EPISODE WS1544

Flint Jamison (FJ): Last year, it was $500 billion delivered assets focused on buying build-to-rent communities. So these big institutions, financial institutions, see the demand and they're focusing money explicitly on buying built-to-rent communities, but they don't build. It's where we come in. We're a syndication group, and we find builders and recreate this really great partnership with a housing builder.

Whitney Sewell (WS): This is your Daily Real Estate Syndication Show. I'm your host Whitney Sewell. today. Our guest Flint Jamison spent 20 years in aerospace as an engineer and program manager. He is now finding a path to early retirement through commercial real estate investments.

Flint moved quickly from his initial duplex and pivoted into syndications where he does multifamily fund management and build-to-rent, Clint has got into build-to-rent and you're going to hear his story from aerospace engineer, which is a fearful step for most, you're gonna hear us talk about that. But then also more into build-to-rent.

It's interesting, this asset class is coming up more and more, and I'm enjoying learning more about it myself, but you're going to hear why Flint has chosen build-to-rent, some pros and cons that you need to know when deciding to invest as an operator or passively and build-to-rent.

I'm looking forward to this conversation today. Not everyone goes from aerospace engineer to real estate, and decides to put in their notice. Right and this happened just recently with our guest today. Flint Jamison Flint, welcome to the show. I'm looking forward to the conversation.

FJ: Thank you for having me. I think we travel in a lot of the same circles, but we've never crossed paths. So this is great.

WS: Yeah, somehow we have not met in person, but grateful to have you on and I want to dive into your story. I want the listeners to be encouraged by your leap of faith. And man, you know how you have done this. And because not just everyone goes to the trouble to become an aerospace engineer, then puts in their notice right to go to real estate. That is a marriage, some fear, probably behind you, right, making that kind of leap.

So I want to dive in and give us a little bit about yourself and, you know, building up to real estate, why real estate, you know, even before you even probably felt that it could be worth leaving the W2. Because, you know, obviously, you spent a lot of time on that. Give us a little more about who Flint is.

FJ: Yeah, well, I'll try to make this quick. But I've always been an airplane geek my whole life and I love aircraft. I helped design the 787 for several years, like eight. I designed part of the wing on that. So it's super fun to go flying and know that I was part of that design. But now I help modify aircraft for the military. So it's like Monster Garage for aircraft, but our customers are the military. So normal airplanes go in the hangar and really fancy airplanes come out. But the reason I had to leave, it is a grind. You know working just in the rat race you're working for someone else. It is long hours, it kind of takes the romanticism of loving aircraft out of it, currently working for the government doing military programs.

And it is, as you can imagine, it's working for the government -- lots of red tape, it just takes a lot out of the fun of the job, but then also started just getting tired of trading my time for money when I could find a better way in real estate. So in 2018, I invested in the duplex. I've heard that it was mostly successful. But I realized that wasn't the path to financial freedom as quickly as what I've discovered in syndications.

And so I think, about three years ago, I started deep diving into syndications. I dedicated myself and really hit the ground running this year. Now I'm skyrocketing. So did my first deal at the beginning of the year, did a fund to funds. Right after that now I'm getting into build-to-rent and my day job is getting in the way of my real estate life

WS: Wow. So really just I mean, in less than two years time you went from doing your first syndication to saying, |"Hey, I'm gonna leave this career path and go do this full time."

FJ: Yeah, it's kind of like a hockey stick growth at some point in order to scale, you've just got to take that leap of faith and jump in.

WS: Speak to the pushback you've received. And I talk about this a lot on the show, because I know everybody gets it and I received it and everybody's saying, "Oh, man, Flint, you're doing what? You're crazy. Yeah, something's wrong with this guy." You know, like, I would imagine that you received some pushback. How did you combat that? Maybe what was the biggest surprise around that.

FJ: You know, the biggest pushback was me and maybe a little my wife. I don't think externally people were pushing back much 'cause I didn't hide the fact that I was doing real estate at work. And I actually started a running joke that I was gonna retire in a year and those are rolling waves. I'm gonna retire in a year. Sure enough it was fun that day that I'm like, It's time I'm leaving in a month. And they're like, whoa, this, this got real. But I actually did a lunch and learn last week, because so many people know that I'm doing real estate. And now I'm leaving my W2 for real estate.

