

EPISODE 1407**[INTRODUCTION]**

Whitney Sewell (WS): This is your Daily Real Estate Syndication Show and I'm your host, Whitney Sewell. Today we packed a number of shows together to give you some highlights. I know you're gonna enjoy this show. Thank you for being with us today!

[INTERVIEW 1]

WS: Our guest is Hunter King. Thanks for being on the show Hunter.

Hunter King (HK): Thanks for having me, Whitney. Excited to be here.

WS: I want us to talk about how you're finding deals now, I know that's one of your strong points, and I think it's something everybody's wondering about new ways to find deals, or, how are other people doing it?

HK: So yeah, one strategy that I've found to be really successful, especially during a time period like this one where the market's really tight, I'm still doing direct to property owners that have portfolios in the location that I'm looking at. I think a lot of times when people think of direct mailers, they're targeting property owners that maybe own one property or two properties. The people that I'm targeting on upwards of 80 to 100 units or more in the markets that I'm looking at.

So even though they may not be specifically set on selling one property, there could be others down the line, and I wanna be at the front of their mind when they make that decision to sell, in doing that, you have to tell a story about yourself, just the straightforward sales tactic of, I wanna buy your property, it doesn't really resonate with a lot of people if you approach it from a human-to-human standpoint and you tell a story about yourself, for me, graduating college, I was really interested in getting started, and a lot of people resonated with that.

A lot of the established veterans in the game, resonate with that because they were in my shoes at one point, so even though you don't have a track record, you can still market yourself in a way that tells a story and tells them a little bit about who you are.

WS: How do you find them? Is there a specific software like our website, what is it that helps you to figure out who to send your mails to?

HK: So I use the Geographical Information System, the GIS for the State of Nebraska, where I can search up parcel IDs and see who owns those parcels, and then I take that information and

put it into an LLC search to figure out who are the partners in these business entities that own these properties.

WS: Okay. GIS search, can you give us just a couple of details there that you look for on the GIS to be able to build that list, and are you doing all that yourself?

HK: So yeah, hopefully in the future, I wanna outsource more of this stuff, but right now I'm curating the list myself, and what I do is apply zoning filters to the map, so you can see where the multi-residential zoning is, and you can see we're on certain vacant lots, whether or not you can build multi-family units on it, or if it's just a single residential dwelling, a lot of information like that is useful when you're first starting out and you're looking for a specific deal, so that's really how I discovered properties is by using that zoning feature, where I can see where all of the multi-family units are.

WS: What about some responses that you've received, or what's the number or the ratio versus how many are you sending and how often, and then what about some of the responses?

HK: So I'd say for every 10 that I send out, I might get two calls...

WS: That's probably pretty good, right?

HK: It's really not that bad when you consider. A lot of people, just throw the letters in the mail, they hardly even read them or take that into consideration, and I understand that it's part of the strategy, but it's a funny story. In one of the letters I sent out about two years ago, I never heard back from the guy, and then about a month and a half ago, he called me out of the blue interested in wanting to sell off some of his portfolios.

He has 80 units in the market that I'm living at now, and he's interested in starting to unload and get ready for retirement, so that was really cool. Mesic thing about the letters is you don't know who's actually holding on to those, and a year down the road, their mindset may be completely different,

WS: So how often are you sending the letters?

HK: I do it once a month. It'll curate a whole new list and then I also have a separate spreadsheet of people that I've already contacted, and once I send out those letters, I give it about two weeks before I make a follow-up call where I'll actually call them and not be very pressing it just, hey, have you seen my letter? I'd love to take you out for a coffee time, even if

you're not interested in selling, I still wanna hear about your journey and your experience, and they really appreciate that.

WS: That's a great point that you're following up with a call, you assume you're getting that phone number also from the LLC search or something like that,

HK: On the state website. Yep.

WS: Are you writing all these yourself?

HK: Yes, I am.

WS: Okay. No. That's some dedication right there. And again, so you're sending monthly and you have a new list every month, are you mailing back the same people wherever?

HK: So no, I don't mail them back and if they don't respond, if they don't answer my follow-up call, then I might wait another week to call again, but after the third contact point, I'll probably move on and then I'll still have their information in my spreadsheet and I might circle back later in the year and try to reach out to them again, but I don't really want to bombard you with a bunch of mail, one or two letters is good enough. They've seen it, and then if they were interested, they would have called, so I try not to be too pushy. More of a soft approach.

WS: Okay, no, it's interesting to hear you're approaching... Especially if you're receiving 2 of 10... 20%. Does that letter say anything specific? What kind of card is it? What does it look like?

