

EPISODE 1484**[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]

WS: Our guest is Tyler Chesser. Thanks for being on the show, Tyler.

Tyler Chesser (TC): Thank you so much for having me, Whitney.

WS: We were talking and a specific question from somebody who's getting into this business is how to build that relationship with a real estate broker or with somebody that's in that space when you're just getting started. Tyler, help us to get started. For the audience who's pursuing that right now, they're looking for deals. It's not like there's an abundance of great deals at the moment, but we heavily rely on somebody like yourself when we're looking for those deals. Help us to know how to approach somebody like yourself the first time. We're just getting into the business or maybe we've even had a successful business or a career doing something else, but we're now pursuing multifamily apartment complexes.

TC: If you look at it right now at this point in the market cycle, we're looking at supply and demand and there's a low amount of supply and there's a heavy amount of demand. You've got to take that in consideration as an investor. You have to also consider the perspective of brokers that you may or may not be dealing with or brokers that you want to get on their list. You want to be on their radar as someone who is willing and able to close a transaction. The first thing is to have a full perspective of the reality that most of your brokers that are doing a lot of transactions are extremely busy right now in this market. There's a huge amount of demand. They're looking for deals, building relationships, putting deals in front of people who they know and proven to be able to transact. You have got to have that perspective of, "I've got to be able to act quickly. I've got to be able to be knowledgeable. I have to be able to get the deal done at the end of the day." I've got to make life a little bit easier for this broker if I want him or her to send me opportunities or to put me in front of the opportunities that are so rare right now.

That's one of the first keys if you're getting into this business is to make it easier. Just being easy to do business with is one of the very first steps that you should take for any type of business, particularly in this market cycle when there's so much competition. To set yourself

apart from other buyers is to say, “I’m going to be able to analyze this deal very quickly. I’m going to be able to get you clear and concise questions so we can follow up and we’re going to get closer. We’re going to move forward. We’re always going to be moving forward towards a transaction, which brokers are paid on transactions.” You’ve got to have that perspective. That’s one of the first steps for a new buyer in this market.

WS: You were thinking about the perspective of the broker and that’s good. We need to think about how they’re getting paid. They want to know who their buyers are. That’s how they make their money. That’s how they’re putting bread on the table. Getting on their “buyers list” or at least being in your mind, you get this deal or a seller contacts you and you contact him. You know that this property is for sale, “I want to be the person that you think of. You have my cell phone number and right then you’re like, “I’m going to call and see if he’s interested in this deal.” That’s where I want to be on your list. Help us to get there. It’s important to understand that it’s not going to happen in the first week that we meet probably. I want to be on that track to get there. I want to help the audience to get to that spot where somebody like yourself has their cell phone number and knows them as that buyer or that you’re putting deals in front and becoming knowledgeable. We’re not going to know everything about the industry even many years in, but at least to get started, what shows somebody like yourself that have studied and that understands mostly what I’m talking about?

TC: There are a few things that you can do. Number one, I’d want to be clear and upfront of here’s where I’m sourcing my equity and here’s where I’m sourcing my debt. I’d want to be all upfront and show your cards about your behind-the-scenes business model of how are you going to close transactions. Maybe if you haven’t closed transactions yourself, who on your team has? Put me in contact with them. Let’s talk about who’s going to be signing on this debt. Who’s your sponsor? Who else are you working with? What other service providers are you going to be bringing in on this transaction? Show me that you have some wide perspective of all it’s going to take to get this deal done. Especially in this market, we’ve got to be able to move quickly and we’ve got to be able to move through due diligence quickly. If we’re lucky enough to be awarded a deal, I’ve got to know as a broker that you’ve got the pieces in place to be able to get this done 30 to 45 days or 45 to 60 days.

As you know, time goes extremely quickly once you get that deal under contract. I want to know who’s your attorney. I want to know who’s doing your title work and I want to know what kind of due diligence do you require. I want to know what kind of contingencies are a must for you and what are not must. I’d like to get detailed. We want to be timely because we have to go back to the thought that all brokers right now are extremely busy so let’s not take up an hour and a half of the broker’s time in giving these details. It’s great to maybe put that information together and say, “I’m serious so please, when you get this, give me a call. We’re ready to make a move. We’re very knowledgeable and we’re very realistic as well.”

