ANNA MYERS – USING DATA TO WIN BIG

Podcast Title: Pillars of Wealth Creation

Podcast Host: Todd Dexheimer

Full Transcript:

Anna: But we don't even analyze deals that aren't in the market or micro neighborhoods that we would want to invest in. So, we're looking at Key metrics like, you know jobs population median household income poverty levels unemployment levels these types of things and we're looking for. What we call like the Goldilocks zone for each of those metrics and we're not even going to analyze deals that aren't in those zones.

Todd: I'm your host Todd Dexheimer with me today. I've got Anna Myers. Anna how are you doing today?

Anna: I'm doing fantastic. Thanks for having me on the show.

Todd: Awesome. Well, I appreciate you joining us a little bit about Anna and then I'll let you take the rest because I like to have my guest towels. About themselves, but I'm going to start you off Ana serves as vice president at growcapitus a commercial real estate investment company in the San Francisco Bay area.

And Anna is a modern entrepreneur who applies or 20 plus years of experience and technology and business to finding analyzing acquiring and asset managing commercial properties in Key markets across the U.S. Together with her business partner Neal Bawa. They approach real estate through a data science lens to create compelling profits for their investors and a with that said tell our listeners a little bit more about you growcapitus and what you guys are doing and what maybe sets you apart from everyone else.

Anna: Sure. Well, first of all just a little bit about my background. I am a third-generation commercial real estate. But as the youngest grandchild of my grandfather who was a commercial real estate Maverick in Southern California. I didn't really work at the real estate office or work in my dad's architect office.

I you know is the baby of the family I ended up going and going on my own route and I went into I.T and it was a little later in life that I came back into real estate because of the. Clear advantages that I realized of, you know tax depreciation and you know all the things we love about real estate, especially commercial think so, but what I brought with that is when I rejoined real estate.

I had been spent a bunch of years and technology and so I'm a data geek. I love spreadsheets. I love data and I'm always looking at the numbers and not just for analyzing a deal. I always wanted to find the perfect markets and that was such a struggle for me because I live in California always have been born and raised. And it's not the market. I invested.

Todd: Yeah!

Anna: When you don't live where you're investing, how do you Analyze That market and I struggled with that for years as an educated geek and then when I met up with Neal Bawa and saw him presenting at a conference, I was like. This guy I really get this guy like that just really resonates with me his whole approach the way he talks about data.

And so, I took a bootcamp from him and that's was the beginning of our journey. I started volunteering for him and then eventually working for him. And you know now I'm service the vice president the company but we together both have a tech background, and both basically take data science and apply it to real estate.

So, you know what? That means is we're you know, obviously you can imagine numbers when you're analyzing a deal, but we don't even analyze deals that aren't in the market or micro neighborhoods that we would want to invest in. So we are looking at Key metrics like, you know jobs population median household income poverty levels unemployment levels these types of things and we're looking for what we call like the Goldilocks zone for each of those metrics and we're not even going to analyze deals that aren't in those zones.

So, I think that's a differentiator for us and it's a differentiator for our investors who invest with us because they know that we're doing the homework. We've got quantitative, you know metrics to show them like this is why we like this block. This is you know, and so we're not just saying hey, it's a good deal.

You know, it's the returns are great. Well, we are looking for not just the returns are great. But the market fundamentals are substantial so, you know, the economy is going to go up and down but what you want is a market that's going to support you even if the markets going down somewhat if you have a strong Market it has room to go down if you're in a market that's already at the bottom.

Where you going to go? You know.

Todd: Yeah, I really like that. I might I'm kind of a data geek myself and look at markets. I think pretty similar to what you guys do as well. And one thing I noticed during the recession is and then the expansion beyond the recession is. No, you could buy properties in markets that weren't maybe or neighborhoods that weren't fundamentally that strong and you can buy them for cheap and you can cash flow, and everything was fine there.

But as things continue to improve those prices didn't merely bounce back like

Anna: Right you just have the appreciation.

Todd: Yeah, you didn't have the appreciation. So, when you look at you know, what? The Minneapolis markets. For instance. We take a neighborhood that's in more like that C-Class that just doesn't have that growth and the properties may be increased.

But if you would have bought a property with a little bit less cash flow. Still having cash flow but a little less cash flow. Will you would have far exceeded the expectations of returns and the stability as well.