HK: So yeah, the letters that I typically use, I explain that I've just graduated college and I'm still working a full-time job, but I'm trying to get into real estate development and real estate investing. And following that point, I'll put in a line where I notice you own this property located at XX something, a street, and you know, and then I'll ask, are you interested in potentially selling this property, if not, would you still like to meet with me over coffee?

I would love to talk about your journey in real estate, and then I leave it at that, and I provide my contact information at the end of that letter, but definitely, you mentioned that there is a property that you notice that they own to see if they are interested to figure out their level of interest and then just ask them to take them to lunch or put in, can I take you to coffee sometime... A lot of these people, they just wanna... Conversate with other like-minded individuals.

WS: No, that's awesome. Direct mail is not a new thing, but it's like not everyone's doing it right, and it's people like yourself who are still out there working every avenue that they can to get in front of those sellers to find deals that are making it happen because... Oh, that didn't work anymore, and I would say, you're wrong. People, I can... Or out there doing it and finding deals, so you say, do you plan to continue the direct mail, is that gonna be something you say, you know what, this is very beneficial and... Yeah, they plan to continue?

HK: I do, for as long as I'm buying the smaller multi-family properties, it's a lot more competitive in the larger multi-family space, so working with brokers in, either way, you have to establish a connection with good brokers in your area because they know a lot of the economics of the market, but using direct mail is a great way to get your foot in the door and get your face in front of these people that do own all the real estate in your market, and every market's different.

As I mentioned before, we started the show. The market that I'm investing in is not a Denver or a Kansas City market, it's much smaller than that. And so you kinda have to be a little more creative because there aren't so many larger multi-family deals in my area...

WS: Yeah, but if you're finding, you're emailing 80 to 100 unit properties that's a pretty good size, that's bigger than most, I think would think of direct mailing to, right? Tell me what about finding a property that's larger than that, would you say direct mail will work on larger properties as well, but it's just more competitive?

HK: It could work if you can find the decision maker, like I said, find out who owns the LLC. A lot of on those larger properties, the address will be linked to their lawyer's office or whoever the agent is that's handling the legal part of the business, so you kinda have to get creative in how you reach out to these people, and I would consider maybe bringing a broker on a conference call with you if you're gonna call the people that own the larger properties because that just adds another layer of credibility to your resume if you have a reputable broker coming in with you on the front end.

WS: That's an interesting point. Your team is so important and chose credibility, I say is you've done a lot of work, a legwork ahead of time. Hunter, what's the most challenging part for you right now and just scaling your business or moving towards the next deal?

HK: So the most challenging part for me is growing the team while having a full-time job, I'm trying to go completely full-time real estate, I'm currently taking my real estate courses to get my license. I would like to get into the sales and brokerage side as a way to generate more income that I can then put back into real estate, and then going forward, I would like to continue to buy up the smaller multi-family properties in my area.

Formulate a property management company around that, and then through the connections, I've made in my market, use that to maybe participate as an LP and larger syndication across the country, because that's really the goal. I don't wanna be invested in one location, I wanna spread out and get to experience the benefits of all those markets.

WS: Hunter, is there anything that you would have done differently? Say on the first few deals, maybe you wouldn't have done the construction of new development very first, but anything else outside of that that maybe you would have done differently?

HK: I would have definitely reached out to more brokers and went bigger from the beginning. That new construction deal was definitely a learning experience, and I'm grateful that I had the opportunity to complete that, but looking back on it, if you wanna be serious about scaling, you need to go bigger, you need a volume of units, and so looking back, I would have networked more with the multifamily syndicators that are doing the 100-unit, 200 unit deals, and maybe you participated as a passive investor from the beginning and focused more on raising capital.

That's definitely one of the skill sets that I'm trying to improve on right now, which is raising capital from individuals.

[INTERVIEW 2]

WS: Our guest is Laura Adams. Thanks for being on the show, Laura.

Laura Adams (LA): Thank you, Whitney. It's great to be with you.

WS: Now, Laura is a senior real estate analyst at Aceable, a mobile-first digital learning platform. She's a nationally recognized personal finance and small business expert who's been a real estate sales agent and investor. Her mission is to make complex finance topics easy to understand. So you can live a richer life. Laura, welcome to the show. Grateful to meet you. Interesting to hear a little bit about your background before we get started. And the podcasting side as well. There are not many people who have done as many shows as you have or as I have. But grateful to have you on. Give us a little bit about the real estate piece. You know, just your background and what your focus is now, and let's dive in.

