

EPISODE 1381

[INTRODUCTION]

Tate Siemer (TS): To me, it's a total game changer. It's something everybody should do. We still send our credibility kits out with our LOIs. You know, if we're talking to big-equity sources, they'll get it. And we constantly update it with our new portfolio pieces. It's a powerful thing.

Whitney Sewell (WS): \$50 million in assets in less than 18 months. How do you do that? How do we scale? How do we grow that fast? Our guest today on The Real Estate Syndication Show is Tate Siemer, and he's done just that. It may seem like it was an overnight success but it was not. He's gonna dive into that. He's a visionary and CEO of Green Light Equity Group which currently owns 595 units totaling \$49.5 million in value in Oklahoma City and Columbus, Ohio. He hosts the Apartment Guys podcast and serves on the executive board of the Utah Real Estate Investors Association. Tate's other passions include big mountain skiing, biking, music, and hiking with his dog, Joey. Tate goes into many aspects of how he scaled so quickly. If you're looking to scale, if you're looking to be a passive investor or active, I know you are going to learn a lot today from this show and tomorrow. I hope that you will stay tuned.

[INTERVIEW]

WS: Tate, welcome to the show. Honored to have you on. I know we're gonna dive into a couple of topics today that I get asked often about us in Life Bridge Capital and many other groups. And so everybody wants to know how you've done what you've done, right? How have you scaled? How have you moved so fast? What does that look like? Because it doesn't happen by mistake. It doesn't happen without tons of probably long nights, maybe some sleepless, we hope not too many of those. But you know, it takes a lot of intention, intentionality, I mean. So, we want to know how you've done that. But give the listeners a little more about you know who you are and let's jump into how you've done it.

TS: You bet. First of all, Whitney, it is a huge honor to be on the show. I've listened to it now for probably at least three years, maybe going on four years. And I think the world of you and the value that you brought to our community and you feel like a friend to me. I know we've never met before this episode but when you listen to somebody for hours and hours, you feel like you know them, right? So yeah, a little bit about me. Originally, I'm from Cincinnati, Ohio, grew up there, went to college in Ohio, and moved to Salt Lake City when I was 26 in 1999. So, if you do the math, that means I'm turning 50 this year which is crazy to me. I moved out here to ski and have never left. I just fell in love with the place and started doing real estate here in '06. I got into some real basic single-family flipping and became a realtor, went to work for some other investors. And then the crash happened and a lot of our ability to do business kind of went away. I got back into photography which is actually kind of my trade if you will. You know, that's a skill that I made a living at before real estate.

Then in 2011, one of my two current business partners and I - he was my first boss '99 - so we had this long relationship. He and I launched into really getting after the single-family market here in Utah and did the flipping thing for a good seven years or so. And it really took us that long to realize how hard it is to scale single-family. We just realized that it was not going to where we wanted it to go. So we started looking at other models. We got into some development projects, some land entitlement projects where we would take a single parcel of land and subdivide it into high-density, often townhome-type developments. And then we'd sell the development, sell the package to a developer. That went pretty well and then we got into some ground-up new build, that high-end luxury townhomes here in Salt Lake City. That kind of kicked our butt a little bit honestly, like we could do an episode on all the things that kind of went wrong with those projects. It was a tough chapter for us.

But what happened in the midst of it was that we had a 12-unit apartment building kind of fall in our lap really. A wholesaler that we had worked with before brought us this deal and said, I think you guys should do it. Here's how I would do it. And here's how I would finance it and we just kind of went for it. Half the unit was vacant or half the building was vacant. The other half was like a month-to-month and not really paying rent, a lot of them. So, we basically just vacated the whole building and did a head-to-toe remodel, TPO membrane roofs to windows

to LVT floors, hard surface countertops, new mechanicals, central air. We were able to actually double rents at this property and obviously, the project went really well for us and it was incredibly eye-opening to us. From the very beginning, when we first underwrote the project, it was incredibly eye-opening to have cash flow and NOI and have the debt service paid and the bills paid and investor returns and all that stuff. It was something that, for whatever reason, we had never really been exposed to on a large level and so it was very inspiring to us. It was like the first time that I remember when Carl and I underwrote the deal is like, you know, can you shoot a hole on this deal right now? Like, this is the first time we've ever looked at anything that's not speculative where we're basically counting on the asset selling for a certain amount when we're done doing what we're doing to it. This is something that has an actual real value after we're done with it based on its income.