Anna: Right!

Todd: As the market goes up and down those see neighborhoods are the ones to really, I think feel those impacts a lot quicker.

Anna: And one of the things that we really focus on when we're looking at these see neighborhoods.

That does make a difference, you know, we as indicators, we all talk about forced appreciation. Right? What we want to do with a commercial real estate property is move the rents or basically move the net operating income. And so, we're not necessarily relying on appreciation. We're going to take the in our own hands and the plan the business plan is to force appreciation.

Well you in order to force appreciation. In other words, you're trying about increasing rents or you know, a lot of times it's about increasing rents. Not just reducing expenses. Well, your tenants have to be able to afford to pay the rent increase. So, you have to look at the median household income and what is your tenant based?

To see can they can they actually pay the rent that I'm saying. I'm going to move the rents too. And will they be able to pay their rents 12 months out of the year? Down here. So, so you get an area for example where the median household income is, you know, 28k or 24K. It's very common out there.

It's and your charging, you know, $800 is going to be your average rent. There's a good chance. They're not going to be able to pay you rent 12 months out of the year and then you're going to have a lot of turn and you're going to have a lot of delinquency. So, these are issues that can really get in the way of the profitability.

You can forecast and project the numbers however you want but you've got to run that business and you've got to deliver returns for your investors. So, by pre looking at the underlying data to say, you know, what is what is the median household income, and will they be able to afford what we're projecting and then go from there.

So that's part of our Goldilocks zone. We typically look for. Median household income no less than 38K. So we're looking at you know, 40K is kind of our average but we're not looking for median household incomes of a 100K because typically you know that type of scenario even ATK the housing prices are going to be so expensive unless you're in a pocket of the Bay Area that.

You're not going to be able to your Capital your you know, the cap rate is going to be so low, you won't be able to make any profit on the building. Yeah, so, you know, you have to consider all of the elements, but median household income is really crucial for us and how we pick those micro neighborhoods and we're looking at like within just a few blocks of you know with here's the property.

Here's the blocks around it. And what's the income in that area?

Todd: Yeah, a couple things I want to you know. Make sure we mention here, or I mentioned again. What you just said is you said it twice now is you're looking at blocks. You're not looking at the whole city necessarily and you might be looking …

Anna: We do?

So, we do… Start by looking at the overall metrics of the market? And if you don't like the market then you're going when you're not even looking at the neighborhood and so for overall Market, we're looking at just you know, the big ones of jobs in population.

Todd: But as you really dial in to a property?

Your van dialing into that neighborhood. I'm assuming right?

Anna: Absolutely. Then we're looking at median household income unemployment poverty level the very specific, you know, you don't look at it, you know, like for unemployment, for example, we want to look at unemployment in that that neighbor that micro neighborhood and then we're going to compare it to the city to say is the unemployment in this area.

We only allow it to be 2%. Higher than the city's unemployment if it's more than 2%, that's not good for us. Yeah, because you have to take a you have to take a local perspective. You can't take the US national; you know for that for that metric. You can't look at the US average. You need to look at a more localized average or metric.

So, these are the types of Goldilocks elements that we look at. You don't want huge unemployment. However, you also have to take into consideration if there's a school nearby or if it's a large retired Community because those can affect your unemployment rates and it could be okay, so you can have a very large unemployment that's triggered by a retirement, you know, large retirement community or large student population.

Todd: Yep know that that makes sense as well. I think it's very important as we talk about this and you look at this data how you said were really narrowing it down and we're looking at all the points of the data we're looking at what's going on in that market in particular you're looking at the city as a whole but a lot of people go.

Okay. I really like. XYZ City, I really, I like Dallas Texas for instance because it's the hottest Market in the world. But I like Dallas Texas, but then they go, and they just look everywhere in Dallas Texas. That's right assume that everything is equal in Dallas and they just assume that that market is going to be good no matter where they're at.

But that's not necessarily true.

Anna: Never true. There's never a market. You could look at where every single block is a good Block. It's not ever going to be true. Yep.

Todd: Yep. And so we have to as you have already said really dig down and look in a neighborhood and specifically and then the other thing I really liked that you talked about is affordability and what these tenants can actually afford versus what you're trying to charge for rent.