I did a lunch and learn, and 115 people showed up. So I'm actually getting more investors from people at work, because they're super interested in being able to put their money to work and an asset class that they had never thought that they could get into. So I think it's working out great. But back to your original point, getting through my head, the challenges and my wife, were taking a risk that let's just pretend I'm not as successful this year, as a full-time professional.

My wife has a job, we can survive off her income so it's kind of a soft landing. But if I'm 50% successful, it doesn't mean I'm gonna turn around and go get a job. I'm 50% successful, I'm still being successful, and I still have more growth to go. So I think you just got to change your mindset a little bit.

WS: Yeah. Even if you were 50% successful this year, you'd probably be 150 or 200% next year, you know? Yeah, that would be a success for sure. You mentioned though you did a lunch and learn 115 people showed up. So you obviously did not keep it very quiet at work.

You know that you were doing this. I think that's that right there is such a launch, right? To getting into the syndication business it sounds anyway. Give a couple tips around that and maybe how you exited well, but also you still let her know that you're doing this and obviously you had a lot of interest.

FJ: Yeah. So I've been pumping LinkedIn hard, I'm a capital raiser and might go-to his LinkedIn. And I post three to five days a week, and I get a bunch of workers from my day job. LinkedIn tells me those metrics, I don't exactly know who they are. But I see a majority of my audience is people from my company. So they've been watching me for over a year on LinkedIn. So that's why I don't think it was a huge surprise that a bunch of people finally showed up to be like, alright, it's real. Flint is actually practicing what he's preaching.

The other thing is, I did well at my day job. People liked me. I was a good leader. I was a program manager in the last five years. So I kind of stepped down from engineering and went into leadership, I feel I was really well respected. So I think that really helps me when people see once a respected individual, a respected leader, he's doing this new thing. Let's follow him. Right? It's that whole know, like, and trust, if you want to invest with an operator. So I think I kind of established some of that.

WS: Yeah, for sure. Especially over a career, you know, originally 20 years, so no doubt, you developed a lot of trust there, you know, with a lot of people. And it's interesting you use LinkedIn, to even connect with all these people you're already working with, right? And they see that happening. They're probably a lot of even questions that they come up and ask you during the day come from maybe a LinkedIn post or, you know, something like that, that they've seen.

And you get to talk and educate and build even more interest right that way. But how did you know which asset class you wanted to get into? How did you move forward in this space? What were some of the first action steps that helped you to move into commercial real estate really, from that duplex?

FJ: So I think like most people, we originally started with BiggerPockets. And then that's how I got into the first strategy with the duplex and then after I went through that, it was a painful renovation, took twice as long and cost me 30% more money, right? I came across the podcast with Michael Blank talking about syndications in multifamily. And from there I dove in. That was my first stop. It was, let's do this in the multifamily world. Yeah, I got mentors, educated myself, and even with my mentors that's how I got into the fund the fund. So my mentors were doing a giant fund -- three properties. It was a $50 million portfolio.

And they were inviting other capital raisers. And it was a soft landing for me, as well as kind of a newbie capital raiser to get in and raise for him. So that's really the full start. And then once you get into the bubble, like I was talking about, we all run in a similar circle. And that's when we build-to-rent kind of came across my path.

WS: So yeah, mentorships are key. We talked about it often on the show even exactly what just happened to you, you know, like partnering on a deal with a mentor is crucial. You are gaining so much from that partnership, you know, and having somebody that's experienced to help go through that deal, right? You're not having to find it, you're not having to manage it. You're relying on a lot of experience there, right that you're not having to go get a first but you're still able to bring value in other ways. And that sounds like it's what you did and gained. Probably a lot of education, you know, through the process, there's so much value. So man, congratulations on that success.

I want to jump in though to this build-to-rent thing you said now you're moving to build-to-rent, but what is build-to-rent? We've only talked about it a couple of times on the show, but we're hearing a little more and more about it right? Yeah. So I know the listeners, whether they're passive or active, are probably wondering, "Hey, is this something I should know about? Is this something I should be investing in or considering, you know, as an operator or passive?" What is build-to-rent? And let's dive into how you are investing in that?