WS: Showing you that we have those team members in place and letting you talk to that person who's done a few deals that we're teaming up with most likely or the person that is bringing the debt or signing or how we're raising the capital and things like that. You understand that you need to know some of that so you know that we're serious upfront.

TC: The other thing too is your financing. I want to know in somewhat detail that you've got aligned to a very attractive piece of financing that's going to work. I don't want to go 30 days to 40 days down the line and have a story like, "We'd beat out thirteen other buyers on this deal, but we can't do it." That kills my reputation as a broker. If you kill the reputation of a broker by not being able to do the deal because of your own fault whether it's financing or whatever, then it's very unlikely that you're going to get more opportunities in the future. You've got to prove your capabilities.

WS: You're helping them through this process as well. If it doesn't happen, it puts a blackout on you to them.

TC: The other thing too is that a lot of times buyers can piggyback on the credibilities of brokers. If you have a broker who has very high credibility in the market, you being represented by them then are elevated to a point where you're going to be awarded opportunities that wouldn't have been awarded to you otherwise. That's the other thing that brokers are considering like, "I've got this reputation to continue to uphold and you are my lifeline to continue upholding that." It's a delicate balance in brokers who are taking this into consideration with each and every deal.

WS: Tell me about the first conversation. I'm calling you. I look at Louisville, Kentucky real estate looking for apartments or whatever and all of a sudden, Tyler pops up. I see your number and I see you've done some deals, "I should connect with Tyler." What are you looking for in that first conversation? Help me to stand out. What's a way that I can stand out in your mind on the first conversation or maybe the first time we meet for a coffee?

TC: The first thing that I want to hear from somebody is, "I'm so and so. I have this experience. I'm easy to do business with. I'm looking for X, Y and Z." It's very specific because the vague that you are, the less I'm going to remember you. We talked about that on our last show. We've got our CRMs and we've got our notetaking systems where we're taking down the proper information. However, if you're saying, "I'm looking for 100 to 300 units in Louisville. Send me everything you got." That's not going to stick out to me when 125-unit B class deal in X, Y and Z submarket came up because you are 100 to 300 units. That's not specific enough. I want you to be specific and I want you to be realistic as well.

I want you to show me your market knowledge. Don't call me saying you're looking for an eleven cap A class deal. That obviously doesn't exist in the market. Show me your knowledge and show me that you're quick. Show me that you're someone who's not going to take 45 minutes on the phone with me every single time we talk unless we truly are going through an intense negotiation and such. Showing respect, showing knowledge and showing that you're easy to do business with, those are the things that I want to see from that initial discussion.

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WS: Our guest is Lee Kiser, thanks for being on the show Lee.

Lee Kiser (LK): Thanks Whitney.

WS: Lee is a principle and cofounder of Kiser Group, Chicago's leading multifamily brokerage firm. Kiser Group celebrated its 15th year anniversary earlier this year, Lee has brokered more than four billion dollars in multifamily transactions in his career.

Lee, thank you so much for your time, grateful to have you on the show, you are such a big part of this business, I mean, you're somebody that everybody that's listening needs to understand how to work with and what your role is, what your job is because hopefully, we are calling you or somebody in your position at some time soon, right? Working with somebody like yourself. So we can buy a property but welcome again, give the listeners a little more about who you are and maybe what you do in this business and let's jump in.

LK: Sure, thanks for having me on, like you said before, my company started 15 years ago, been in the business for 23 years. I've only done multifamily brokerage my whole career so over a thousand transactions and my role is a facilitator, it's a consultant, an advisor to both the seller and the buyer so I'm usually, my company or myself, we're hired by an owner of a property to value it, let them know what we anticipate the market value would be and then we are hired to market that, promote it, collect offers from perspective purchasers and advise the seller on the feasibility of a sale.

WS: Nice, well you know, let's jump into that a little bit, just help the listener, sometimes also, especially when someone's just getting into the business, the first few conversations with someone like yourself is kind of daunting, right? I'm afraid I'm going to say the wrong thing, I want to build this relationship and it be a good relationship but I'm afraid that I won't be taken seriously or maybe I don't have enough experience, all those things.

Maybe you could just speak to that a little bit, you know, if someone's calling you, they're just getting into this business, things you're looking for in that conversation as a potential buyer. I

know you're working with sellers and I want to talk about that next but are there things or ways that you could guide that new potential buyer a little bit in those conversations with someone like yourself?

