

**EPISODE 1295****[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]**

**WS:** Our guest is Alan Lewis. Thanks for being on the show, Alan.

**Alan Lewis (AL):** Hey, my pleasure. Excited to be here. Thanks, Whitney.

**WS:** Today in this business, what is your specific focus and what are you doing in this business for today every day?

**AL:** At DiversyFund, we started this company and our big goal is just to create an online investment system so that people can go into the website with an SEC-qualified REIT and structures of REIT for tax purposes and that fund invest in multi-family cash flowing, multifamily value at properties. And we have a very little minimum. It was just \$500. So someone can start with \$500, and all of a sudden be invested into a portfolio of cash-flowing real estate. And so that's been a big part of our mission is just to completely equalize access so that no one has an excuse anymore. Everyone can get started with real estate.

On the other side and this is not on our website, I work with some of our higher network investors who want to be part of syndication directly into one asset. Instead of going through a fund structure, we have some investors who are writing bigger checks who say, "Look, I just want to invest in this 200-unit apartment deal in Dallas, this 300-unit deal in Austin." We're doing a lot of deals in Texas right now because we like those markets." So I'm working with those and having conversations and even working with some of our family office partners and then institutional partners that want to write the whole check as a limited partner in going through that process.

**WS:** So doing this business, you're having these calls with investors just all the time. I loved how you used it – I mentioned this before we started recording your unpacking the

complexities, so they're comfortable writing checks. They're comfortable with the knowledge, gaining this knowledge that you're able to give them about real estate and why it's important to own real estate and helping them build that wealth that you were even talking about in the beginning that you learned as well.

So I'd love to dive into that a little bit and how you unpack that complexity. So when the listeners or myself are talking to our investors, we can be at that same level you are and really understand how to speak to them in a way that they are comfortable writing the checks. They are comfortable with this investment and that we're being as transparent as possible.

**AL:** Yeah, and that it really depends on the investor and where they're at. If you're working with a very new investor, you may have to start all the way at the top, which is the story of cash flow and real estate. Here's why we like it. Here's why it's a low correlated asset. You don't have to deal with the stock market volatility. Here's why there are some of the tax advantages with depreciation covering your rental income coming out of the asset and so that you may have to start at that level.

But for someone who's now ready to get involved in commercial real estate and they're looking at you as a sponsor, they're looking at you and a particular deal, a particular market. Then at that point, I really like to help them walk through, "Well, how do I look at the deal? How do we get comfortable with it," and really go through the story of how we found the deal, why we like it, what are concerns are. I think investors really want to see, "OK, help me see the upside. And that's the easy part. Now, help me understand the risks and how we're going to mitigate them and deal with them."

And I think having a balanced story really helps you establish that credibility. So if I'm in a tertiary market and there may be some risks as far as occupancy rates go, I really want to get into the story of the comps. Here's a comp that's crossed the street, and here's how it's performing. And we went and visited it, and here's what we saw. And here's where we think we can duplicate their success. And here's why we think we can match their rent per square foot and really go through exactly how we think about our asset.

And the other thing too I found is a lot of your new investors have what I call analysis paralysis. They don't know what they don't know. So if you have all this information, they just don't even know, "Well is this enough? Should I be doing twice as much due diligence?" Then there are four other secret questions I should be asking. So as I kind of walk on through like, "Here's I look at comps. Here's how I look at pro forma. Let me help you understand why we think you're looking at the IRR." And the cash yield, withholding, and equity multiple are the three big economic drivers of return that we focus on.

Then the other thing too I think is a lot of investors don't want to admit what they don't know. No one likes saying, "Hey, can you explain it to me? I have no idea what you're talking about." So I just always check in with them as we're having a conversation, "Hey, as we're talking about this 18% IRR net to investors, I assume that you heard it before, but happy to go through that."

Would that be helpful if we can walk through that?" Most will say, "Yeah. If you won't mind going over that again and kind of walking me through the details." Even if they're really familiar with it, it's still good to have a refresher and have that conversation.

