EPISODE 1434

[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 Corinn Altomare. Thanks for being on the show, Corinn.

Corinn Altomare (CA): Thank you, Whitney, for having me.

WS: My pleasure. A little about Corinn, in case you haven't heard of her before, she has a very unique background, I don't think we've had anybody on the show that's had a background like her before. I'm interested to hear her story and transition into real estate. But she was a classically trained musician turned real estate investor. She spent 13 years in music and five years, in IT project management.

She is now eight years in multifamily real estate where she's developed the property management and syndication functions of her company, Hearthfire Holdings. Her company was most recently acquired through syndication, a self-storage facility, diversifying the company's portfolio of commercial and residential multifamily properties in the Philadelphia MSA.

Corinn, thank you so much for your time. Get us started and let's just jump right into your background a little bit in this transition into the syndication business. I know a lot of listeners are attempting and trying hard to make that same transition themselves. And so, I think it's very beneficial to hear how others have done it successfully.

CA: Right, I started as a professional opera singer. That was my life's work and passion and that's what brought me to Philadelphia, where I ultimately got started in real estate. I relocated here from Los Angeles on a short-term contract. Now, the unfortunate thing about pursuing your passion is that it doesn't always pay the bills, and when it does, might be a very irregular basis.

I also had a resume that helped me thrive in a corporate environment as well. And so, I was working as an IT project manager in addition to my musical pursuits here in Philadelphia. It was

leveraging that W-2 job in order to qualify for my first investment property which initially was just to be a source of passive income for me to continue pursuing my dreams.

Once I got into real estate and started learning about what you could do not only to provide tenants a fantastic place to live but as we got into syndicating, being able to provide investors a source of financial windfall and growth for themselves and their families, that's what really hooked me in, what you're able to do with syndicating larger projects and including in other investors in your endeavors.

I started with a single triplex with my then-boyfriend and dragged him along into my real estate investing pursuits. The next project we purchased together nine months later and then we started syndicating a little over a year after that at first with family and very close friends because it was a new venture for us. That brought it into our extended network. We both were holding down our full-time day jobs while we were exploring and getting into real estate and then building our business, implementing business processes and operations.

I was an IT project manager, and my partner was 22 years in IT, in various forms, started with just building computers from scratch, did a little foray into security and very much in the IT space. We leveraged everything that we knew about technology and systems and outsourcing so that the business didn't need us manually to be involved in every facet in order for it to continue to grow. That's how we were able to scale from three units to 300 in self-storage, most recently in 2019 while still holding down our full-time jobs.

We both ended up quitting in 2016 and 2017, so we're more recently into things full-time but for much of our build and growth and development, we were hustling, it was the evening this weekend, 10 minutes here and there, and between meetings, lunch hour, that sort of thing.

WS: I've been there. I mean, your story is more similar to mine than you might think. I was not a professional opera singer, though. However, I did have a passion that really – I didn't recognize it at the time, but it was really holding me back more than anything. Pursuing this thing as you said, may never pay the bills.

CA: Now that we're in real estate and doing this full-time, I'm able to – I do still sing and I'm able to love it that much more because I don't have the financial pressures of having to make it – make everything else fit.

WS: Yes, that's awesome. Tell me though – I mean, it's not easy to pull back on a passion like that, that maybe you felt like you were getting some traction, I mean, you come all the way to Philadelphia to do this, right? And you felt like you're probably getting some traction, but now you see that maybe you need to take a different direction for a little bit, is that accurate?

CA: I started in high school. I went to a performing arts magnet high school. I had been doing the hustle for a really long time and I was ready for a change. High school, both of my college degrees, and then bouncing around the world for a little bit on different programs and whatnot. It wasn't bringing me the joy anymore and I was ready for a change and jumping into IT project management and learning all of that and that spoke to – because I started on piano when I was five.

That spoke to my foundations in the music of doing scales and your hand-in exercises for two hours a day, the very introverted focusing on technique part of things, the technology and project management side of that job really helped me tap into that part of my personality and equating that to real estate and property management and landlord-tenant interactions.

I mean, I just loved putting together project plans and acting on those plans, building in dependencies, building in your contingencies so you know, whatever scenario might come up, you're prepared for it. Those are all the other perhaps less artistic sides of me that really came alive when I found myself wanting to change and move into real estate.

I found that I still – there are still – there are so many parts of real estate and so many varied parts of real estate and different roles you can play, different strategies and ways to make it work for you and for your individual proclivities and just how you function that I really found a lot of happiness there.

