

EPISODE 1332

[INTRODUCTION]

Anthony Walker (AW): Building relationships, having better returns, and a lot of other LP sides. And then also being in the markets we're in. We're in these high-growth markets that a lot of people want to be in. And they just don't have the opportunity to go buy products in these markets, because there's so many out-of-state investors coming in. And we have opportunity here. So, they, you know, that's been a key part as well.

Whitney Sewell (WS): This is your daily Real Estate Syndication Show. I'm your host, Whitney Sewell. Our guest today, man, he quit after six months of his job, and he graduated college, he was on this direction, and then he quit! Talk about pushback from family, friends, and people who loved him, but he knew that he was not going to do that for the next 30 years or more. Right. People said, "Oh, it's so secure, right? You're leaving this great job." He wanted to do something different. And man, was he glad he did. He was 22 at the time. He's 25 now. Now, I mean, just growing their business is growing so fast. And you're going to hear a lot of that today.

But his name is Anthony Walker. He's a general partner in Cornerstone Commercial Investments, a multifamily syndication company based out of Idaho. His business partners and himself are currently building over 500 units between eight projects all over the Northwest. Along with building Cornerstone, Anthony has worked to build a real estate sales team in the top 3% of Coldwell Banker Global.

So, Anthony man, he's so driven, he's hungry, right? He is hungry, he is out there and getting with it. He did alright, he quit his job. He was listening to podcasts, educating himself, and he took action. He knew that he could do this. And so, he did. He stepped out there. And you're gonna hear some struggles that he experienced at, you know, as let's say, being 25 and you're trying to hire people that are older than you or you're talking to investors who are very seasoned, and they're thinking, "Am I

really going to give this young guy my hard-earned \$50-100,000, \$200,000? You're going to hear how he combated that, and how he's successful in doing it as well.

[INTERVIEW]

WS: Anthony, welcome to the show. I'm so encouraged by ultimately at 22 what you've accomplished, but then at 25, what you've accomplished in such a short amount of time, I know you're going to encourage the listeners today. So many of them I know are often young, and you feel like what can I do? Right? I have no heavy experience. Or maybe I don't know the right people yet. Nobody takes me seriously. Because I'm so young, right? You know, that's not the case for you. You've accomplished a lot and are doing very well. And I want to get into that story. Give the listeners a little about yourself, though. And let's jump into how you've made that happen.

AW: Yeah, I'm happy to be able to show thanks for having me. At a young age, I got out of high school. And I was young and ambitious. But I figured you know, if I want to get into business, I've always wanted to start a business, I better go study business. So, I went to college and got a degree in finance and marketing. And I was never really a school guy. But I did work hard because I thought that was you know, at the time was the way to success. And then I quickly graduated college. And then I went over to, I want to start a tech company at the time, I was like I love technology, I saw a way to building massive wealth in technology. And that lasted about six months and about 500 episodes of bigger pockets while I was sitting there bored at work.

One day, I was just like, you know, I'm done with this. And I quit my job with you know, a little bit of savings and lots of ambition moved back to a quarter in Idaho where I'm at now. And from there, you know, I had no idea I was going to do I was going to wholesale real estate, you know, maybe try the bird method by rehab and then kind of learn what real estate agents do and thought, hey, that might be a good path, you know, I can make some quick money and got my license and actually found a lot of success there. I grew with my business partner now, John, he's business partners in both of my businesses. Through that and we became top 3% in Coldwell Banker Global and then from there, you know, we just John had already been dabbling in the syndication world. And we went on to you know,

I went on to join him. And now me and my two business partners manage, I'm the Chief Investment Officer and we grew Cornerstone Commercial Investments, and then kind of got to where I am today.

WS: That's incredible. I want to hear a little about you going to college, graduated college, you thought you were gonna do this tech company, and six months later, you know what, you quit. Could you speak to that timeframe, and maybe even receiving a pushback. What did your family think? You were so young at that time, maybe your parents were like, "Hey, Anthony, what are you doing?" You know, speak to some of that.

