

**EPISODE 1287****[INTRODUCTION]****0:00:00.0**

**Whitney Sewell (WS):** This is your Daily Real Estate Syndication Show and I'm your host, Whitney Sewell. Today is a Highlights show that's packed with value from different guests around a specific topic.

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**[INTERVIEW 1]****0:00:24**

**WS:** Our guest is Fletcher Clardy. Thanks for being on the show, Fletcher.

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**Fletcher Clardy (FC):** Thanks for having me today, Whitney. A pleasure to be on the show.

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**WS:** I think that's so important when you can niche down and narrow down a little bit and say, "This is our specialty. This is what we do." Can you give us some examples, or help the listener think through that a little bit?

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**FC:** Yes, Whitney. Thank you. I appreciate that question as well. What that looks like is really understanding your investment criteria. So breaking that to pieces. What type of class do you want to invest in? Are you looking for multifamily assets? Are you looking to invest in office, retail, or industrial? Just what type of asset you're looking for. That also includes the location and the type of asset. Is it a class A, class B, class C? Are you looking to buy and rehab, add value to an existing property, or a property that needs to be completely gutted and redone?

I think that the best way to start the relationship, Whitney, is to sit down and have those conversations about really diving into your own personal investment criteria so that we can focus on that. That's how you start sourcing your deal flow. That starts with your own individual touch. You just get on the internet, get on Google, and search for opportunities that match that criteria. And then you make those relationships, connect with other investors, or the owner. You can reach out to the owner, the broker, or whomever you have to. I think that's how it starts.

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**WS:** How are you finding these investors, or high net worth individuals?

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**FC:** That is a very great question. I actually can't prepare for that. It's a lot of digging and a lot of research behind identifying the proper point of contact within the walls of the family offices, or the ultra-high net worth individuals. A lot of times, these types of individuals are very guarded with their identity. They will not broadcast it over social media, or put their contact information and ownership information, so it's even hard to find if you access the legal documents through the municipalities in the city documents, loans and deeds. It's still tough to find them.

It's a lot of digging. I would say, also, attending networking events. IMN is a great networking middle-market, multifamily forum, which I actually attended in February when things were actually still normal prior to COVID. That was one of my last trips, but that was a great networking event. We met with a few family offices there. Just attending networking events, I know it's difficult now, but there are still Zoom conferences, video conferences of networking events — where you can have the potential to meet with these individuals. And have those introductions, tell them what services you provide and hopefully get a deal done with them.

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**WS:** Going to a conference like that, I know the listener is thinking, "Well, wait a minute. Why is that family office going to meet with me when I get there?" How did you connect with them before that, or make that arrangement happen? I'm sure they are selective about who they're meeting with, right? They're going to be very selective about their time and who they're spending time with and why. What did that look like beforehand to make that happen?

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**FC:** A lot of the times with these forums that are provided, as the IMN does, they will give you the opportunity to network before the actual event takes place. Our event was from February 3rd through the 5th or something like that. The whole month before, you have access to the database of all the attendees that will be at the event. You have that time to reach out and try to schedule meetings while you're there.

That's great because a lot of forums don't provide that. What that allows you to do is just schedule an itinerary for yourself to meet with who you think is most important. And who you want — time management, who you want to spend your time with these three days, these two days. These are all about 5 to 10-minute meetings, so you have to get a lot out in a short amount of time and get your point across and make sure that you're sharp and enthusiastic and you're showing that you're an expert in your field.

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**WS:** What did that say, first contact look like, or just so you're able to stand out with them, or how did you handle that say, first contact to even — whether it was through that forum, but then also in person as well?

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**FC:** Okay, so yeah. Initially, yes, it was with the forum, scheduled a meeting and they have panel discussions. After a panel discussion, we actually met with them and said, “Hey, I reached out through the forum.” They said, “Yes, he was familiar with who we were.” We basically understood right there at that moment trying to identify quickly the investment criteria like, “Hey, yeah. What type of assets are you looking for and what does your family office invest in?” Basically, from there, it was really just a pass off of contact information where you get the card and their direct line, or direct email.