So, we kind of caught the magic of multifamily at that point and really had been singularly focused on going after larger scale apartment communities that cash flow, that pay the debt, pay the investors, pay, obviously, the bills, and at the end of the day, pay us some and our syndicators. So, we actually own seven communities now between four in Columbus, Ohio, and three in Oklahoma City. They total just under \$50 million in value, 595 doors, and we're under contract on another \$30 million property in Columbus. It's 108 class A units and we've got at least one other in the pipe there as well. So, we're obviously we'll get into this I'm sure, Whitney, a little later. But we're not putting our pencils down right now. We're definitely buyers. And we feel like if we can get deals that cash flow, that are on a fixed rate, that we have a business model that can sustain, you know, a five-year gap at least meaning we're gonna keep the property, we feel strongly that there are still good deals to be had out there. So, a little bit about me, I guess, a couple of little fun things. I'm a skier, mountain biker. I love to go camping. I have a little dog named Joey, single, never been married, no kids. So, love life, I have a great, great time with life and generally just a very, very grateful person for the blessings that I'm surrounded by. So, a little thumbnail into me.

WS: That's awesome. I definitely want to get into even what you just said a minute ago about your buying right now and some of the thoughts behind that. You mentioned fixed rate debt, sustains cash flow, whatnot. But you know, something that you've done actually. You've been

in real estate in one form or fashion for a long time. It's interesting how many of us start down the single-family route. And it takes too long to realize that man, it's going to take a lot of work to scale this or a lot more than maybe you may have expected. You started developing, and learned a lot, it sounds like, through that process also. But now, you're on seven communities, almost 600 doors, and then \$50 million in assets under management. But you've done that in what? 18 months, is that right?

TS: Yeah, we've acquired those properties in the last 18 months. Now, it's a little bit misleading because all of those deals and transactions, it's, kind of like, planting a garden or even better, if you've ever heard of the analogy of planting a bamboo tree. You plant the tree, and you water it for five years before you ever see anything sprout above the ground. And then once it sprouts, it grows to tens, dozens of feet, right? And even 50 feet, I don't know how high. But that's kind of what happened to us. At that point, four, four and a half years ago, when we dug into that first 12-unit, we started educating ourselves. I joined a coaching mastermind with Corey Peterson and really learned how he does this business and develop the credibility kit for our company that was kind of game-changing for us that really we leveraged with our broker relationships. I spent a lot of time in Columbus. My partner, Chelsea Garber, spent a lot of time in Oklahoma City. And you know, we really planted the seeds over those next couple of years. We actually also did a 20-unit building here in Utah that we just sold recently in the meantime. But yeah, it wasn't until I think February 2021 that we started acquiring the large-scale properties.

WS: I think it's a common thing, right? Everybody says, oh, he was an overnight success or whatever. But I've heard that about myself as well at times. But people don't see the years that you put into it before they ever noticed you, or before you ever took off before the business started gaining some traction. You sweat so many hours building your knowledge base and your partnerships and your abilities and your team, all those things that weren't seen. It sounds like what happened here. So, you acquired these in 18 months. One thing you mentioned there, too, you joined a coaching mastermind. I think it's just crucial. I mean, myself included, when I can be a part of somebody else's group or even just having somebody that's in my corner that's been there and done that. It just gives you another layer of confidence like you've never

seen before. So, speak to that. How did you find your mentor or the mastermind? Maybe a couple of things that stood out to you. And then, I always encourage the listeners, you need to be a part of a mastermind or group of people that are way ahead of you. How did you do that?

TS: Yeah, you bet. I think from the very beginning, there was a level of obsession with me with this whole industry. And one of the coolest things was that we had all these podcasts at our fingertips at that point. Ten years ago, that didn't really exist. But four or five years ago, your podcast was on, Corey Peterson's podcast was on, Joe Fairless was on. Like there are some really key thought leaders and teachers in the space that you could really dig into and listen to every episode. Corey was one of those that I listened to. To me, social media is absolutely crucial in this business because you're building a network. Your network is your net worth, right? So, you're building your network. The best way to do that, in my opinion, well, not the best way, there are a lot of things you want to be doing to build a network. And you certainly don't want to be reliant on social media but just about everybody in the business is not only on social media but active and a lot of people are trying to contribute value. Corey was certainly one of those people. It was a relatively easy choice for me to make. He had, at that time, he doesn't offer this anymore, but at that time, he had a coaching mastermind. There were about 15 of us in the mastermind. We would get together three times a year, and each of us would get an hour or so on the hot seat. Everybody would just brainstorm your business and, and contribute to you and give you great ideas and resources and everything else. It also included, you've mentioned the coaching part, that's the mastermind part. The coaching part included a day with Corey. I basically shadowed him for a day in his office. He spent the whole day with me and just kind of laid it out on the table. This is how I do the business. This is how I find deals. This is how I raise capital. And this is how I manage our assets. It gave me and therefore my team a level of confidence about knowing the business and having somebody that had our back to help us along the way. It really gave us the confidence to go out and start pursuing deals and meeting brokers, making offers and writing LOI, et cetera.