AW: That's great. I was, I read *Rich Dad, Poor Dad*, like every, you know, young, ambitious real estate investor back in college. And so, it has been on my mind. And then I went to work in this tech company and in a tech company, you sit in a chair for about eight, nine hours a day. And you know, at the time, I was a media coordinator. So, in one year I would always be listening to real estate podcasts. And it just kind of, you know, just got me to the edge. And yeah, when I first quit my job, I was six months in and my manager was pretty upset, but I was like, you know what, I gotta chase this dream. And she understood, you know, gratefully, of course, they're not happy to lose me. I'm sure they're making much money six months later, with an employee but and then I remember, you know, vividly my aunt was like, Anthony, why are you quitting this corporate job you have, you know, you have a good job, you can grow that you can, you know, retire by the time you're 65 with a great retirement and I was like, you know, that's just not the past or just not the future. I mean, and it's actually funny. I saw her a couple months ago. And she's just like, you know, talking about how successful I am now, like, you know, how'd you do it? And I'm, like, I took the step, you know, but it's been a journey.

WS: That's incredible. I appreciate you just being transparent about some pushback there as well. And what I'd love to say too, about that timeframe is like, you're 22 right? You were 22. So even if it was a flop, how bad could it be? Right? How bad could it be you still had time to, you know, recorrect or pivot or change course. Right? Especially at that age.

AW: Exactly. Right. I figured if I, you know, wasn't successful by 30, then, you know, maybe I'd go back and work a job that I saw 35 years to build, you know, the nine to five wealth, but found some early success. So, I'm very grateful for that.

WS: Speak to that early success, maybe a couple of the key steps that you took to gain the success, you know, whether it's other mentors or people that you met in the business or whether you seek out coaching, and then let's get to you know, how you got to syndicating as well.

AW: A lot of my early success was, I put a lot of hours in there's no doubt there and a lot of hours listening to BiggerPockets podcast, Real Estate Syndication Show, Ken McElroy, you know, and reading books, I spent a lot of time researching and studying even before I jumped in, and I still do that to this day, I'm you know, if I'm at the gym, I'm listening to a podcast, if I have extra time, I try to read a book, when I'm not spending time with friends or family. And then a lot of my other success comes from really who you surround yourself with, I wouldn't say that when I first started and have a mentor, that was a real estate mentor, I had a very loving family. And you know, my parents pushed me in a lot of stuff, but they're not entrepreneurs. So, they don't really understand what that is. But a lot of it was I met my two business partners now, John, and John, and they've been a lot of keys to my success, and I cannot talk highly enough about them and how highly enough you know, finding a business partner is amazing, because they help push you every day, especially if you can find someone that has other key traits, and you have certain traits and you guys can work together it really skyrocket your success. So grateful I met John actually, First John Nichols, Jr. met him first in the real estate business. He's actually an agent, we now have our team together. And I met him because I was told that I shouldn't list a commercial deal, you know, when I first got started, so I co-listed it with him. And then we ended up never selling it. But building this relationship. That's been a really big thing in my success. And then consistency. You know, I'm in the office every day early and working until late right now, because I have the time and energy to do so. And I've stayed consistent the last two and a half years day in and day out.

WS: You mentioned a couple of key points there. Obviously, educating yourself. You're listening to podcasts, you're reading books, any recommendation, I don't typically ask for book

recommendations, but I do read a lot. And I love book recommendations. But was there anything that stood out to you early on that that really helped you along?

AW: Yeah, I mean, of course, you know, *Rich Dad, Poor Dad*, everyone's read that one, that's kind of an obvious that one was huge. And then another book was really going to be was called *The Impossible* by Tim Grover, and then his new book, I can't remember the name, but Tim Grover, you know, just on athletes and how they perform, it's very similar to how you should perform in business in my mind, and I read that back in college, and that was, that was an amazing book to read. And then recently, I read a book called *Four Thousand Weeks: Time Management for Mortals*. That one has been recently a very pivotal book, you know, just on managing time, especially when you have a lot of opportunity in life. Now, those two books were, have been huge impacts on my life.

WS: It's incredible. That's two books I don't think I've ever heard of. So, I want to look them up today. That's great. I appreciate that. And so, then it was about who you surrounded yourself with. And then you talked about meeting your business partners. And one thing you said, I think that you all had similar traits, is that what you said was important?