I think so often we forget that one of the. Things that tends need to do is be able to afford actually pay the rent. That's right. And in a good economy most people can afford it and they'll push their boundaries but as the economy shifts, if you didn't pay attention to what Anna's saying, then you're going to have a challenge actually collecting those rents that you want to and need to get.

Anna: That's right.

Todd: Cool. I love the "Data" thing. So, let's keep on talking. So where are you finding some of this data? And how are you really picking it apart and making sure it's useful for what you need.

Anna: Sure. Well. One of the parts for our company so growcapitus is our investing side of the house.

And that's where we acquire large commercial properties and with investor money. We purchase these properties. We've actually in the past. Ten months acquired over a thousand units, but there's also another side of the house which is our education side of the house. So MultifamilyU is where we teach people how to be active investors and teach them about.

You know all of these data metrics that that Neil has kind of come up with and uses in and then we use in our own portfolio. We teach boot camps. We also have a lot of free webinars that we do. So, the reason I'm mentioning all this is to say everything that I'm saying you can find through our free there's a free Udemy course that Neil caught on how to.

How to pick the best cities and neighborhoods in the US and he walks you through the whole thing. It's a 90-minute free course on Udemy. So, I definitely recommend you all find that because not only are you going to.

Todd: That's a multifamilyU…

Anna: Well, it's connected for multifamilyU yes, but I'm some people might want to go straight to Udemy and it's also it's a free course on Udemy and so you asked about the source of data and on there.

What he did is he felt free sources of data and then teaches people how to use those sources of data in order to get these metrics and what the metrics are usually looking for. So many of you have heard of City-Data.com before you've probably used it. You've probably looked up stuff and said that there's a lot.

Commercials. There's a lot of data here. But how do you use it now? He's come up with a way to very specifically Target the data that you need and gives you ratios for each of those days those things and then the thing that I think was really brilliant is there's a map on there and it's kind of like this interactive data mouths kind of like cool.

That's like what do I do with this and he shows you how to use that map and to dial the levers here and there and. Within that you can find the path of progress through the city and how valuable is that because you don't want to invest in the war zones, but you don't want to invest in the locations that are like to Rich.

You can't you can't make your returns there. Where is that sweet spot? So, by doing this technique and dialing it this way dialing at that way and then sampling the data. It's like a river that runs through the city that shows you the exact path of progress and that's using free tools. So, we you know, it takes a little while but once you know how to do it and you're investing you're going to save so much time by buying the right the white part of the city.

So, you're going to save yourself a ton of time that way but what we use on a regular basis as the lead underwriter of the of the group the two things I use that are paid tools is local market monitor. And that's a fantastic tool that analyzes markets. It’s pulling and aggregating data from lots of different sources and then it will rate the cities based on all kinds of different metrics.

So, I’m always looking at any time. Somebody sends me a deal that they would there would like us to partner with them on for Equity. The very first thing I’m going to look at is I look at the address and I’m going to pull up the. And see what’s going on in that market and it gives me a lot of different information about median household income and where things are and then it gives me a rating for The City the other thing that I look at for the micro neighborhood is using the address I use neighborhood Scout.

And neighborhood Scout is a fantastic tool again. It’s an a it’s aggregating data from City day, you know all of this public data that’s out there and then layering on additional things. So those are the paid tools that I use daily and then we also will do use the same City-Data technique to go in and look at the path of progress to see you know, how it lays although neighborhood Scout has its own way of kind of producing information and scouring the area to tell you the appreciation potential of an area as well as the.

Past but the past kind of history of the area and how the appreciation has been overtime. So, we look at that a lot. And then the other thing we look at these days, which is also a free thing that everybody should be looking at, so they know what they’re investing in is opportunity zone maps.

You can get those all over the Internet. It’s really easy to Google. You know, whatever City you are. There are tons of great Maps out there. You should know are you looking at an opportunity zone or not? You know, do you own already in an opportunity Zone? It’s an additional element that everybody should be aware of and you don’t just by buying in the opportunity Zone.

You’re not automatically eligible for the tax benefits. It takes there’s some things there. So Hoops, you got to jump through but if you can jump those Hoops, you can really create great wealth of for yourself as well. As you know, if you’re using have investors with you. You can have them defer a lot of capital gains and create a lot of wealth moving forward.