WS: Wow, I want to get into how you all leverage technology and how you all have made this happen while both of you working full-time, I think that's a common struggle. I know it was for me and I'm sure it is for lots of the listeners as well. But I would also like to back up just quickly and say what had to change, what would you say had to change say personally for you to really make this a mindset shift to being able to do real estate full-time?

CA: What had to change for me and my mindset to do a full time? It wasn't about me anymore, right? As an artist, you yourself are the instrument or as a singer, you yourself are the instrument and you're working with a big group of people, you're working with the orchestrator, conductor, your other – your fellow performers. The fundamental mind shift is really all of the details involved in real estate. There are so many more things that can go wrong and that you have to be prepared for.

In my experience in music, I never really – I enjoy jazz but I did not get into it quite as much. You're going off of a score. You're going off of music that's written down for you and you memorize and prepare for that.

In real estate, you can't predict whether a hurricane's going to come and knock down a tree and come through your roof. Being able to mentally prepare for all those different scenarios but again, my work in project management I think helped me make that shift. And my years were – It was really interesting because as I was learning and growing in project management, I was building our business and so I was learning in both of these fields, but there were so many correlations and things that I can apply from my day job to real estate into our growth. I hope that answered enough of it.

WS: Sure, no, that's good. It's different for everybody sometimes. But I just think my mindset had to change a lot for me to start seeing growth personally. You know, before the business did. But working full-time, I did the same thing and it's difficult, working every night, weekend, holidays, sometimes up at five AM, sometimes taking calls in and different things but for you, talk about some of the techs that you leveraged to do.

Because I know you all are also management in-house as well and I love that, that that is hands-on. Let's get into some of the technology that you all have utilized to make that happen.

CA: Sure, heavy use of templates. We invested very early on in a full property management system. We use Propertyware, which is a real page company. And it was an expensive move to make very early on but we made that investment because we knew that we wanted to grow and we didn't want to waste our time fumbling around with self-made operations.

We purchased and invested heavily and really utilized the full strengths of Propertyware which has built-in Docusign, and mail merge. I mean, it's a very powerful tool, I could probably spend the whole hour talking about it.

We did that, we also established templates so that we're not sending out email messages for the various repetitive scenarios that come up. We have a standard process, we know what sort of communication we send out, depending on the scenario, all sorts of automated notifications and reminders settings for it when it comes to leasing and marketing, and use of a product called ShowMojo.

That was really a game-changer for us, the amount of time that we spent back in the fourth answering phone calls, setting up showings, and all of that. We saved all of that when we converted over to ShowMojo which if your listeners are not familiar with that, and they're property management, leasing, and marketing, I highly recommend checking it out.

WS: SureMojo?

CA: ShowMojo.S-H-O-W-M-O-J-O I can spend far too much time talking about it, check it out. Leveraging those systems and then for our investor management, we use IMS, Investor Management Services which presents to our investors a portal that consolidates all of their investments with us, it's a very clean presentation of all the financial data as well as for new offerings, it streamlines the process as far as they all go through IMS. It's not as fielding various phone calls and emails kind of outside of the system and then having to pull it all together.

We funnel everything through our IMS portal and it also helps us manage the distributions when we come time for that. Those are some of the technology, those are really the biggest heavy hitters, Propertyware, ShowMojo, and IMS.

WS: Nice, maybe elaborate a little bit on like ShowMojo. We haven't heard of Propertyware either on the show I don't think before. Let me ask you about that first as well. Is that for somebody that's strict – I mean, they're doing all the property management themselves or would that be for maybe, I'm not sure what Propertyware does for you but it sounds like it's all property operations or management operations, is that correct?

CA: It's our entire backend system for managing the properties. All of the information about a property, all of its details you can set up within the calendar and maintenance function, you can set up automated reminders for forward-looking at maintenance issues whether you need to you know, every spring or fall, schedule some sort of cleanup for the property or what have you.

It's also how we keep all of the tenant information so all of the application fees comes the application fee and application process comes through Propertyware so that the prospect is directly fed into this system, which makes it very simple to screen them, collect all of their supporting documentation from application to conversion, into moving in and then it's a click of a button to convert them into a tenant, activating their tenant portal. So, similar to our investors, they have one login, and they see all of their lease documentation is pre-populated. They have a ledger, they can pay online, and they can communicate with us through a chat feature within the portal. And it's one central place for the multiple members of our company to see all of that, right?