AW: Similar, but you know, coincide in trade. So, I'm a very visionary, big thinker, like, hey, I want to, you know, have 10,000 units type thing. And my business partner is he's an integrator, he's very good at managing people, and kind of managing the day to day. And that's why he's now the Chief Operating Officer. And I'm the Chief Investment Officer. And my other business partner, John, who actually started Cornerstone when they you know, but first is, is also John Nichols. They're a father-son, he's the CEO, because he's got 30 years of real estate experience. So, when they're, we have investors coming to us, we want them to see that, hey, this is, you know, not just two young punks. It's three very experienced people. And you know, there's ever a question about the length of experience, we have one business partner that's got a 30-year experience. So, that's always beneficial.

WS: Yeah, for sure. And then speak to your consistency, what was consistent or what have you been so focused to be consistent on right, there's so many things we could do every day. Consistency is

key. I mean, that's why we do a daily show. Right? So, what has been taking the most importance in your time to be consistent about?

AW: Yeah, I mean, I would say a couple things, you know, just beating the office and making you know, if you're first started in this, you're trying to find a deal consistently putting offers in and underwriting deals and learning the industry. I mean, the only way you're gonna learn how to underwrite a deal in this industry is by doing it over and over and over. That's my opinion, but that's the way that I've learned and I've learned very well that way. And then relationships, I get coffee and lunches with people constantly, constantly. I'm getting lunch later today, and this person has never worked with me before. But you know another example I've been getting coffee with this one guy who I look up to, every six weeks for the past two years, he's finally worked with us two years later, and he's going to be a, you know, a potential and instrumental investor. Just building that relationship and consistently meeting with him and being you know, in front of these peoples is a great way to build this business, this relationship.

WS: Speak to, you know, obviously, you're 25. Now, I think you mentioned you're 25 now. What are struggles now that, you know, maybe being 25, you know, has had that you didn't expect when being operating a business like this?

AW: Yeah, there's, I'm hiring employees that are a lot older than me a lot of times, and you know, just making sure that there's that clear distinction that I'm young, but I am experienced, and I strive to be a good leader. And then when you're working with investors in this industry, especially, you know, 40, 50, 60-year-old seasoned investors, they always question how well the operations are with a 25 year old, you know, does this 25-year-old actually know how to underwrite a deal? Or does he know how to manage an asset and whatnot. And that's why a key part to having my two business partners and one of them, having that experience, that more long-term experience has been instrumental as well.

WS: So, hiring an employee that's older than you, I can see that even more so than myself. I mean, I've thought about that even personally, but I'm older than you are. So, there's less a gap anyway, right? Most of our team or a lot of them that we've hired are older than I am. But when you're 25, or 22, you know, it's it's very different, right? Speak to how you have handled that or help the listener to

think about that, well, maybe they've started the business for fixing hire somebody because we always talk about finding people that are smarter than you in their respective field. And oftentimes, they're gonna have experience, they're probably going to be older than you if you're 25, potentially. How did you handle that?

AW: The first part is making sure you hire someone that's good. I mean, we've both of our, you know, we have two full time on Cornerstone, we have a couple other employees or other business, and it's taken time to find the perfect employee. You know, we're interviewing people, and we're looking at, you know, resumes and whatnot. And then finding that person that's got the experience looking for. And then doing, we do a lot of, I don't know if you've heard of the EOS system, but the entrepreneurial operating system, that's what we implement every day. So just setting forth standards like, hey, this is what we're trying to do this week, or this month, and this quarter, setting up goals, so everyone's aligned, and then having those weekly meetings and running those meetings well, so they see as hey, this company is being run efficiently and effectively. And they had this massive vision end up the employees have this massive vision of what the company can be. So, you know, they understand that they put in the effort to help grow the business with us, they're going to be massively successful as well.

WS: I didn't even expect this. But I think it's such a good topic as well. You talked about going in the EOS system, and it is, it's a way to operate your business. Right. I love how the, you know, big focus on just communication. You talked about meetings and running them well. Speak to how you do that a little bit. And we won't spend a ton of time on this. But what type of meetings, how many meetings, and let's talk about how they ran a little bit.