Then, it’s pretty much just you have to send them an opportunity that identifies with them, that fits in that specific investment criteria, that wheelhouse, and that’s how the relationship will get started. You have to be very selective with that because you don’t want to burn the bridge, you don’t want to waste their time. When you come with an opportunity, you have to make sure that it does fit into that wheelhouse and it makes sense for them, or you’ll damage your credibility with those types of investors.

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**WS:** How much time do you spend on say, the family office relationship versus just high-net-worth individuals, or investors?

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**FC:** With the family offices, we’re definitely focused on generational relationships versus transactional relationships. We want to do multiple dozens of investments with these family offices, not focus on one. With that, the focus is just making sure we’re always creating value. That’s one of our ‘10 Commandments of Commercial Real Estate.’ That’s number nine, create value. Always. Number three, you want to make sure there’s an alignment of interest, first and foremost. With everyone we work with, we make sure that we understand what exactly they’re doing and they understand exactly what we’re doing.

If it doesn’t make sense to work together, then you just walk away. Everyone’s not going to fit into your bubble some people may be doing the same things and they’ll be okay working with you and some may not. The alignment of interest is big. I’ll get back, focused on that. Make sure that the overall goals of the company; market, asset type, what I’ve already touched on that, you’re aware of that and you’re always keeping that in mind when sending these types of deals and everything. These investments and opportunities, because you don’t want to waste their time.

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**WS:** For sure. Tell me though, like you mentioned the importance of adding value to that family office. What does that look like? I mean, they’re obviously very skilled at investing. And have done this most likely over many generations now and have passed these skills down. For you to add value to them, how do you do that?

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**FC:** The biggest thing for us is providing high-quality, pre-vetted, off-market opportunities. That is where you can get a low basis, first and foremost. Which is number one on the Clarity 10 Commandments of Commercial Real Estate Rules of Investing, low basis. Right now, especially in this market, the off-market opportunities are the only place where you can find quality deals. Just having those relationships established with brokers and other real estate professionals that are in the market and in the know. That can come to you and tell you about opportunities that may be coming online down the pipeline before they hit the market. That's one of the things we provide and we do that rapidly.

We also, make sure we put our own capital into these deals that we partner in. Normally when we're bringing a deal to a family office, it's a great deal for everyone. That's part of that alignment of interest. We want to invest alongside your capital as well. You have to have — be in a position to do that. When we work with these family offices and an ultra-high net worth individual, there are low, or no fees, or loads. We're not profiting from fees. That's not how we become financially successful. At Clarity, we manage the investment in a top-notch manner, and then we share in the upside. We share in the long haul over that life of the investment.

[INTERVIEW 2]

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**WS:** Spencer, welcome to the show. Let's talk about how you guys started working with family offices.

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**SG:** It's a different space, it's a unique space, there's a lot of similarities and then some big differences working with an individual, and then a family office, and now family of is... It's a broad category. There are some family offices that function like institutions, billions of dollars large, we have dozens of staff members, investment committees, then there are also some family offices where it is run by the family, or maybe it's the family and one investment advice or a very small staff. But the big difference is there are typically systems in place that are much more, I guess, institutionalized through their specific criteria, but at the end of the day, it's really about forming that relationship and getting to a level of where they very much trust the operator, that manager, they're gonna be working with. So, in general, that sales cycle is typically much longer where you know, we may have an individual investor come on our platform, they may be ready to go in a couple of weeks, family offices, it's more of a conversation of months, if not a year before they feel comfortable, they see the projects.

And so we've worked with both individual single-family offices as well as multifamily offices, and then we actually a lot of success with the multifamily offices, which is essentially a wealth management firm that is acting as a family office for multiple families, and it's been a creative or business, because instead of just working with one group or a lot of different individuals, different families, by approaching this one multifamily office, if they're able to do diligence upfront and then make a recommendation to the families that they represent, basically handle a lot of that back end, really pitching the deal itself, pitching us, even a lot of the administration at

the back end, but we really have one point of contact, so it allows us to be much more efficient with our capital raising because instead of raising millions of dollars from dozens of individuals, we can raise tens of millions of dollars and one point of contact.

