

**EPISODE 1383**

[INTRODUCTION]

**Tate Siemer (TS):** I go back to this concept of holism, right? It's not just one strategy or two strategies that you're doing to attract investors, it's everything. It's a part of all the things you're doing and you're always thinking along those lines - how can we serve these people? Whether they're currently investing or not, how can we serve them?

**Whitney Sewell (WS):** Thank you for joining us again today. I hope that you will subscribe to the show, hit the like button. You're gonna learn a lot again today from Tate Siemer.

[INTERVIEW]

**WS:** Speak to how you all manage your manager. Talk about the key metrics, some of the KPIs, your goal. Let's dive into that a little bit because I feel like it's crucial.

**TS:** Sure. It comes down to just lots and lots of contacts and encouraging lots of contact from them. And that's done really through this KPI tracker that we use, that they're responsible for, and they sign, they put their signatures on it, and it tracks really the level of performance of the property. Another thing that we are implementing, Whitney, which I think is brilliant, is I got this from David Toupin, is asset management plan. That's going to be a very detailed multi-page document that we develop at the beginning of the project, that's going to basically outline everything that we're going to be doing in the way of a business plan, implementation strategy, target brands, target vacancies, you know, any CapEx, any value add. All of that is going to be in this asset management plan, and everybody's gonna get a copy of it. Everybody's gonna sign it. Everybody, I mean, the property managers, the onsite managers, the construction managers, anybody involved in that plan is going to get a copy of this, and they're going to be accountable for it. And then weekly meetings, you just can't again replace face time. We do Zoom meetings and market visits. We go there frequently, we give lots of gifts and send

flowers when babies are born. We just try to care at a personal level about who we're working with.

**WS:** Yeah, Tate, one big thing there that stood out to me, too, that you mentioned, even towards the end, I mean, all those things were so great, the KPI tracker tracking the level of performance of the property to the asset management plan. I thought that was a great idea. What I love is that everyone signs that which means everyone has read it. Everyone's seen that, right? That's so crucial because I think then it provides a great space for them to ask questions. Maybe they're the onsite manager, and they're like, wait a minute, you expect me to do this? It allows you to have that conversation. Maybe what you do expect instead of two months into the process. Love that idea. And something else that you mentioned just caring about people. You talked about giving gifts when babies are born or whatnot. I just wanted to express, that goes so far. I'm learning that, I've known that and we're trying to implement that even across our team, Life Bridge Capital within the management company, as well. It's been really neat to see that loyalty happens. Even our Filipino team, there are things that we do there that like sometimes for us can seem so small but that small gesture just build so much team atmosphere and just loyalty that you just can't put a price on. Are there any other ways that you all have kind of stood out in that regard?

**TS:** In the asset management regard?

**WS:** Asset management, property performance, and all that.

**TS:** Yeah, I would say, well, this isn't an area where he stood out but an area that we're really focused on right now is investor communications and investor relations. I know that that's a little diversion from asset management.

**WS:** But that's good, though. Go ahead.

**TS:** We're just getting really diligent and big on communicating with investors about what's going on at the properties, the good, the bad, the ugly. That's something that we feel like our

investors are owed, that our investors want. At the end of the day, the investors, really more than anything, want to know what's going on. They don't necessarily... if it's bad news, it's bad news, give it to them. It's much worse to withhold that bad news from the investor than it is to communicate with them. And I think if anything, sometimes sharing bad news actually builds trust because it shows that you're being in integrity with your word, and you're being authentic with your word. You're providing really high-level data for the investor to understand their investment and understand what you're doing to make that successful investment. Again, not asset management, but when you bring on investors and you have a database of investors that are active and investing with you, that's your lifeblood. They're going to likely invest with you again if you do a good job and they're going to refer people if you do a good job. So, we have a kind of a motto around here, "residents and investors first". Everything we do, every decision we make is made with the well-being and success of our investors and our residents in mind.

**WS:** Yeah. Love that thought. They're your clientele, both sides there. Your residents and your investors, they're your customers on both sides of this process of syndication. They're operating these deals, to say the least, they are. You talked about focusing on investor relations communication. It's so important. I mean, it's something we have just continually tried to improve on. I mean, it's just this growing thing, I feel like. What else can we put in there? How do we explain this better? So, it's better understood and all those things. Maybe walk through that a little bit. Maybe your process of coming up with what to put in there. You said the good, the bad, the ugly. How often do you send that out? And then during that timeframe, how do you come up with that information?