WS: What was the timeline of joining a mastermind to syndicating that first large deal?

TS: You know, that's a great question. It was at least two and a half years from the beginning of the mastermind to our first deal. I should go back and look at the dates. It's kind of telling. But you know, when I joined the mastermind, I was like, Corey said, this is going to take a year for you to get your first deal. And I said, no way, dude. I'm doing it in six months. And so you know, humble pie, right? It took a little longer than that. Yeah, that said, we got our 20-unit bought and done during that time. So, I guess technically it was a little less time. But the 20-unit asset wasn't what we were going after with working with Corey. So yeah, I would say two, two and a half years, Whitney.

WS: Okay, I just wondered about that, because it's helpful to know that. The listeners to think through as well, no doubt. You were networking, you're educating yourself. And being around that group, you mentioned 15 people in the group. I think that's a great size, or less, right? I've been a part of some that started with that size and all of a sudden, they were 20. And a year later, there's 50 in there. It's just, it's not a mastermind anymore, it's a conference. So, when that group can be small like that, it's just overachievers, it does things to you mentally as well, right. I mean, it just encourages you and pushes you in ways you didn't think you could go. So, I just appreciate you mentioning that. You also mentioned this credibility kit. What is that? And let's dive into that a little bit because you mentioned that you leverage that in a big way.

TS: Yeah, this is like, hopefully, this is a good takeaway for your listeners. Because to me, the credibility kit is a secret sauce. It's a tool in your belt that really changes and shifts conversations with key people in your business. So, a credibility kit is - and I'll give Corey total credit for this because part of his program, he actually designs your credibility kit for you. It's basically a four or five-page document we printed out in a brochure format. The cover has our logo and our name and kind of a short description of who we are, what we do. Then, the next pages are the basics on why multifamily investing is a great thing and kind of all the different qualities of multifamily. The next page talks about how we syndicate and how we structure our deals. The next page is the team, like our bios and headshots and contact information. And then the final section is our portfolio.

So obviously, when you're starting out, you don't have a portfolio necessarily, and you may or may not have a team and you may or may not have anybody on the team with any sort of track record. And those are important. All three of those things are super important. So, what I coach people to do is to find a great partner or ideally a mentor and ideally a paid mentor. In my opinion, a paid coach that has the capacity to be a partner with you. What I mean by that is they will be on your credibility kit as kind of like your executive board member or members. Like in our case, it was Corey and Shelly, his wife that were on our executive board. We leveraged Corey's portfolio in our credibility kit and said this is our partners properties, totalling \$90 million in value. Basically, that's pretty powerful stuff. And back then I'd be sitting at a meeting with a broker over coffee or lunch or whatever, I'd show up at a property tour and hand, the broker, our credibility kit. And it went from, kind of the vibe was like, here's another meeting with another wannabe investor to oh, okay, this is interesting. They seem to know themselves, and they seem to have their act together, and they seem to know where they're headed. And so to me, it's a total game changer. It's something everybody should do. And, you know, we still send our credibility kits out with our LOIs. If we're talking to big-equity sources, they'll get it. We constantly update it with our new portfolio pieces. It's a powerful thing.

WS: One thing you mentioned there, too, that I know, many listeners have heard but maybe some haven't thought about the value of is you joined this mastermind or coaching, and then you're creating this credibility kit. But if you've not done a deal before, there's not much credibility to be had, right? You know, you're talking to investors, and man, it's hard to feel like, what do you have to offer? Investors are asking questions about your portfolio or what you've done and there's just kind of crickets, right? But what you mentioned, you got to leverage Corey's team and their experience. I think that's important to think about the value of that. People are so hesitant to pay for coaching or mentorship, and I was, as well, and when I first signed up for a coach, I think it was 12 and a half thousand dollars. And that was more money than my wife and I had ever thought about spending on almost anything. Like, we were so hesitant to do that. And, that has paid for so many times. I can't even put a number on it. And now, I pay for coaching so many times more than that annually. I pay for things that are just coaching or masterminds that are so many more times expensive than that because I know the value now. That's just one value that like a lot of people don't think about when they're

considering the expense, that they just see this expense. But man, they're not even thinking about the network that you're coming into, the credibility that you're gaining, the people in that group that you're rubbing shoulders with. So it's incredible.