I don't have to check in with our leasing agent and say, "Hey, did so and so get back to you about XYZ maintenance issue?" If we're using the system properly and it allows for all of this then the tenant entered a work order, and we responded, there is a communication thread directly on the work order, so I can go there within our system and see exactly who spoke to whom about what and where things stand.

It makes the process much more streamlined, and it also provides the tenants our accountability, right? They can see when they entered a work order, when we responded, who we sent out there and when it was closed, and what exactly was done to close it. They're not making a phone call and leaving a voice mail that maybe goes unanswered for days, weeks, or months on end.

When I moved from Los Angeles to Philadelphia, I was a renter. And when I got into property management, I swore that I would not be – I had a less than stellar experience so that's our way of staying accountable to our tenants and the owners also have their owner portal login so they can see the same thing. They can see the maintenance work orders, they see the receipts that are attached to those, they see where their money is going and in real-time.

Because everything goes through the Propertyware so as soon as we enter it there, the owners can log in and see it. There's no lack, there's really complete transparency.

WS: ShowMojo, is that something that's just for building templates, or is it more than that? Who is the ideal person to need that?

CA: ShowMojo is marketing and leasing. You could have if owners are self-managing, you could definitely use it and plug it into however else you're operating your portfolio. Essentially, what it does is you create the listing once within their platform and it disperses it out to 50-plus websites. So, you don't have to be creating the listing across hot pans, across all of the different – it saves you time there as far as the syndication aspect of it.

And then with ShowMojo also you can set it up. So that when people submit email inquiries, ShowMojo will automatically send a response to those email inquiries. So, you can imagine how much time that saved us in responding to us within minutes that the inquiry email coming in and you can completely customize the response. So, we always send you to know the full listing right now because we're in lockdown. We are doing 3D virtual tours, so sharing the link to that for interested applicants to do that on their own time before speaking further with us. So, that was really the time saver and the power of ShowMojo.

They also have, if you are doing self-tours, they have lockboxes that you can set up on the property where prospective applicants can enter their information. We require ID and a credit card before they can get access to the lockbox and the lockbox gives a generated code that is good for one hour for the applicant to walk through the property. And we're notified when the lockbox is accessed for them to take out the key and then when it is accessed again for them to remove it and we have should anything go wrong, we have their ID and their credit card on file.

[INTERVIEW 2]

WS: Our guest is Dylan Marma. Thanks for being on the show again, Dylan.

Dylan Marma (DM): Thanks for having me back, Whitney.

WS: Let's just jump into some different parts of the business. I know we've briefly mentioned, like emails and just managing deals, managing investors, different things, so let's just jump into some specific software.

DM: A few of the key ones that you'll want to think about having in place for yourself, number one is project management software. Project management software are becoming increasingly popular right now, and you're seeing Asana being a lead one. That's definitely my favorite one, because it's great for being able to track reoccurring rhythms that take place in your business; things that occur every week, things that occur every month, right, and being able to manage workflows within Asana.

Project management software is great for keeping vendors accountable. If you're doing a major rehab project, it's great to have timelines and deadlines in there, and have them in sync with that. I use it avidly on the development side for our own software company, Equity Tree, which I'll discuss in a minute.

Then project management is also super important for your rhythm. If you send out a monthly investor newsletter, having that maintained in your software and having even pre-deadlines in place, sub-tasks in place, to be able to manage when do you want to have the content uploaded, when do you want to have the editor review the newsletter before it goes out? Things along those lines.

Project management is basically in place to be able to capture all the day-to-day tasks and responsibilities. You really want to think about every single thing that takes place each month and try to upload that into your project management software. The big ones for that are Asana and monday.com.

Then there's your email management software. For your email management software, the big ones that come to mind for this are, oftentimes, there's ActiveCampaign, there's Constant Contact, there's Mailchimp. I think Mailchimp, there's – HubSpot does some email management. It's also does some CRM stuff. I think Mailchimp's the free one and that's where a lot of people start off and it really does a lot of the essentials there.

Over time, I've adopted into using ActiveCampaign; again, very affordable and it does a lot of automation functions very well. If you want to think about when someone opts into your newsletter or something along those lines and you want to send them an automated email as soon as they opt-in, or every so often you want to have some drip campaign, where they get a series of emails from you educating them, or something to that effect, ActiveCampaign is a great one.