Now, they all work a little bit differently, but if you can check all of the right boxes, and if you gonna align yourself, it does take a little bit of making sure your brand is aligned and you recheck all the boxes from a track record, but if you can, and we make that effort, it's a huge space, and just with the incredible demand for any type of investment that has any kind of substantial yield, there's this huge global chase in yield and return, and multifamily investing is really in the sweet spot that a lot of family offices, individuals everywhere, trying to get into.

And again, I'm looking for that right avenue, and you're really helping special on the multifamily opposite, you were really helping that firm provide a service and an opportunity to the families that they represent. They are looking for opportunities, they're just trying to find the right partner to be able to provide, so it's really a win-win from the multifamily office side as well as our firm, and it's one of those things they can just. I can accelerate your ability to raise capital and do more deals, and that's what it's done for us.

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**WS:** Somebody getting started in the syndication business and raising money, it's so intimidating when you have that first conversation with an investor or maybe you start having the second one, and the third eventually starts getting easier,. A lot of times, the same questions, and you get more and more prepared as you go along, but I think oftentimes, people hear about family offices like I get a whole another level of intimidation oftentimes, I think that kinda comes on to my shoulders when they think about working with a family office, tell us how you got started with working with the family office, and so listening that says, You know what, that may be a good option for me as I'm just not able to go out there and connect with 200 investors. How do they get started?

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**SG:** There's a handful of ways to get started. So, there are family office conferences and meetings that take place just like there are multifamily conferences, and I started attending some of those events, and I'll be honest, they're not the cheapest conferences or events to attend because obviously there are some gatekeeping involved and they only want serious large managers, and so, back in 2019, I decided I'm gonna make an investment and go to... Start going to these conferences. I spent a decent amount of money that you're just attending just to kind of get in that space and to learn more about it, and so if you don't have the network already, there's some gate-keeping that sometimes you have to pay, but once you get in that world, you realize people are just still people, and no matter what, astride had the conversation with every different type of investor is very institutional to just learning about it, and at the end of the day, you're talking to a person, you're trying to form a relationship and at least my belief is people wanna do business and work with people, and this is nothing I'm making up, but they like to know and trust.

And if I confirm that relationship with these individuals, and again, these are very sophisticated organizations if I will look at the resume, and I just got back from a family office conference last week, their resumes, PhDs, and every type of investment strategy and economics that you want, and my palms are definitely sweaty before I had these conversations, but then they look at you and you're like, Yeah, I've developed this super complicated options strategy, but we need to figure out this Real Estate Investing thing, and we haven't figured it out and we need some help. And then all of a sudden, you're in a position to help these sophisticated groups that surprisingly aren't always allocated to commercial real estate and multifamily, and so it is intimidating, but it is as intimidating as talking to that first investor, you have that conversation with. And you just kinda have to do it, the more you do it, the easier it gets. And if you believe in yourself, and if you believe what you're doing, if you believe in investing multifamily and you have the ability to execute, there's nothing you need to worry about, it's just showing up and having a conversation and just being a real person.

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**WS:** It really goes back to even the mindset shift to that first investor, You're still offering an opportunity for them, you're not just asking for money here from your, say your father-in-law for your random business.

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**SG:** Exactly, that's what I tell our team in our investor relations guys, is that it's not like we're selling them some widget that they don't need, we're providing an opportunity. We're gonna make them more money. If we don't believe it, then we've got a major problem, but like This is a great opportunity that we're investing in, we're putting our own money in, and we think everybody should, not just because we're trying to put these deals together as great, but we think. I tell my family, my friends, I'm like, this is something that I think you should do, and the reason why we build out a platform is that I believe that it's a great asset class that more people should be allocating themselves towards. And if we can help people do that, then that's just a great opportunity to be in.

[END OF INTERVIEW]

[OUTRO]

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**Whitney Sewell:** Thank you for being a loyal listener of The Real Estate Syndication Show. Please subscribe and like the show. Share with your friends so we can help them as well. Don't forget to go to [LifeBridgeCapital.com](http://LifeBridgeCapital.com) where you can sign up and start investing in real estate today. Have a blessed day!

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