So, something you should always look at whenever you’re acquiring a property is the opportunity Zoom zone map for that area.

Todd: I want to hit on the opportunity zones and a little bit here, but I want to just mention, you know about what you’re saying previously on these. Websites and getting this data great stuff there by the way, so City-Data the mapping what you talked about with what you guys have at multifamilyU I think is fantastic because as you mentioned.

When you can…, you can buy in a C-Class neighborhood that or even B-class neighborhood that doesn't have any growth. That's just stale stagnant, maybe even trending downward and you might be able to find a good deal there and cash flows were really well today. But if nothing positive is happening property just continues to potentially even lose value.

But if you were able to find where the Emerging Market is find where that path of progress is going now, you have an opportunity to really create some real true growth and wealth not only your rent growth but your appreciation of your property and that's the golden. That's the Golden Goose right that it's just.

Anna: And that's what data can teach us.

So that that's what's so exciting to me is using data to understand the path of progress because that's yeah. That's what we're all looking for. Right?

Todd: Yeah. That's the exciting part. So, let's hit quick really quick on the opportunity zones. You mentioned the opportunity zone. So, I don't want to pass by them.

First of all, some of our listeners may not know too much about them. So maybe give us a little rundown of what they are. And again, why should we even care?

Anna: Sure. Well, I'll talk about them a little bit from the investor side as well as from the active from the active and passive investor sides cool.

So, first of all, what is an opportunity Zone opportunity zones our census tracts that the income is lower in those areas. We might consider them to be distressed areas. So, compared to the census tracks around them. They have lower median household income and. Are you know our worst condition? So, what happened in the 2017 jobs act there was a portion of the jobs act that was passed in there, which is the opportunity zones.

And what they did is they are trying to free up capital gains that they feel people are holding onto because they don't want to pay taxes on those capital gains. So, the program is designed so that first of all they I had the state Governors identify. The census tracts in each state that would be vote, you know would be proposed to be the opportunity zones and then they had to be certified by the US Treasury that process created 80s over 8,700 opportunity zones in the US.

Okay, so the intent is now for. Capital gains to be invested into these opportunities owns and for these communities to then be developed and to come up to the standard of the census tracts with the neighborhoods around them. That is that is the goal and it's a fantastic goal that will help not only investors but also community.

So how does that work for the investor? And how does that work for the owner of the property? So that's let's talk about the investor first. If you have capital gains, first of all, you could bring capital gains from. From many different sources. It's not just real estate. You can bring capital gains from sales of stock from sales of anti-car from sales of artwork any you know, almost any kind of sale of a business almost any type of capital gain that you can imagine qualifies.

What you need to do is put it into and the opportunity Zone within a hundred eighty days. Of that gain being recognized. It doesn't have to be the next day. You have up to a hundred eighty days to invest it and then you invest it into an opportunity Zone fund which can be a single property. By the way.

It doesn't always mean more than one property. That's just the commonly known for what it is, but we'll talk about it as a single property. So, you have to a testament to that property within a hundred eighty days. Then you get the three advantages of opportunities own investing. The first is that you get deferral.

So, you do not have to pay your capital gains tax on that transaction for seven years if you invested in 2019, basically, it's 2027 taxes that it starts 20.6 taxes that you're paying in 2027. So, if you were to invest it now. You would have seven-year-old referral if you need to invest next year than you have six-year deferral.

So, it depends on what you're but the 2027 is the year you be paying the capital gains. Here's the second part. There's also forgiveness. So, we had deferral now. We have forgiveness. The Forgiveness part is the longer you have before that. You have to pay you get a step down in the basis of your capital gains instead of paying a hundred percent.

If you have seven years, then you only pay 85 percent of the capital gains that you would have owed. If you get down to five years, then you pay 10% of the capital gains. So, kind of sit down and eventually you don't get any of the Forgiveness. You just get the deferral. Okay. So those are two pretty nice things that people are like, yeah, that's great.

I don't have to pay my capital gains tax until you know in the future, but the big thing is for investors, if you hold that asset or you're invested in that that opportunities own else that for ten years and the day. Then you the growth the appreciation on that investment the capital gains you would get on the sale of that investment is tax free.