With email management software, you want to pay attention to and do your homework on what's going to give you the highest deliverability rates, because email service providers are cracking down on deliverability. That's why it's very important that you have a warm list in place that you upload to these and you're paying attention to how are you going to get the highest level of deliverability because there's nothing worse than having a big email list and half your emails don't go through.

Having good email management software with good practices in place is helpful.

WS: I mean, like your CRM, your customer relationship management tool. Do you use ActiveCampaign for that, or do you have a separate system for actually managing your calls and just information and things like that, notes maybe you're taking from investor calls or something?

DM: That's actually where I was going to go next with the CRM. It's funny, because I'm glad you brought that up, because a lot of people in this industry are not really familiar with the difference between an email management software and a CRM. A CRM is more of the actual workflow that takes place when someone opts in and the status as to where they are. If they're a potential investor, it's seeing how they're converting in terms of being a non-preexisting relationship to being pre-existing, or to being an actual investor, or something to that effect.

With the CRM, what I've actually started using is, I don't know if it's newer, but it's not as widely known. It's called Airtable. Airtable is similar to monday.com in a sense, but it's like an Excel sheet on steroids, in the sense of you can upload all of your contacts and you can put in formulas, so that every 45 days, or every 90 days, it'll ping you if you haven't stayed up to date with them. I use that as more of just a – not even just for customer relationship, but a general relationship management platform. I have all my broker contacts in place, all of my vendor contacts in place, and I have which locations they live in, in addition to tags for which locations they invest into, or which locations they cover on their own front.

I find it's a really effective way to be able to keep up to date on those relationships, because this is a relationship-based business. I highly encourage using that for either for investors, for brokers, for vendors, for your CPAs, anyone that you want to be able to keep in contact with

and keep rhythms with. I even use it for my friends and my family, just as a place where I can store their contacts, so I know who my close friend group is that I want to be able to touch base with every so often. Having that hosted within there just makes life simpler ,and then taking notes and making comments, so you can reference some things you've covered, and previous times you've spoken, is very useful.

WS: For sure. I'm glad you mentioned that, because I know forever, I've had a CRM that I've used and I track phone calls and notes and things like that, but it's never been that email management software. It was never that at the same time. It wasn't robust enough. It didn't have that end of the – what I needed as far as software. I had a separate system that would communicate a little bit together, but not much, early on. Then we moved to something else now.

Yeah, it's interesting. You start thinking about, okay, it's really two separate things. Who's coming in through our website? When they're signing up, what emails are they getting? That's really almost a different system. I found – I use ActiveCampaign a little while now. I didn't like the CRM portion of that. I just didn't feel like it could track our contacts very well, or our interactions and things like that. It was very sophisticated on email campaigns and things that, but not on the customer relationship side.

DM: You're using HubSpot now?

WS: I am. I am using HubSpot now.

DM: Very cool.

WS: Yeah. It can do both. I mean, it's very robust, as far as CRM side and the email campaign and things like that are connected to the website.

DM: Yeah, I've heard great things. I haven't dove heavy into HubSpot yet, but definitely something I've heard nothing but good things about, for people to look into and check out. That is one thing I'd say, you want to avoid getting stuck in the trap of trying to find the one thing that does everything because a lot of these companies specialize in one thing. You have to just accept that you're going to have five different passwords and logins for five different sites within your tech stack. We all want to find the one thing that does everything and you may, if you're lucky, you find HubSpot, it does two things very well, which is good. Oftentimes, companies are not going to go that wide and that's why you have to be familiar with everything available and pick and choose.

WS: Yeah. I wouldn't say HubSpot is for everybody, because it's pretty darn expensive, honestly. It wasn't something we could do right away, by no means, or for a long time, but there's numerous really good platforms like you mentioned Airtable. I've never used Airtable, but there's numerous ones like that that – it's like you mentioned earlier. Something is better than nothing. Get started, get tracking this stuff and you'll figure out something else to graduate to. Even another software, Zapier, will connect a lot of those. Or Zapier, maybe it's called. I've heard it called both things, but you can connect to different platforms.

DM: Absolutely. You'll find how you can make them work together. Zapier is a great tool for doing that as well. Beyond that, you're going to have your property management, your accounting software. Now if you're using third-party management, most of the management companies are responsible for paying for the property management accounting softwares. These are your Rent Managers. These are your AppFolios. If you have smaller property, you can use something like Cozy, there's Buildium, there are a number of different tools to choose from.