AW: Yeah, we do multiple meetings for both of our businesses. They're called level 10 meetings. So, we just have them very structured, you know, hey, this is the same way, let's review our goals that are three months down the road, and we review our yearly goals. Are we on track on those goals? You know, what are the issues, we just have this very structured meeting, so everyone has time to talk, everyone has time to go over the business type idea. And then we also have that (inaudible), so that's the, you know, with the employees, and then me and my two business partners have our own separate, you know, executive meeting, and we go over the bigger goals, you know, how's this

acquisition of this, you know, 100 unit? Are we going to hit the goal to buy, you know, X amount of units this year? And if not, how can we implement it and use our employees to help hit those goals, and just having them very structured, and you know, within a certain amount of time, it's been very successful for us.

WS: That's great.

AW: The book *Traction* is another book I'd highly recommend reading about. That's all about those kinds of meetings and how to run a business with the EOS system.

WS: No doubt about it. Everyone hates pointless meetings, right. But when they're structured like that, it's almost something you look forward to right, you know, it's only going to take this long, I'm gonna have a moment to talk about what my struggles are right now. You know, as a team member, I feel like I'm gonna get heard, you know, the senior leaders, you know, like yourself, so it's a great time then, and it's not wasted. I love the goal reviews in those things. So, you also mentioned a moment ago, one of the struggles was, you know, investors that are seasoned, maybe they've invested with lots of operators, many deals, they've seen some different cycles, and then it's like, okay, am I really going to spin put my 50,000 100,000 with this 25-year-old guy talk about combating that a little bit because I know there's listeners who have struggled with that and are just have that mental block too, you know, whether they've even talked to that investor. That's a question they still think that's gonna happen.

AW: 100% And that's, you know, that's a struggle we've gone through and we've overcome successfully. We're in the growth mode right now. So, we're actively raising capital for one project and have three or four more that we've bought the land we do ground up development only right now, that's been a really key as well. It gives us a little bit more time to raise the capital, but if we have an investor that's like, hey, you know, I've invested in x like we have an investor who's done like 170 LP deals and he's never lost money on a deal so he knows exactly what he's doing. And you know, he flies over here we buy him lunch and just a casual lunch, you know, we're not going to bring them out to a nice steak dinner type idea because we'd rather get to know this guy and you know, see who he is. We let him pick the lunch place. He picks a little you know, Bar and Grill in town. We buy him lunch. We just chat with him and build a relationship past investing in real estate once he understands us,

and we're good people good, honest people, he starts looking into our deals and realizes that we're in the growth mode, we're hungry. So, we're giving, you know, our splits right now are at 515. So, it's better than a lot of the industry because we're trying to attract a lot of investors and grow. And then you know, maybe we switch the model later, as we kind of grow. That's similar to what Ken McElroy did. That's been a huge success. So, then the relationship, having better returns in a lot of other LP sides. And then also being in the markets we're in, we're in these high growth markets that a lot of people want to be in, and they just don't have the opportunity to go buy product in these markets, because there's so many out of state investors coming in, and we have opportunity here. So, they you know, that's been a key part as well.

WS: That's great. So, you structured your deals to have better returns. And so that attracts potential investors and maybe more so than normal. You're buying them lunch, you're reaching out to them, you're connecting on a deeper level than just sending an email or maybe a phone call, which I love that as well. And then in high growth markets that maybe they can get in I speak to how do you coordinate the, you know, who's willing to come for lunch or not? I mean, not every investor can take the time to fly in and meet you in person, right?

AW: Yeah, 100% That's a lot of times the bigger investors that are very, you know, dialed in wanna invest a good amount of capital. The other ones, I always try to do a zoom call just like this with them, or even a phone call, but just you know, try to get like 30 minutes to an hour of just really diving in and building a relationship with them. I'd say at a young age, that's, you know, what are my key characteristics is I'm good at sales, but I'm good at relationship building. So, I'm really good at finding a point to connect within a conversation and getting them comfortable with us. In this industry, you know, your product, in my opinion, isn't the real estate, your products, the investor and catering to what they're looking for. And if you give an investor exactly what they're looking for, you're gonna have a long-lasting relationship and a long-lasting business,

WS: Knowing what you know, now, if you could look back to when you were 22? Or maybe we can even go back to 18, what would you do differently?