LA: Yeah, so thanks. It's great to be with you and to connect with you as well. For me, I always had a love of real estate and became a homeowner very early in life. I got married in my early 20s. We bought a home immediately. And I had an interest in real estate not only personally, but my family. Both my husband's side of the family and my side of the family were in real estate. I have lots of family members that were investors, sales people, etc. And so I had some

good role models, I think. And that was really key to getting started, kind of knowing what was possible.

And I got into investing really after I got my sales persons license. I really wanted to get licensed first and fully understand the landscape, you know, understand everything I could. So, I'm the type of person that likes to do my homework first. I don't just jump in and then do anything without doing a lot of research. So, for me, getting the license and even spending a little time as a salesperson was critical for me to have the confidence to go out and become an investor for myself.

So, that was really kind of a stepping stone for me. I did not sell very long. I finally kind of realized that my passion was more on the investing side than the selling side but of course I kept my license so I could save some money on the commission and kind of kept me connected, kept me really in a good network of folks, to find properties and really just trade information about what was going on. So, that's kind of the beginning of where it started.

WS: You know, you mentioned, obviously spent time in sales. Tell me how that's benefited you long term or even, you know, getting your license, you know. Would you recommend that to people that are, you know, maybe new to this business or thinking about getting in?

LA: I would absolutely recommend it. As I mentioned, for me it was really a critical part of gaining confidence and understanding the landscape. So, you know in my day, we didn't have a site like Aceable to go to to learn and get licensing 24/7. It was really a much more arduous process. And I can remember studying for that course while I was on my lunch break at my job and, you know, really kind of trying to fit it in. And then the whole process took quite a while but thankfully it's much easier today for folks to get licensing, and education.

And because it is so easy, Whitney, it's like, why not do it? You know, I'm not saying the course is easy in terms of the content, but if you put your mind to it, absolutely. You can get that under your belt. You learn so much more than you wouldn't expect, you know. Not just about law, but about the different types of careers that you can pursue within the real estate which I found super interesting. And it gave me a perspective of what's it like to be a landlord, what are the laws on the landlord side, what's it like to be a buyer, you know, what's the psychology of a seller. And I really think it helped make me a better negotiator, understanding both sides of the transaction a lot more clearly.

WS: That would definitely be helpful. I mean we're negotiating all the time, right? It doesn't matter really who you're speaking to you, right? Grant Cardone talks about you're in sales, you know, all the time no matter who you are. And I believe there's a lot of truth to that. What are

some of the complex financial topics that you're, you know, helping people to understand, particularly before they, you know, start investing in real estate?

LA: Yeah. So, you know, for a lot of people, they have a dream of being a real estate investor but don't, you know, really know a whole lot about what it takes. And so I really try to encourage people to get their personal financial house in order before going out, you know, thinking about investing as other types of investing, you need to be in a position to afford to make those investments. If you're not really building a solid foundation. So, I'm talking about, do you have an emergency fund? Are you looking at your retirement and making some consistent contributions? Do you have the right insurance products that you need, etc?

So, really making sure that your financial house is in order before you make those investments is key. Now, will everybody have their, you know, their finances 100% perfect before they become an investor? Probably not. And making a profit in real estate is maybe a solution to help you get out of debt and maybe a solution to help you build your personal wealth and make sure that you are on the right path. Obviously, that's the point. But if you get into a situation where you're not profitable, you know, you get into, you know, an issue where you haven't thought through all the numbers clearly, you can find some really unexpected expenses and challenges as an investor.

So, it's really key, I think, to understand what are the basics and follow those fundamentals before you jump in feet first. Do all the homework that you can. Maybe partner with somebody who has more experience that you learn from them, leverage their skills and talents first. And that may be a good stepping stone for many people before they go in on their own.

WS: Is there a number around or is there some kind of metric around emergency funds specifically that you recommend people have?

LA: Yeah, absolutely. And it does change from time to time, you know. Right now, I would probably say, people, are thinking more about emergency funds than ever with the pandemic and all of the financial challenges that we've had. Typically, the rule of thumb has been at least three months' worth of living expenses. So, that's not necessarily a full replacement of income, but thinking about what your major expenses are? So, housing, insurance, your medical costs, kind of your ongoing fixed costs, and maybe some of the variable expenses that you can't live without. Figuring that number and then multiplying times three is kind of the minimum I recommend going to six months, even better. And hey, if you can go up to 12 months, that's even better. So, I would recommend at least six months before jumping into some big real estate moves. That's just going to be a smart runway to have to make sure that you know if something doesn't go the way you've planned it, you've got that financial cushion there to keep you and your family safe.

[END OF INTERVIEW]

[OUTRO]

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