**WS:** I think one of the first things you said there was so important too. You said it depends on where the investor is at. And I think you have to be listening closely, so you can understand. Do they have some experience, do they not? Where are they at, as you mentioned? So you know how to share this story. You don't want to insult them, but you do want to be as transparent and explain those details, so they are comfortable with investing in that deal. As far as developing the story or – I want to back up though. How do you understand where the investor is at? Maybe what are some questions that you lead into when you're in that conversation, so you can understand exactly where they're at?

**AL:** Yeah. And then that's exactly it. If you want to know where an investor's at, you just have to ask. And it's that simple. I know sometimes people are a little gun-shy and feel like, "Okay, if I'm just having an initial conversation with the semester, it's probably too early to start asking some personal questions about past investments." And I don't think that's the case.

I've always found investors at this point are talking to you about a particular deal. And I think they understand that it's a very frank conversation about what they're comfortable with and what they've done in the past. So I'll just ask and say, "Hey, help me understand so that I can do a better job, presenting this deal to you and focusing on things that are relevant to your questions."

Help me understand what you've done in the past. Have you invested in real estate before? Have you done your own vacation rentals, fix and flip? On the residential side, have you ever invested in an apartment building? Tell me about that deal."

Then what will happen is they'll tell you their story. And if they've had a deal gone wrong, that's super helpful because now that's a concern that you have to overcome. So if someone's invested and done fix and flip and had a terrible experience, I want to make sure I help understand why that went wrong and what the difference is here so that they're not worried about dealing with the same issues.

So it's really helpful to hear about their deals gone wrong and then help them to see why this is a different scenario and how we dealt with those risks and don't expect to have the same issues.

[INTERVIEW 2]

**WS:** Our guest is Adam Carswell. Thanks for being on the show, Adam.

**Adam Carswell (AC):** Whitney, thank you for having me. Huge honor for sure and really excited to get talking.

**WS:** No, I'm honored to have you on, a pleasure to have you, and looking forward to this conversation just getting to know you a little bit before the show, I'm really looking forward to this conversation and you have some special skills that anybody in the syndication business needs to know how to do and looking forward to this and so — a little bit about Adam. He's an entrepreneur and podcast host, a New Media Marketing expert, an investor relations specialist, he's the director at Concordia Realty Corporation, and a business development manager at Asym Capital.

Combined both firms are so syndicated. Redeveloped, repositioned, and revitalized more than \$425 million dollars worth of real estate throughout the United States. Well Adam, thank you again, give the listeners a little more about who you are, your background and you know, a couple of things that we mentioned I'd love for you to just share a little bit, even where you're at right now and let's dive in.

**AC:** Sure, yes. I'm coming to you Whitney and all of our listeners today live from St. John's Newfoundland, Canada. If you want to go ahead and Google it, you could take a look. St. John's is the first city in North America where the sun rises every day. I moved here in May as a digital nomad and will continue my digital nomad journey to somewhere warmer once November rolls around.

It's been a great experience here, originally from Cleveland, Ohio. Went to Westminster College, close to Pittsburg. Relocated to Belize to finish my studies and play and coach basketball there. Came back from Belize, moved to Washington, DC, worked for a company there, and then realized I wanted to get into real estate. Fast forward a few more years and now I'm sitting here talking to you Whitney. I'm excited like I said, let's talk.

**WS:** Yeah, awesome. You have a scale with investors or bringing investors in and getting them on the phone and you know, you're an investor relations specialist. You shared a little bit about your team and it's amazing things you all are up to and doing and you know, I know – at least

one of your teammates pretty well or gotten to know him a little bit and I know, just speak very highly of them. But you know, tell me, let's elaborate on this process that you have of bringing investors in and getting them on the phone.