AW: Yeah, I have a typical answer, I won't do anything different. But there's a couple of key things, you know, I would probably just jump into the real estate syndication right off the bat and trying to raise capital. As I mentioned, you know, I had kind of learned what I wanted to do get the, you know, come to an agent. And we did well doing that. So, I did learn a lot there. But I think I would have started, you know, raising capital even earlier, if I could, and then going bigger, faster. You know, we started with some smaller projects, and now we're getting a lot bigger projects, as you quickly learn, it's just as hard to build 50 units as it is to do 150 as it is to do 300. Top idea. Those are probably the biggest things that I would do differently or do sooner.

WS: Do you have any predictions for the real estate market over the next six to 12 months? So, if you do, how has that changed your business model or hasn't?

AW: Yeah, great question. And being, having a sales team as well, we got a good indicator on you know what's happening. Coralene was the number one fastest-growing market in the country last year, Wall Street Journal, and then all sudden, you know, now we're getting tons and tons of listings. It seems like there's a lot of emotion in the market right now. I think we had 30% of our market got listed last week. And then buyers are kind of slowing down because first-time homebuyers are completely priced out. And then you know that mid-range as well that people that would sell their first-time homebuyer house and go buy, you know, the four or five bedrooms for a few 100,000 More, they're priced out with these interest rates as well.

So, I'm super bullish on multifamily right now, just because I think there's going to be a massive affordability issue over the next few years, I think people are going to be forced to continue to rent and more people are going to be forced to rent as they're, you know, getting out of college or getting out of high school. And so, our strategy hasn't shifted as much. We're still very bullish on development, we're able to build still cheaper than can buproducsct for in our market. So, we are actively, you know, acquiring land to build more projects on.

The biggest thing that's changed is probably the debt side, you know, we've had a meeting with our lender a couple of weeks ago, and we're looking at, you know, longer term amortization, some other lower interest rate options, life insurance offer,s mortgages, I don't know if you know, but you know,

they've got some pretty competitive rates. So just looking at more typically, we do all agency debt, but just looking at other options, until we can refinance into the agency that makes sense. But we've also turned down some projects recently, you know, we know with interest rates going up, and the value that the lands going for right now, you know, just doesn't give the returns our investors wants and we're turning it down. So, we definitely have that, you know, mindset, there's always another opportunity, and then our company is actively looking to get into already built stuff. So historically, we've done all grounded developments given high returns, but we want to kind of scale our business. So, we want to actively acquire some assets. And I do think that the already built stuff is gonna kind of mellow out for what's been the last two years because of rates. A lot harder to buy a three and a half cap at a four and a half 5% rate. So, we're hoping to see that those cap rates either go up to the four and a half five range, or they at least they stay mellow, but I think rent growth is going to continue throughout the next few years.

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

AW: Referral, you know, a lot of our stuff comes from previous investors that refer to their other their other friends. You know, that's the key part about building that good relationship is even if we've had investors who have never invested with us telling their friends to invest with us, that's exactly what we want. And that's what we've been able to achieve. We haven't actually ever actively solicited any of our stuff. We've never done social media advertising or put it on Crowd Street, all been word of mouth. And we've raised about 30 million so far. And we have another 30 million to raise just to do our projects this year. And, you know, we might look at actively soliciting, but so far, yeah. All referral.

WS: What about second to referrals? What's your best source?

AW: Yeah, great question. People that are honestly just people that are looking for real estate, I've had a lot of investors come through my sales business. So, they're coming up here buying a nice custom house, or they're looking for multifamily development. And I'm like, hey, there's nothing you know, in this market to buy. But you know, I own this other company. And that's been also a really good strategy that we've used, it's kind of helped both businesses.

WS: Anthony, what's the most important metrics that you track, and that could be personal or professional.