FJ: Yeah, so build-to-rent is essentially, if you think about an apartment complex, where all of the investors now have their own single family home, so it's a housing community with this explicit purpose of renting. You have all the amenities, property management, onsite maintenance, a lot of times you'll have a pool, a dog park, right? It's like a Class A plus apartment building, but you have houses.

So it kind of bridges this gap between those who are ready to move out of an apartment building like all the millennials in their growth, family building years, who would like to get into a house but can't afford their house. So this is the best compromise for we're providing these smaller starter homes in these rental communities that people can at least take a first step out of the apartment life and get their own four walls.

WS: Yeah, if I was a renter, that would be probably one of the first things I would look at right? It's something like, especially when you have the amenities as well. It's not just to a house. But you know, I guess deciding to move into that asset class, maybe some pros-cons, some things that we should consider that maybe you've considered as being focused now on this, what should we be thinking about as we're considering investing in or operating something like that?

FJ: Yeah, I guess there's a couple of different ways to look at it. One, from an investor standpoint, there is such a massive demand for it. Neal Bawa actually did some research and found out last year, it was $500 billion delivered assets, focused at buying build-to-rent communities. So these big institutions, financial institutions, see the demand and they're focusing money explicitly at buying build-to-rent communities, but they don't build. It's where we come in.

We're a syndication group, and we find builders and recreate this really great partnership with a housing builder. And the syndicator, we raise money the builder gets to build. And then we get to sell an entire property full of however many houses you build. Right now we're doing 158 homes, it's just one big lump sale.

So a builder doesn't have to sell these individual single family homes. Who's the builder? It behooves investors to get in because there's such a demand. And from the renter standpoint, they really love being able to rent four walls,

WS: No doubt, you know, I'm thinking about the development piece as well. I mean, yeah, how do you think about, you know, becoming a developer versus partnering on multifamily. You know, like typical value, add type projects?

FJ: It's fun, it's a totally different world, and you got to learn the industry a bit more, there's no cash flow, you have to educate the investors. And they got to understand that you don't get any cash flow until there's property built. Now, here's the difference between the multifamily apartment buildings and what we're doing. As soon as a house is built, we can put someone in it and lease it up. And we plan on doing 10 to 15 houses – start each month. Thus, we'll finish each month and with 15 houses, we'll start populating those.

When you do new development, apartment buildings, you have to wait until it's 100% complete, and you get that engineering buy off. So I think from a risk standpoint, it's a lot easier to build these smaller starter homes, and get them filled and start cash flowing from an investor perspective, it makes it easier. It's a lot less work.

WS: So 158 homes, you got down, you built 50 homes, something crazy happens, or materials skyrocket, again, whatever it may be, you can just halt and just keep the ones rented that you have.

FJ: Yeah, there's also fun exit strategies, because we plan on keeping this as one solid asset that you sell as one big property. But if the economy turns and demands change, you have a whole bunch of single family homes that you can do something different with.

I guess option one would be you can sell them off as blocks of houses for investors who like single family homes, like an investor can come in and buy a one to five or something like that. The other thing is you just partner with a broker and you can sell them off individually as needed just to homeowners. So there's more exit strategies than you would see with a multifamily apartment building.

WS: Well, you consider different exit strategies like that, like when the time comes as far as are you going to possibly try to sell five at a time or would it be I think you mentioned your goal is to sell all at one time? I mean, I'm just thinking about the hassle factor of selling, you know, five at a time would be.

FJ: Definitely a hassle. But I guess we would consider it if we have to. Right? If for some reason in four years from now, the economy totally flips and does something different, we will do what we need to. But there is a property management and clubhouse right, it's, I guess if you sell them off individually, you establish an HOA, so it's just [inaudible] for us, but it's definitely not the number one go to sell it as one big property.

WS: You mentioned, you know, just the massive demand. And, you know, I was actually talking to somebody else about this demand. And you know, it's not everywhere in the country, right. So people think, oh, you know, the US has this kind of demand. Well, yes. But, you know, there's certain sections of us that have massive demand. And that, you know, in other parts that don't have as much demand right now. How do you all select, you know, where it's worth building something like this, you know, 158 homes?

