: Yeah, it definitely does. So as I started my syndication journey, I was noticing that a good portion of my investors were people from my professional network which was high-tech and predominantly high-tech sales. What I've learned going into the syndication business and on the capital raising front, it's hard to get noticed. There are some big names out there, Grant Cardone and whatever it might be.

And so, what I was thinking about as well, it's such a giant ocean and I'm a tiny little fish in this ocean. How do I shrink the pond? How do I be a bigger fish in the pond? Or maybe, the only fish in the pond? So, I thought about how can I take the three things that I'm most passionate about and make me more of a platform around it.

So, number one, I love tech sales. It's interesting, innovative, always challenging, always learning. I love the coaching aspect of sales, and that carries over into the real estate as well as I'm working with other people that are still earlier in their journey and then bringing in the real estate piece. So, if I can be doing a podcast for tech salespeople, really the premise is - Hey, you first need to learn from the best in order to earn like the best. Then, how do you take those hard-earned commission dollars and redeploy them in a way that it's going to create an additional income stream to create that freedom that we're all looking for. Because you're not in the high-tech sales 'cause you absolutely love it, you love it because there's tremendous and unlimited upside for income that could fill that freedom, that thing that you want.

If you're not intentional about investing, your lifestyle creeps up and the next thing you know, you only have a 401K which is not going to be enough to sustain that lifestyle that you built up. That's kind of the plan behind the High Tech Freedom brand podcast and pulling it all together.

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WS: What's next for you and your syndication business? Or maybe something right now that's holding you back from going to the next level and your plan to go through that?

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CF: Yeah. I think it's just continuing to improve on the systems. We talked about scale. We're just getting better at - Let's write everything down that we do. Let's systematize it. Maybe leverage some of the tools. I think we struggle a little bit at times because there are so many shiny software tools out there that you can use.

And I've learned, coming from the technology space, you have to be careful 'cause if you start to consume more of those, you just shifted the complexity and you spend all your time fixing those than you do just running your business. I think that's the big next hurdle for us. It's just continuing to improve the automation so we can improve the experience and just make life as an operator more enjoyable so we can focus on the pieces of the business, we enjoy the most.

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WS: As an operator, do you have any predictions for the real estate market over the next six to 12 months?

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CF: No. I sort of take the same approach that I've always taken with my personal assets. That is, the market's going to go up and the market's going to go down. I've been through a couple of cycles of that now, and I think that you have to reset some expectations on returns as you go through certain stages which is, they're different now than what they were three years ago. Being number one - really, really clean and tight on the underwriting.

And definitely, I see this with some people that may be a little bit newer, don't make any assumptions. Don't stick with the fundamentals that you've had in your underwriting. Number two - I think we're kinda going into that era of good-quality operators. They're the ones that are going to squeeze the most returns out of the asset. Because it is a challenge if you've got logistical problems, supply problems, competitive market when it comes to acquiring the assets. You really have to make sure you have a good team that can operate and get the most out of it and execute the most cleanly and quickly on the business point, whether it's upgrading the units, raising rents, so on.

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WS: Awesome. Knowing that you've been through a couple of cycles and you have many units that you've been syndicating, tell us a little bit about preparing for that downturn. How do you know you're prepared knowing that there's going to be a cycle, it's going to go down eventually to some degree. How do you prepare for them?

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CF: Yeah. So, there will be a couple of ways. Number one, I've always been focused on creating more operating reserves. So, when Covid hit and I was freaking out and looking at my personal assets at the time, I remember doing some math, it's okay. We'll be okay. I can go all the way down to X percent of vacancy, and I doubt we'll get there. Number two, the lesson I learned after the '08 or '09 recession was - there's going to be an opportunity. I think we bought one building in '09. There were deals out there that I wanted to go do, I just didn't have

the cash. And I didn't really have the organization to raise the capital built up. So, that was really in my mind. I said to myself, I never want to have another recession where I can't go out and raise capital, take advantage of some really good deals that are out there. So, that's been top of mind.

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WS: Awesome. What's your best source for meeting new investors right now?

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CF: Right now, it's my podcast. My podcast continues to add value to the people that I know the best.

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WS: Is there a reason behind that? I would say the same, I mean, our podcast. But I just want to, like for you, maybe we've talked about it a little bit but is it the focus? Is it the niche that you focus on for your podcast?

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CF: Yeah, I think that it's definitely the niche. I'm adding value to the people that I'm most similar. There are a lot of real estate podcasts out there, yours is fantastic. But for me, it's like I have other salespeople that I can add value and help them crush it in their role of what they do. They don't necessarily want to go own their own duplex and deal with toilets, tenants, and trash but they are interested in real estate. So if they choose me, great. If they want to get some advice from me, great. And if they want to go somewhere else, that's fine too. But it creates an opportunity to add value, at the same time, get more visible with that market for potential investors.