**TS:** Yeah, it's funny you ask. We're actually working on it this morning. Well basically, we send out quarterly property newsletters, and we send out monthly company newsletters. The company newsletters very well may feature stuff that's going on at our current properties. It'll feature other things too like what we're working on in the pipe, kind of, how we're serving, all the different aspects of the company. But the quarterly newsletter gets down to brass tacks with metrics, stats, business plan, strategy, CapEx, you know. We'll do fun things like feature one of our personnel like our onsite manager. We'll do a little headshot bio, what she does for fun kind of thing, or he. So yeah, it's really a chance to communicate with investors at a level

that is obviously deal level but we try to give them as intimate a look into the process as possible. One thing we've considered doing - I'd be curious, Whitney, if you've tried this - is actually doing either a quarterly or a monthly webinar on each property you currently own for investors that might want to show up. Have you ever done anything like that?

**WS:** It's interesting that you asked that. As I said, we're always looking for ways to improve also. So actually, I think this month, I think is our first month doing this. But we're actually putting, not so much a webinar, but at least a video update. There'll be our typical update, we're writing everything that we typically would, including those things. However, somebody on the team that's intimately involved with this project is going to share a few minutes the details that we've written there. Because oftentimes, we can say things in communication like talking where it's hard to put that down on paper, where maybe it's understood or understood as easily. So, we're hoping that just, even if it's just a few minutes, it helps just to communicate better about the project, the performance, the team, all those things that are happening on a monthly basis. We're going to try that anyway, and see what kind of response we get. We're hoping that it provides better, just better communication.

**TS:** I love that video idea. That's tremendous.

**WS:** Then it's not having to schedule a webinar where investors have to be there a certain time and you can do a webinar and record it obviously. They can watch it at any time too. But you know, something that's shorter, they're more likely to take the time to listen to, as well, instead of a really long webinar. But tell me the difference, I thought it's interesting that you do a quarterly property newsletter then you do a monthly company newsletter, what's the difference?

**TS:** Yeah, the company newsletter is really, it goes to everybody. It goes to our entire database, and is not project-specific. We will feature our projects and our new acquisitions and our new opportunities if we're raising for something. But it'll go broader to like, what's going on in the podcasts that I host and maybe speaking engagements that either Chelsea or I have done and

just kind of featuring different aspects of, kind of a holistic approach to sharing about the company, as opposed to being very specific with the quarterly property newsletters.

**WS:** Yeah, no, that's awesome. It's so important that we're communicating and something we've not done as well on too is communicating those things about the company to investors. We do a monthly property update but we have not always included things about the company, company growth. Hopefully, it's exciting to them, right? And even shows more confidence in us I hope. You know, that we're growing and hiring amazing people and growing this amazing team, all those things. But we've not always communicated that well. So, I love how you're focusing on that. Even on a little bit of that you mentioned a minute ago was the feature someone in your property update, that's on site. I love that, you know, honoring that person too that's on-site that's putting the time in, working hard, whatever happened that you're featuring them as well. That's unique. I have not seen that done before. I'm hurting by talking about that.

**TS:** I'll be honest with you, I came up with that idea this morning as we were putting the newsletter together. That's literally brand new as of this morning.

**WS:** Well, I think it's great. I think it's great. I think that will gain a lot of loyalty from team members on site as well. I hope anyway, I think it will. Well, anything else around investor relations that you'd like to share that can help us improve ours too?

**TS:** Yeah, well, like I was saying earlier, our company really became good at getting deals and acquiring deals first, kind of early on. As we needed to raise capital, a lot of times, it was friends and family and that sort of thing. Then, of course, those resources run out as you get bigger and bigger and bigger deals. I don't know that we've done anything particularly innovative or different than anybody else. We do webinars on our property opportunities, our investment opportunities, and we send out email blasts to our database. We typically do 506(c) deals so we can advertise them and blast them out. One interesting thing, Whitney, just to give a shout-out to some friends of mine, Cornelius and Valerie Cannon started a Thursday night meetup group called the Shark Pool. They actually present deals, people's opportunities, like live opportunities on the show and a lot of LPs, and capital raisers and whatnot will show up

and shop the deal. To me, it's a very unique format, it's a unique opportunity. We've attracted investors that are now in multiple deals with us through Shark Tank. One gentleman, in particular, who's been a co-GP with us actually, and is just a fantastic person, that's, you know, you're kind of growing your network and your investor base however you can. The other thing that's been really good for us is online meetups. There are a number of weekly meetups that are very well attended and high level and bring high-level people. A lot of times deals get done inside of those breakout rooms and those networking groups. So, it's really kind of, again, a holistic approach, you want to have everything going on at once with investor relations and raising capital. It's a big responsibility. There's a lot that you need to make sure happens and a lot of deadlines that need to be met and a lot of really key communications that have to be made or you're dropping the ball.