FJ: Yeah. One, you have to find a community and local government that's willing to let you build one. And one of the biggest challenges in new development, in general, is not just build-to-rent, but also apartment buildings is the NIMBY culture, not-in-my-backyard, where you find a piece of property, and then you get a lot of the locals who will protest and say, "No, you can't rezone this now, you're not able to build homes here, we don't want it." That is the number one challenge.

So where we find property is where we know that we think we can be most successful and get all the entitlements and approvals. From a local, the top part of what we did now is we partnered with a builder who knows the area really well, knows that build-to-rent is in huge demand in a certain area, and they know all the officials, they can get in easily, and they can get it bought off. One of the biggest risks of new development is getting rejected.

So we're bringing investors in after the entitlements, after all the approvals. We're about ready to cut there. So I think this is kind of the lowest risk way to get into new development.

WS: Yeah, I love that you mentioned also you're partnering with a developer, somebody that's local, somebody that's been in that area, we've done that ourselves, it's like, I didn't become the developer. However, if we can find a great partnership, you know, with somebody that's been in that area for many years, and, you know, it just saves so much headache, right? You know, and for them to use their skills that, you know, we bring that they don't have, and sounds like that's what you all are, are doing.

Also, you know, you mentioned earlier, educating your investors on this, is talk through that a little bit, you know, your focus is on the investor side, and in raising the money, you know, a lot of our investors have been so focused on, especially the last 10 years or more, you know, this quote, value add right type property that we've all been looking for. And they're used to getting those returns right away. They're used to those monthly distributions. And, you know, how are you educating them, and really, maybe changing their focus a little bit to this build-to-rent development type model?

FJ: Yeah, there's a couple of things, my investors are still fairly new. So I haven't done a whole lot of value-adds and gone full cycle, and with the interest rates going up, even the cash flowing value assets aren't cash flowing very well with higher interest rates. So going into new development, there's not a huge difference in cash flow. I mean, one, zero, the other one could be a very low percentage. But we can also be done in 24 to 36 months. We could be fully built, stabilized and sold. So our turn is possibly a lot quicker.

WS: Okay. And then I was just thinking through even the technical piece of educating your investors, is it mostly in person for you? Is it mostly through email? Is it phone calls? What does that look like? So there, you talked about, you know, you did this even lunch and learn and got people interested in this space. But hey, well, this build-to-rent is different.

FJ: Yeah. What's funny is I was just in this lunch and learn, I was just talking about, hey, there's passive investing, I think you can do it in commercial real estate. So I haven't even gotten into the nitty gritty of all the different asset classes. But yes, I do meet in person. It's all the above to be honest. And it depends on where they are.

For the most part, I try to educate via the newsletters. As we get closer to a deal I get on the phone. And for those who are local and want to meet local, I'm absolutely there. At this point, I think I'm going to need to start a local meetup just because of my lunch and learn and all that demand. I think I need to start that local face-to-face just to help educate some more. What would you have done differently?

WS: Just knowing what you know now about real estate or you know, investing even from the duplex or even many years ago or just what would you have done differently? Now that you know what you know about real estate.

FJ: I could have probably been a year ahead. We're talking about getting in your own head, right? You can sometimes get in your own way. You can definitely move faster, you just have to get out of your own way and allow yourself to move faster. So it's educating and taking action.

Because I'm an engineer, I have a tendency to want to know everything through and through. You don't have to be. You're partnering with people who are experts in a lot of other things. Choose your one lane. Choose how to be an expert in one thing, I mean, on your partner's, you can move so much faster. And the other thing, get mentors, get coaches. They will accelerate you beyond belief.

WS: What about your leaving your position to pursue real estate? And so I always ask and I try to. You know, any predictions that you have for the next year, you know, and just the real estate market. And you are going full time, obviously, you have hopes at least thinking I would think that it's going to be a good year. What are your thoughts about the economy over the next year?

FJ: Yeah, the economy has definitely made us change our strategy. We can't hide that fact. But what Warren Buffett said is be greedy, when others are fearful and be fearful when others are greedy.

Millionaires are made out of recessions, there's going to be a lot of motion right now in the real estate market. And it's those who take the opportunities in a very strategic and smart way, are the ones who are going to come out way ahead, yet things are gonna stop and things will slow down. But also a ton of opportunities are going to present themselves. So be ready and get on it.