AW: I would say work-life balance, but I don't think that's really a thing in life I have, I work a lot, but I love it. So, it's kind of my passion is real estate, and then spending time with friends and family, those are kind of the two biggest things in my life right now, just a livelihood metric. And then for our investments, we look at cash on cash, and then internal rate of return, and then equity multiple, those are kind of, you know, the three big ones, we tell a lot of our investors, you know, we do a lot of stuff in opportunity zones. So, it gives our investors a very good tax incentive. So that's always good, but those are tenure holds. And then other ones that are not in op zones, we have typically a five to seven, but we make it very clear from the beginning to our investors is we are investing for long term cash flow, you know, we build and buy real estate and hold it for long periods of time. And if it's a cash cow in five, cash cow in five or seven years, we're going to hold that for 10 or 15 years because if you know if it's given the cash flow that we want to see, you know, there's no reason really to sell it. Those are the those are the three biggest ones.

WS: What are some daily habits that you are disciplined about that have helped you achieve success?

AW: I go, I wake up early, I'm an early riser, and I go to bed at a modest time. So, I get up at about five 5:30 every morning and I head straight to the gym, get a good two-hour workout in, get back and then I shower and get ready. I'm at the office by 637. And typically, just work until you know lunchtime, I'm not a big breakfast guy, have a smoothie sometimes, but sometimes I'll just do some intermittent fasting and then I'm typically home by you know, five, six o'clock so I can spend time with my significant other and or just go spend time with my friends.

WS: If you could pick one thing that's contributed your success what would that be?

AW: Knowledge. I mean, just listening to, honestly I'd say listening to podcasts have been huge. I've I've constantly and consuming stuff and putting that stuff to action. One thing that really hit me when I was younger is Brandon Turner, what BiggerPockets always talks about. He wishes he would have gotten bigger earlier. That's why I kind of skipped over single-family duplex, you know capital stack

and just write in syndication because of that. And if I hadn't listened to BiggerPockets, I wouldn't be where I am today at all.

WS: It's great that you took that advice and put it to action. Is there a way that you gather that information? And a lot of us just consume, consume consume so many podcasts and books? Is there a way that you found that, hey, I track this through these things I'm learning and this is how I know I'm putting it into action or note-taking.

AW: Yeah, I mean, if it's a good episode, I'll definitely I'll listen to it twice. So, a lot of times, I remember episode 500, Robert Kiyosaki, I'm a big Robert Kiyosaki fan, I think he's just what he talks about is good, I listened to that one, probably three or four times, just really, you know, listen to that, that jam and just try to consume it. And that take notes on it quite often, if it's a good Real Estate Syndication Show episode, and there's a lot of you know, action items that we could put it in business, I'll sit there and listen to it for 30 minutes and take notes on it. Because, you know, one of our models in our company is that we don't need to reinvent the wheel, we can just take the wheel and make it better. So, we actively are, you know, taking ideas and implementing them ourselves, and then trying to make them better.

WS: How do you like to give back?

AW: We are very community-focused. So, we give back to our you know, our local community. You know, we do a lot of golf shows where we sponsor holes for charities and all that stuff. But everything's very localized in the communities that we invest in. So, in Missoula, Montana, you know, we, we've a regional partner there, and we have him actively, you know, donate money or get involved in sports or golf tournaments to give back to, you know, good charities, locally, me and my business partners give back actively to a lot of the local charities, and then we're in Montana, we do the same thing. I mean, sorry, Oregon, we're very localized, we want to see, we want to impact our community. So that's what we focus on.

WS: Awesome. Anthony, it's been a pleasure to meet you. Appreciate your just transparency around like getting a degree and being in a going towards a different field, but then saying, Hey, I'm quitting

and doing something else. It's not easy, right, to make that step, especially when other people that love you too, right, are saying, Hey, you're crazy. What are you doing? And so just appreciate your transparency and how you're, you're a great example for that listener who's 25 or early 20s, whatever, that has those limiting beliefs, thinking, I don't know if I can do that or not, I don't have enough experience or whatever it may be. Even the book recommendations, but even then, the real struggles, you know, that we talked about around hiring employees that are older than you, you're just talking to seasoned investors, right? So just grateful again for your time and to meet you. How can the listeners get in touch with you and learn more about you?

AW: Yeah, I mean, the best way is I'm actively on Instagram, [@anthonywalker18](#). And then on [LinkedIn](#) as well, or just visit our website, [www.cornerstonecommercialinvestments.com](#). Those are probably the three easiest ways. And then you can find my email or phone number on the website or reach out to me directly if you'd like.

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