TS: Yeah, and I would add, you're talking about getting into multi-multimillion-dollar deals and raising millions of dollars of capital from people that have worked really hard to earn it. And in my opinion, you owe them the \$12,000 or \$20,000, or whatever it is that you would have to spend to get a great coach that's going to make sure you don't make critical errors, and is going to basically be there to kind of hold your hand through the process and ensure your success. I mean, there's never a total assurance because it's investing but they're gonna give you, by far, the best chance of making that deal successful if they're in your corner. So, to me, at the end again, the 12, 10, 20, 25 thousand that a good coaching program is going to cost over the course of usually a year is 1,000% worth it. Like Whitney said, you're basically, it's paying for itself over and over and over and over again because it informs the whole rest of your career and your business track. If you start off on that great footing, then everything else that comes afterward is going to be that much better and that much profitable in everything else.

WS: Yeah, you know, that 12 and a half thousand at that time, that same mentorship now is like 60 grand. At that time, we couldn't have afforded 60 grand, couldn't have even thought about it, wouldn't have even been an option. Because that 12 and a half was about all we could come up with at the time. But now, if I can look back, and I could talk to myself then and it was 60 grand, I would have found a way to find it. I mean, it would have been so worth it. Well, I want to jump right a little bit. Because I know I want to ask you, what's been the most important step you've made to move the needle? Maybe we've talked about it, maybe not. But what's that been? I mean, to grow that fast? I know, we talked about that, it doesn't mean it just happened overnight, or really all in 18 months. But, however, there are probably a number of things. But what's been the most important step that you took to make this happen?

TS: Yeah, you bet. Well, again, I could go back to the mastermind with Corey and the credibility kit because that really was the foundation of everything that has come since. And so you know,

making the choice to enroll in that and parting with the money that it took to enroll in that which really, at the end of the day, was not very much at all. Basically, it took us to an entirely different level right away. And so, everything kind of comes after is informed by all that. So, I would say, in addition to that, and this is gonna be a little cliché-sounding but just taking massive big action. What I mean by that is making the scheduling a trip to your target market for a three-day business trip and making as many appointments with as many brokers as you can and seeing as many properties as you can and touring as many properties as you can and getting on as many lists as you can. We were a deal-finding machine first and a lot of people would coach you to become a capital-raising machine first and just the reality of how our trajectory went is, I went for deals and I've kind of had it in the back of my head, if you may want to close your ears, Whitney, I am a believer that if you have a great deal, if you're resourceful and you bust your butt, you will find the money for it. Now, it's not going to just show up.

WS: What you mentioned was if you have a deal, right?

TS: If you have a deal. Right. And again, there's a lot of coaches that will say. Go out and raise capital first and I think that's great. And you know, you can do things like get a sample deal from a syndicator and take that out and say, is this something that you might be interested in? If I found something else like it, that sort of thing. I've just been at somebody that I just prefer to approach investors with a live opportunity. So that's the way we went. And then there's just tons of moving parts on this and, and taking massive action really, in all the different areas of the business is really what it takes. But those I'll tell you it, amongst other things, those market visits, you may live in the market where you invest, and that's great. But showing up in a market that you're investing in or you want to invest in goes such a long way. It shows the people there, the brokers and PMs and sellers and everybody else that you're serious, that you're not afraid to plop down a thousand bucks on a plane ticket and hotel and all that stuff and get out there, shake hands, look eye to eye, go see properties, talk strategy, look at your credibility get together. You cannot do that on a Zoom meeting, it's totally different, or a phone call. To me, those market visits were absolutely key in getting to where we got.

WS: Yeah, no doubt about it. Some of it, most of it is not rocket science, right. But it is being willing to put in typically more work than other people, in being willing to take the time to do things. We're talking about the massive action. We've all heard that term so often in our space, but many of us still sleep in in the morning or play video games most of the day, or whatever. Your actions are not aligning with what you say you want to do. But you did it. You started taking massive action and doing things differently than maybe you had done in the past. Ultimately, it was different than what most people are doing and it started to pay off. So, tell the listeners how they can get in touch with you and learn more about you.

TS: Yeah, no problem. Well, just first again, Whitney, it's just a complete honor to get to share this time with you and share with your listeners. It's humbling to think that I've even done enough to have a level of experience that's helpful to people but I get that it is. So, I feel very blessed, and thank you. The best way to get in touch with me is through our website, which is InvestWithGreenlight.com and again, there's a link to book an appointment with me that's no strings attached. We brainstorm your business and your career and what can help you get to the next level. So, I love to hear from people really from any source.

[END OF INTERVIEW]

[OUTRO]

WS: Thank you for being a loyal listener of 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 LifeBridgeCapital.com where you can sign up and start investing in real estate today. Have a blessed day.

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