**WS:** I'm gonna shift gears a little bit. I got some final questions that I want to ask you, Tate. I want to know your thoughts on the real estate market, you know, what's happening, what you've learned, but also how you're prepared for it. What do you expect over the next six to 12 months? And how are you prepared for it? What's changed in your operations because of it, if anything?

**TS:** Yeah, that's a great question. You know, I think what we feel is going to happen, and again, I don't have a crystal ball, and even my friend Neal Bawa doesn't have a crystal ball even though he is often accurate and specializes in projecting and in market knowledge and macro knowledge as well as economic factors and the housing market and multifamily specifically, I would say that I think we're probably headed towards either a recession or a light recession or certainly a slowdown in the economy which I guess is technically a recession. I think what's going to happen with multifamily is, to much less of an extent than the other asset classes like office and retail and restaurants and then industrial, I think we are going to see some cap rate decompression in the market due to higher interest rates that at the end of this year could be somewhat significantly higher than even where they are now. However, for us, you know, we're believers that fortunes are getting made in recessions and economic downturns and we feel like, number one, we were buyers now before any sort of significant change in housing value,

because we feel that we've got a four point...I think, six to five interest rate on our current acquisition that we're working on. And that's pretty dang good.

I think, not lucky but it was fortunate that our lender dug as deep as he did to find it. But we feel comfortable, it's five years fixed, it's two years of interest only. And we feel comfortable knowing that the current rents pay for that debt service, the debt service ratio is good and we feel again that the rent level in most recessions doesn't typically go down very much if at all. In this particular asset, it's a class A asset and a highly desirable downtown Columbus neighborhood, very walkable, it's surrounded by a million and a half dollar homes and townhomes. We feel like the rents are going to support the debt service and the bills and the investor base very well through whatever we end up going through. You know, it's kind of like if your property is going along at this clip, at a nice steady flat clip and it's paying bills and maybe you're even raising the NOI a little bit. But the value of the property due to the market cap rates goes down significantly.

We feel like whatever happens in the short term on the downturn will eventually rebound. We feel like a five-year period hopefully covers the amount of time that it'll take for the markets to come back and therefore the property value to come back. And if it doesn't, we'll hold longer. So, a few things. Be prepared to hold a property for five plus years. Do it with fixed rate, low-interest debt, the lowest you can find and just make sure that your ducks are in a row. You know, your underwriting is conservative, your exit cap is conservative, your rent growth is conservative. If you're doing all those things, and you still can make a deal work and pencil in this environment, I'm a believer in continuing to be purchasers now. I had Sterling White on my podcast yesterday, and he's putting his pencil down right now. That's totally understandable. He's selling some of his stuff, and he's waiting. He's gonna wait for the next cycle turn and I get that. There's a lot of different ways to skin the cat. Since none of us can tell the future, we simply can't know a hundred percent if we're right about our strategy, or if we're off. And I have a lot of faith in general about life. I have a lot of optimism. I'm kind of a wired optimist, I think. So, I just believe that if you're doing the fundamentals well that it'll work out.

**WS:** Yeah, I appreciate all the details that you added there as well. I feel like if you feel like you should put your pencil down, then do that. But, you got to do as much due diligence as possible. I think every deal is this way. We do as much as possible, we make the best judgments as we possibly can. That does not mean it's gonna go as planned. Most of these projects never do go completely as planned and that's expected as well. But you have to make your best judgment call moving forward and make a decision, right? And we're gonna do that the best as we possibly can. We learn we do better and better and better. I heard a lot of people say that in 2016, 2017 even, you're not buying any real estate, we don't want any real estate, because it's the markets fixing the crash. And that's just a great point. If they had been buying then, they'd have made many millions over the last two or three years, or five years. Think about that. This may be the time to say that there's a massive recession. So, I appreciate that. What about, what's your best source for meeting new investors right now?