Forever. So, once you sell it those capital gains from that outset, you paid no taxes on the federal level. No federal taxes are due at all and that can be a huge amount of money. In fact, I think that I think it's that for every hundred dollars that you invest. If you invested in a traditional portfolio versus an opportunity Zone the and you get both had the same, I think 10 percent appreciation Etc.

Then you would have forty-four dollars more in the you would have gained 45 dollars forty-four dollars more for every 100 dollars in the opportunities on.

Todd: Not bad.

Anna: Is very significant. It's very significant. Yeah. Yeah, so that's it. So that's fantastic. So, I'm sure the investors in the group were all jumping up and down and saying, how do I get me some of that?

So, here's what you have to do from the active investor side. If you were buying an opportunity Zone project or a property within an opportunity Zone. You are courtesy. Of course, you need to buy it, but let's so you have to buy it and then in order for it to be eligible, you have to bring in a lot of capital to improve the property or how much Capital do you have to bring in the ratio?

That is the formula that the government has come up with is the value of the building. Where the buildings on the property is the amount that you need to bring in in capital to improve the asset. So, for example, if you had a million-dollar property that you purchased and $250,000 was deemed land and 750,000 was deemed buildings.

Then you would have to bring in an additional seven hundred fifty thousand dollars in capital to improve the buildings and you have to improve the buildings within 30 months. So, there's a time frame there. It's not like you remember you got to hold it for 10 years, right, but you can't be like, oh, this is cool.

I'll just bring in $50,000 a year or seven, you know, $75,000 a year and I'll meet my objective know the plan in the you need to improve it right away, you know, 30 months to improve. So right. There are a lot of people are like ouch. That's how do I do that now for us? That means most opportunities own projects are not value-add syndication type projects because you can't bring in enough Capital.

There's not enough you're going to be over improving the project. So yeah, we like to say there's not enough lipstick you can put on that pig, you know, so instead of unless you buy land that has like a little house on it and you're going to scrape it. Or an apartment building that has room in the back, but in both of those cases we're talking about new construction.

We're not talking about renovating kitchens and raising rents. We're talking about new construction. So that's something that people need to understand as well that you know, unless you can get your ratios right where you are just improving versus ground up Construction. The majority of opportunities own projects will be new construction.

So, for us that's great or that's not an issue because in our portfolio, we have quite a few grounds up construction projects, so that is within our wheelhouse and we're very confident and we actually love to ground up Construction. We've got two projects were doing in New York that are ground up construction.

And another one that's just launching in St. George, Utah. So, you know, so that works for us, but we always I always find that investors are not aware that opportunity Zone has these requirements. They're all excited about it. And then when they understand what needs to happen there like, I don't know how

I can make that work, you know, and I would encourage people to look at it and look at creative financing.

You might be able to make it work and partnering with the right people, you know, we partner with developers and not just any developer but developers who have experience with holding an asset. You can't partner with the developer who then is going to sell the project. Right after they make it because that's what developers do right, they build something and then they sell it and they go well that won't satisfy the opportunity Zone because they have to hold the 10 years.

Yeah, and then if they're going to hold for 10 years, they need to have the experience holding. So yeah, there's a few there's definitely a few gotchas that whether you're investing or buying. In Opportunity zones, you need to consider. We have a booklet an e-book that we put together called the five Perils of opportunities own that talks about parallel different perils and how to avoid them.

So actually, I can people can get access to that eBook if they text "5perils" to 44222 So, the number 5 P-E-R-I-L-L to 44222 and then that you'll get an e-book that will walk you through the do's and don'ts and things to look out for as an active or passive investor in opportunities zone.

That's opportunity zones!

Todd: Awesome. Well, that was very detailed and man you went through that really quick, which is awesome. So

Anna: I'm more about it. I can talk about that. You know that.

Todd: Yeah. No, but that was great. That was probably the most detailed and just like. Very concise. I mean you didn't spend a lot of time on it, but you were really detailed, and I appreciate that, and people can listen back.

Anna: Even says he's that I know more about opportunities owns than they do and there are three are like, you know, the bigger pot there. They're like fantastic real estate CPAs. And they referred me to speak at an opportunity Zone meet up when they were invited there like you don't want us you want her.