WS: How did your strategy change? You mentioned the economy made you change your strategy, what specifically changed?

FJ: I went to build-to-rent, to be honest, I went into new jobs. Even earlier this year, when the prices were going so high and the way everyone was competing, it was getting really difficult to acquire property, now there's less people competing. You can get something at a lower value.

But even then, when you get a new development, you can buy a raw piece of land, there's not a whole lot of competition there. You can just get in and then your yield on cost is so high when you buy a piece of land and turn it into something that's worth $40 million. So I think that there's less competition and the interest rates have a lesser effect. When you're in your new development plan.

WS: What's your best source of meeting new investors right now?

FJ: I would say it's still LinkedIn, I started going to some non-real estate conferences, like financial conferences just to meet a bunch of new people. That's really it. And I think I'm gonna try to just double-down on the strategies that are working for me right now.

WS: What are your top strategies? LinkedIn?

FJ: It's LinkedIn. I haven't fully maximized my potential on that yet. It is a lot of work. That's you started pumping LinkedIn, but only 1% of the people out there are creators. So if you're a creator, you get noticed.

WS: What's your best advice for passive investors right now?

FJ: Don't be fearful. It's time to find operators, you know, like and trust and set your goals? What do you want out of your money? Don't just sit on it, you're losing it. Inflation is going to win your money. The stock market's not so hot; real estate, if done, right, it's still going up?

WS: What's the biggest challenge you're facing in your business right now for real estate?

FJ: To be honest, I need more investors. That's really it, it's to grow my investor database. The next step, actually, once I'm free from my day job, I'm gonna get more active in the general partnership.

And I think I'm gonna actually start looking for land myself and looking for partnerships and some areas here in Colorado that I think are super ripe for some build-to-rent. So that's going to be a totally new, new growth path for me,

WS: What are some of the most important metrics that you track, could be personally or professionally?

FJ: There's so many different answers to that, depending on the lens I'm wearing at the moment, like as a passive investor, I'm looking for wealth multiples, because at this point, I really want to increase the size of my so-called snowball.

That way, when I choose to be financially free, that snowball is continuing to grow, and I can peel off of it and live the life I want off of passive income, that's the ultimate goal -- passive income. To get there, I'm actively investing. So from that, it's metrics on how much I can make as a general partner to support my day life and support my passive investments. So there's a lot of metrics in that one.

WS: What about some habits that you're disciplined about that produce the highest return for you?

FJ: I think my habits have changed. Well, really, it's my mental state, the mindset of abundance versus scarcity. Let's go there really quick. I didn't expect to grow as a person getting into real estate. I thought I was just gonna get some real estate and make some money. It turns out that the world I'm living in now, with all the real estate folks, the bubble that you and I live in and it's a mindset shift: how to be successful.

We're always helping each other, that has changed me as a person. And my wife has even mentioned that it's changed my outlook on life. Beyond just the daily grind of let's just do the next thing. That's not necessarily a very specific habit, but I think it's one thing that has been the most impactful for me.

WS: Mindset is that important. And yeah, it's habits. I think it's habits, the way you think, the things you think about everyday, what you're putting in, and you're either putting good and or bad in the other right, coming back out. So no doubt I appreciate you sharing that. And what about how you like to give back?

FJ: Right now it's just financial charities where we see fit, part of what I really want to do once I gain some more bandwidth and some more freedom is do Engineers Without Borders, a lot of people probably haven't heard of it. You've heard engineers or Doctors Without Borders. But there's Engineers Without Borders too and there's great stories of people going to Africa and creating water filtration systems or creating cool mechanical devices that might help the community. So I totally love to do that.

WS: That's awesome. I'm grateful for your time with us today and giving back to us and sharing your story. I mean, from aerospace engineer to real estate, leaving that as like there's so many people that can relate to your story and probably need the encouragement that they can do it. Because that is a big step to say the least so grateful to meet you and have you tell the listeners how they can get in touch with you and learn more about you.

FJ: Yeah, the easiest place is VestusCapital.com or like I said, I'm on LinkedIn. Just look for Flint Jamison, there's not many of me out there.

WS: 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 the 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.