As I mentioned before, a lot of these are very easy to use once you are familiar with one of them. They're all pretty similar in the sense of inputting your different GL codes and being able to manage properties effectively. That largely depends on the size of your portfolio, because that's going to dictate how much you can spend comfortably. A lot of them are on a per-unit basis. I've used AppFolio mostly in the past and I really like it. I like the fact that it has very easy to integrate marketing channels that are already plugged in with it, so when you upload your rent roll, you can also market out your vacant to the different platforms available. I think they do a great job with that.

I also like Lisa, which is the new service that they have, which is a – it's almost like an AI chatbot, which gets people to schedule their appointments. I found those to be very effective, and I think that's going to be something we continue to see more of. That means that I've –

WS: That's something to interact with tenants?

DM: Yeah. Well, it actually will be talking to the prospective tenants that opt-in from the different marketing platforms. Then it will actually get to the point where it's going in this back-and-forth communication with them, up to the point where they're ready to schedule a tour. Then if you have a property manager on-site, it will just sync with their Google calendar and it will see what times they're available and it will book them for tours all throughout their day.

WS: Nice.

DM: It's worked so effectively, to the point where property managers, and community managers, can almost be frustrated with how many tours they have on their schedule. As an owner, that's a good thing to have.

WS: That's through AppFolio?

DM: Yes. Yup.

WS: Awesome.

DM: I imagine, there's other things available. I've heard great things about Rent Manager as well and a number of other good platforms out there, but it is something cool that I think we'll see more of as you're thinking about your technology stack and ways to be more effective with this.

Beyond that, you have your deal management. Deal management is something that I find, if you look at the single-family world, because of the frequency of transactions, a lot of them use a really solid deal management software and they're really in sync with custom-built Podio technologies. Podio is a really cool tool. It takes a little bit to get used to, but you can really track the workflows and you can automate things, to the point where you can have a button that you click, and it will automatically populate an LOI with all their information in place. Or you can have all of your different marketing channels if you do direct mailers, or texting campaigns, or anything like that using these other software. I'll pour back in there and you can track the status really well.

I'd say that's one of the better ones. I know there's a lot of this software coming out right now that are built for you, what is it? You open the box and it's already built for you, versions of Podio, which take a little bit less upfront work. I've heard Real Estate BlackBook, which I believe is one, which is pretty good. You want to have a place where you can track your deal management.

I do a lot of that still on – I've done a lot of Monday and Asana as well for deal management, just because there are usually only so many deals at one time. I found this to be still very effective with being able to track things and measure – see how far along they go. Trello is another one that I know some people will use, but Asana is replacing Trello because it also has that board view where you can sync things as you go, track which status, and just move the card under the different statuses in place.

WS: On that note, could you just highlight things? Maybe is there one or two key things or why you would switch from monday.com to Asana, or one of the other? I've never used monday.com, but I have Asana.

DM: Yeah, so monday.com – in my view, Monday is actually a better tool for building a database. That's what I believe because what I'm doing on the mobile home park side, it's a lot less broker-driven. What I've been doing with my partner is actually building a database of all the different deals that we have and we have a VA that will help populate and scrub the information and keep it fresh.

Monday can be really good because you can create almost unlimited columns and then you can have columns for a number of units, who are paying utilities, and owner contact information. It's almost more similar to the stuff that you would use for an Excel sheet for, in the sense. It's more similar to a really nice dynamic Excel sheet, that you can have comments and all different sorts of filters on. That's actually, in my view what Monday's better for, whereas Asana, I think is more effective for task management.

WS: Okay. Awesome. What other tech should we be thinking about, or maybe something else you use, Dylan?

DM: Yup. There are two other areas I want to hit on here. You have your document storage. This hasn't changed that much over the years, but Dropbox or box.com, something like that is always important to have. A lot of these now, you can – like I say, with Zapier, or some of them just directly will integrate with this other software now. That's always cool. I know Asana, you can just sync the two of those together. That's where you can store your ongoing docs. I highly recommend getting organized with that.

I bought a computer with a ton of data, just so I can keep my Dropbox, instead of being in the cloud. I just like it instant access on my computer all the time, and I have everything very organized with different folders for every different deal. I think it saves you a lot of time and headaches just having that, so you can go back and reference it.

[END OF INTERVIEW]

[OUTRO]

Whitney Sewell: Thank you for being a loyal listener of The Real Estate Syndication Show. Please subscribe and like the show. Share with your friends so we can help them as well. Don't forget to go to LifeBridgeCapital.com where you can sign up and start investing in real estate today. Have a blessed day!

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