**TS:** I'll be honest with you, we are sourcing larger sources of equity right now. Our current capital raise on our one deal is just under \$14 million and we don't have the ability as a sponsorship team to go out and raise all of that. So, we are talking to family-office-type of sources all the time. We have met and nurtured relationships with essentially family office institutional money type of brokers that go out and have dozens, if not hundreds of relationships with different family offices and different institutional sources and can place equity with us based on whether or not it's a good fit and that sort of thing. So, I'm having conversations every day with that type of investor type of equity source. And then as far as our LP equity sources, our \$50,000, \$100,000 investors, couple of places, we're getting referrals from current investors, and we're gaining some investors through exposure to our podcast, my podcast called the Apartment Gurus. So, we attract people that way. One of the things, I'm the keynote speaker tonight at Salt Lake Real Estate Investors Association. People see me through that, and they learn what we're up to through that. So, it's pretty organic, honestly, Whitney. It's something that again, I go back to this concept of holism, It's not just one strategy or two strategies that you're doing to attract investors. It's everything. It's kind of a part of all the things you're doing and you're always thinking along those lines - how can we serve these people? Whether they're currently investing or not, how can we serve them?



**WS:** I like how you talked about just the accumulation of all these things you're doing. Because it is. It's so many things, so many aspects of the business, getting in front of investors to really showing you care about them, showing that you're trustworthy, all these things that take different moving parts almost within the business. So, grateful for just you shedding some light. But one thing too, this goes back to you taking massive action as well. Because what I heard you say there too is like one of the deals you raised for, or raising for is a \$14 million raise. Whether you're able to raise all that or not, most people that say you've only been acquiring deals for 18 months are not going to be even looking at a project where you're going to have to bring in that kind of capital, right? So, kudos to you for being willing to take that kind of action. And that goes back to the partnership discussion that we talked about, meeting the right people and connecting with the right... all those things that go into having confidence, even the mastermind, and the coaching and all that stuff, to being able to go into a deal at this stage and say, hey, we can find \$14 million. We have those partnerships. We've taken the time it takes to build those relationships, we can go do that. So, congratulations to you for making that happen. And quickly, what would you say is the number one thing that's contributed to your success?

**TS:** Not to get spiritual on this but I think I have a lot of, I feel very blessed honestly. I feel like the universe or God or your angels or however you want to look at it, show up for you when you show up for yourself. I think that the hard work and massive action steps and everything that I have taken and the partnerships and the conferences and the podcasts and all those things that I've done to show up in this space as powerfully as I can has been met with abundance from the spiritual realm. And again, however you look at that, whatever works for you. But you know, I cannot get airy-fairy here but I believe I have angels. I talk to them and I sometimes ask them for help here and there. But, most of the time, it's "thank you", you know, it's like, it's gratitude. Let's reduce it down to that, Whitney, I think a grateful heart is an attractive heart. If you believe in the law of attraction and that sort of thing, I think if you have gratitude in your heart and your mind, you're just going to attract more of what you're grateful for. So, that and just great partners, like Chelsea and Carl, are key and fantastic in my life. I have great investors, great power team so I just feel really lucky. I'm getting a little emotional but I feel really lucky.

**WS:** Tell us how you like to get back.

**TS:** One of the things that I've done now for about the last year is on my podcast, I'll give out our website address which has the ability to book an appointment with me. I take little different bands on it. I'm not trying to book investor calls at all. And in fact, I've really aimed at more towards operators that either hasn't done their first deal yet or maybe have done a deal or two and are kind of looking to level up. I just basically offer you know, a free 20- minute, 30-minute consultation service or session, rather, that is designed to move them to the next level. I think they can be really, really powerful. So, I try to give back as much as I can to the investor community and really try to transform and change lives of different investors like me, like where I was two years ago. There are a number of other things I do in life and charities I give to, et cetera but I think within the realm of this discussion, that's the most important thing I've been doing.

**WS:** Tate, it's been a pleasure to meet you and have you on the show. I've enjoyed the conversation, I think we've had a great conversation. Really talking through, thinking through how you went from zero to \$50 million in assets under management in 18 months or less. But really the time and the steps taken even before that to make that happen are so crucial, some of the most important steps that you took. But even the team and the structure of the team and the scaling, even to the property management. I feel like you really hammered home on some things there. Actually, I meant to mention even the mastermind and the coaching, the value of those things to investor relations to the KPI tracker and asset management plan. I mean, you really helped us a lot today. I feel like the listeners appreciate your transparency and your time. 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](https://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](http://LifeBridgeCapital.com) where you can sign up and start investing in real estate today. Have a blessed day.

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