It's so important, right? If we can't get an investor on the phone, you really don't have much, you know? Because you got to be able to build that relationship and you know, I honestly, I get investment offering all the time, some people I never met before, never talked to and I'm like, how did you get my email, you know? This is not a preexisting relationship. A big goal of mine is getting investors on the phone, sometimes numerous times, you know? If we don't get to meet in person, I want to develop that relationship, I want to understand lots of things about them but that first call is important and I'd love for you to elaborate on how you get them there.

**AC:** Yeah, I want to thank you for kind of bringing this question out of me because I don't think I've ever really taken a hard look at the science of it. It's in a way something that I think I've just always kind of done naturally but when you look at it, you know, closing a deal, bringing someone's equity into the picture, or just establishing that relationship. I think it does take a certain, maybe not even necessarily amount of skill but an amount of awareness. One phrase that I like to use that I took from someone who is really good at marketing on LinkedIn.

Actually, Joe Applebaum always uses the phrase; "If you're going to be selling, you're going to be smelling." In this world of business, in this world of life, really, in building relationships, you have to kind of take a look at the idea of what can this individual do for me now versus what can this individual do for me for life? I could say it's something that personally I find a challenge that you have to work on every day, you kind of get stuck sometimes thinking about now, now, now — closing this deal now.

The more you're able to make it a habit to think about, for example, you and I just kind of meeting for the first time right now, Whitney. You know, looking forward to the next 10 years of us knowing each other. 20 years or whatever instead of looking forward. All right, this episode's going to go out on September 15th, okay bye. Some people actually do have that mindset and I can't speak for the level of success that they have. Maybe people are successful in doing business that way. I have just found that when you meet someone for the first time when you're interacting with someone for the first time if you have that idea can I sit down and have dinner with this person for the next 10 to 20 years? Because a lot of the times, the deals that we're going into in this industry, you know, sometimes they last that long.

I guess that's a brief breakdown of the approach that you want to have in regards to getting someone on the phone and talking about a deal with them is always, when you make that first impression, get ready to at least anticipate a long-term relationship with the individual.

**WS:** I could not agree more and it doesn't matter if I'm networking, you know, at a conference or if I'm talking to someone just like yourself. I try to allow enough time that just like you and I did talk before the show and even after some and even try to follow up and things like that. Just to develop that relationship because like you said, you never know the value you're going to be able to add to this person or how they're going to be able to add it to you as well.

If you just cut that off, I mean, you get that sense sometimes, you kind of like doing the shotgun approach, the business cards, and a meeting, you know? Running around. You know, that person did make an impression at all.

Can you talk a little bit about maybe your best way to get investors connected to you all and to get them on the phone? What do you all use to connect — to make that first connection and how do you do that?

**AC:** I think again, what I found most successful is it's always best to — if you are going to maybe present a deal or talk about a deal to an investor, to make sure that you actually have something in advance before even thinking about mentioning it so if I'm at a networking event for example and I know that, for example, right now, we have a workforce housing deal syndication at Asym Capital. I can't think of any time that I just walked up to someone and say, "Hey, we have a deal." You know, I talk to them, I get to know — actually, you know, you prioritize what their why is, you prioritize what they're interested in.

In my opinion, you really just keep it as casual as possible. Obviously professional but casual and just say something like, "Hey, you know, we've got this offering going on right now, would you like to take a look at it?" I'd say, more than 9 times out of 10, 9.5 times out of 10, the individual, if you've built that report, if you've taken interest in what gets them going first, they'll say, "Sure, go ahead, send it over," and then from there, more questions will hopefully come and once those questions come, you know, because I'm still relatively new to this industry to begin with, Hunter and Michael who I work with have a lot more experience so I'll go ahead and say these are great questions, would you mind hopping on a call with Michael or Hunter?

Thankfully, those two guys have a lot of respect in the industry so again, usually the individuals like, "Yes, please, I want to talk to these guys." I'd say that's really how my approach has worked and I have no reason to — I want to improve it but changes a — I don't know which ones I'd make right now, it's gone pretty well.

[END OF INTERVIEW]

[OUTRO]

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