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WS: Awesome. Now, I just think that's something for the listeners to think about. So many things have come up during this interview that I get questions about all the time. Like about the podcast and starting a podcast - Should we need to do? Should it be in real estate? Should it

be not? I think you've spoken to that and I know that's helpful to the listeners also. Any lessons learned through podcasting experience?

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CF: Oh boy, I have learned, it's such an amazing project. I've learned a ton. I think the big lesson to learn is just to get organized, template out everything, systematize everything, and that'll make your life significantly easier. You don't want to have to be recreating the process every time you want to go book somebody to the editing. So, that's been a big learning, lesson.

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WS: So true. To the point. Obviously, we've produced 12 or 1300 shows now just for ourselves. Now, we're producing shows for other people because we built those systems, just like you're talking about. And so, I could not agree with you more. That's the only way you're going to improve it as well. If you had a document of what went wrong, and then change it for the next time and improve it. Chris, what are some daily habits that you are disciplined about that have helped you achieve success?

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CF: Yeah. So, I get up every morning, walk two miles. I have a dog so walk two miles, come back. Then, I sit down and I open up a journal. I read some of my aspirations and goals, long-term goals, and then I write down four things - What do I appreciate? Who do I appreciate from yesterday? What challenges am I working through? If I can't think of one, what I did that I want to work on? And that piece right there, just taking five minutes to jot down some challenge or some idea I'm working on. Usually, it takes something that's in my head that I never quite get to.

So, I do that every single morning. Then, I jot down what am I excited about? And what did I accomplish yesterday? Because sometimes you can get going so fast, you don't really stop and say - Hey, nice job. I did something really nice yesterday. You achieved something but maybe I don't quite capture it. And then after I finish that, I do grab my work planner and I go through, look at my week. I look at my goals for the quarter. I review my calendar and I jot

down the big three tasks that I want to get done for the day. I jot down some other sub-tasks that, time permitting, I'll knock those off. The day doesn't always go the way I plan but just setting that foundation of the day generally puts it in the right direction.

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WS: That's awesome. And people think it's going to take so much time to have a productive morning routine that's going to project the success of the rest of the day and much further if you can be consistent about it. Appreciate you elaborating on that but not making it something that's like this massive elaborate thing to become a Navy Seal or something. There're people who feel like it's this thing they can't accomplish but that it's just small consistent actions.

Tell us how you'd like to give back.

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CF: Yeah. I'm actually in transition right now. I've been involved with scouting, my son was a boy scout. I've been a scoutmaster for many years and just wrapped that up recently. I joined a Rotary Club here locally, and so still kind of figuring out. They have so many different avenues of how they give back. Still kind of figuring out what committee or what group I'm interested in. But probably leveraging my experience with helping build youth leaders, and I just kinda like watching the next generation really mature into incredible, productive boys and girls. So yeah, Rotary Club right now.

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WS: And just speak quickly, what is the Rotary Club for the listener that hasn't heard of that? We have them all over the place here as well, but just in case they haven't heard of that.

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CF: Yeah, it's been around for a long time. It's a global service organization that has its roots in eradicating polio from a service perspective. But they have chapters all over the world. It's bringing together professionals, leveraging those professional skills to give back. They network with each other but it's all about just giving back and they have their fingers into so many

different local and national charitable organizations or something for everybody. It just depends on what you're interested in and what value you can bring to that specific charitable need.

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WS: Awesome. Chris, I appreciate you giving back in that way and even sharing that opportunity 'cause that's probably out there for most of us. They're all over the place. I know that I see these clubs around myself as well. But thanks for just sharing about your high-tech sales leadership position, and how you've really utilized that to propel yourself in the real estate industry. You started small multifamily, found a partner. You found somebody that was ahead of you who helped you and then you have to do that again. I think as you started to transition into syndication, continue to scale - hey, it can be done while working full-time and having a family, and you've done that. You're a great example of that. I hope that's encouraging to the listeners. Even to starting a podcast, and learning and training yourself, really educating yourself in the space. So, tell the listeners how they can learn more about you and get in touch.

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CF: Sure. You can go to my website, which is hightechfreedom.com or you can just hit me up on LinkedIn. On LinkedIn, I am Chris Freeman.

[END OF INTERVIEW]

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WS: Thank you for being a loyal listener to the Real Estate Syndication Show. Please subscribe and like the show. Share it with your friends so we can help them as well. Don't forget, go to the www.LifeBridgeCapital.com where you can sign up and start investing in real estate today, Have a blessed day!

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