LK: Sure. I think it's important, well, be prepared for questions like sources of capital, meaning, the broker may be as bold as they just say, do you have enough cash to buy this. Usually, someone a little bit more tactful would ask about the capital you have available for an acquisition and what that would look like. Typically, the broker's going to be, if you're new to the business, the broker's going to be asking qualifying questions.

They're basically seeking some insight to your credibility as an investor as an investor. I think that it is critical, especially if you're a syndicator and you will be going out perhaps once you have identified a target to raise the capital for that acquisition that you disclose that and it's important for the broker to understand that professional broker will not be disqualifying of that but rather, would be embracing of that and would probably seek to understand your plans better.

And, could advise whether or not the subject property or the particular seller client is a good match for that kind of process. But, they'll ask a lot of questions about your qualifications as an investor, they'll probably also start probing your experience with the property type, do you understand mechanical structures in the building, do you understand the architecture and the repairs needed, et cetera. This is all going toward u understanding who you are as an investor and a probability that the property you're currently analyzing is a match.

WS: Nice, that should be expected for sure, right? I mean, that broker or someone like yourself is going to be asking those qualifying questions. Any other questions that that individual should be prepared for and maybe even before there's a deal in mind, maybe we're just reaching out to say, "Hey Lee, I saw you on Loopnet and you seem like a very active broker and someone I wanted to connect to." What should they be prepared for even if there's not a specific property of mine, just to begin the relationship?

LK: I think the more you can explain to a broker, someone who specializes in the product type you're interested in purchasing, and I think we're talking about multifamily here. The more you can disclose or comfortable with, depending on the person with whom you're speaking of course.

Goals, business plan, target range of acquisition, general areas you'd be interested in, and mainly professing what you don't know and I think the more forthcoming you are with your spectrum of knowledge with where you are in your trajectory. A good broker will help fill in

those gaps for you, can actually be instrumental in helping you build a plan with a higher probability effectuating it.

WS: You got to step out and have some of those conversations, right? Even if the first one is not very successful, right?

LK: It's a double edged sword for a buyer because most times, that broker isn't being a seller's representative and is hired to achieve a certain end but a good broker is not a sales person but like I said in the beginning, a facilitator, they advise, they consult, every single client we speak with is ultimately going to be selling the property that they are buying and so, it's more of a role where you are an investment advisor, not a salesperson if you're a true professional.

Those who have some track record and credibility in my industry can pretty quickly sift through someone who is serious about investing and I actually have very much enjoyed my journey with many clients from their very first properties when I know a whole lot more than they did to years later. I'm learning all kinds of things from these people and what they've experienced. And it's a great relationship over time so I would say, my advice is, if you feel you have the right person, be as forthcoming as possible and trust in some guidance that this person can give you.

WS: Yeah, great advice and I love that it's a long term relationship, right? We hope to do many deals with the same brokers and you know, working together but I would also add, I've heard other people say this as well and if you're wanting to buy properties in Chicago and Lee's the guy you're wanting to connect with but you haven't had conversations with a broker yet, call a broker in Birmingham or Dallas or somewhere else to kind of get some reps under your belt first, would you say that's advisable, Lee?

LK: Absolutely. I think a lot of the principles of investment in multifamily are consistent across different markets, each one has its idiosyncrasies and you have to adapt to those local systems and ways of investing but generally, advice will hold true across geographic reasons. Yeah, call somebody in Chicago like me, just to find out more about how investments are handled, whether you ever choose to invest there or not is not relevant.

You don't need to tell the broker I'm never coming to Chicago but no, I actually talk with people all around the country who call seeking advice, they'll find me on LoopNet, they'll find me through situations like this that are publicists set me up to speak with. I'm happy to talk with anyone anywhere just about any time, it's a business of networking and building relationships. Most of those people that I speak with are not ultimately going to be direct clients of mine but I know someone in a new area, I'm able to refer, they're able to refer and we're all in the same industry.

[END OF INTERVIEW]

[OUTRO]

Whitney Sewell: Thank you for being with us again today. I hope that you have learned a lot from the show. Don't forget to like and subscribe. I hope you're telling your friends about Real Estate Syndication Show and how they can also build wealth in real estate. You can also go to LifeBridgeCapital.com and start investing today.

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