Todd: I feel like I went to a half a day opportunity zone on a meeting right and they talk about all the opportunities zones. I feel like in the five minutes that you talked about opportunity zones. I learned more of those five minutes and I did an entire media. So, congratulations.

Anna: Well, they even are all about opportunity zones.

We're very actively pursuing projects and we apply the same type of data filters to the way we look at oz's and o-z census tract. It's just another you know, if they're slightly different, of course because there are areas that naturally have lower income. Right? so we have to look at it in a different way, but there's out of the 8700 of opportunity Zone.

Out there are 19% of them are in already gentrifying areas. So that's one thing to know where you don't have to buy in a distressed what we consider a distressed area. Our war zone not all of these are like that. There's you know, there's opportunity zones in downtown Phoenix.

There are opportunity zones in San Jose, California, you know, so

Todd: We've got an opportunity zone right by the Mall of America.

Anna: Yeah, and do you look at it and go like are you kidding me?

Todd: Yeah, it's not

Anna: Happen.

Todd: Right. So that's the important thing that I've understood from a lot of people as for one.

They're not all in these bad areas that you consider to be, you know, the ghetto or whatever you want to call them. They're not necessarily all in these terrible areas. They are sometimes in gentrifying areas. And the other thing is. Most deals from what I've been told most deals in Opportunity zones don't work and it's just like a normal Market.

You have to sit through a lot of deals in order to find a deal that actually works.

Anna: That's right. And then you got to know what to do with that. Well now that you know, you've got to bring all that capital in, right? Yeah, and then if the class of it is a Class C area, you have to think I don't want to build a Class A building in a class C area, right?

It’s going to be a mismatch. Yeah, but maybe Self Storage would be a great match for some of these areas. If it’s not, you know, if the if the income is lower people might not mind. Having their self-storage in an area that has lower income, but they don’t want to live there. So, there’s certain asset classes.

It doesn’t have to be residential right? There are the different types of asset classes. That could be a great match. The Cannabis industry can be a really good match. It’s not something we currently invest in but there’s different it doesn’t have to be, you know residential real estate. We’re I am not an expert on it.

But you can also invest in opportunities on businesses and not something our audience would have to look up on their own because I’m all about real estate. But that’s also something that can happen in in Opportunity zones is the business side of it.

Todd: Yeah in the businesses from what I understand have even more so meet some better perks and in even more perks.

So that’s definitely something to look into if you’re interested in that and I like that you detailed the length of time and these opportunities on sound like they work if you’re going to hold it for ten years. If you’re not going to hold it for ten. Yeah, ten years in a day for not going to hold it for 10 years in a day.

Yeah, they do. Okay, but. Ten years in a day they do really well because

Anna: Not only really well.

Todd: Because, now you don’t have to 1031 exchange you can sell it and you’ve got. Tax free.

Anna: From a federal perspective is text for you need to look at your state tax.

Todd: State tax, which.

Anna: So, you can look that up online.

There are you know, it’s that there’s a map and who knows, you know, many of them might turn around but you might have to pay your state tax your state version of the capital gains right away. So, you do need to speak to your CPA about it. You know when you're when you're going like what is the best path 10:31's on the other side.

Most States are in alignment with the federal, you know, the feds in the states are in alignment on 1031. So, I have a whole 1031 vs o z shoot off that I do but I have to tell you I'm a huge 1031 fan myself. Probably done about seven of them so far, my life and it's been a huge wealth builder for my family generationally and myself.

And in fact, I'm such a believer in 1031. I have an invested enough time to be able to figure out with the help of other professionals how to 1031 into a syndication. And so that is something that we are offering now, so not only so we're all about tax deferral. So, we are we are we have OC projects that we're offering to investors and we also have 1031 eligible projects not they can't be the same thing because you can't 1031 into an opportunity Zone, but we have syndications that were doing that are 1031 eligible.

So, people that want to be passive investors, but want to be on a larger, you know a larger building. They don't want to mess around with single families or small multis anymore. They can 1031 into a large syndication.

Todd: Yeah, and that's something you hear that. Most people say well you just can't do that.

You can't 1031 because it sounds…

Anna: That's what I heard.

Todd: That's really like kind exchange. Correct.

Anna: However, yes, but you can so I'm not somebody to give up easily when you know, I always heard the same thing and of course, I understand the structure of syndication and the reason you can't. With it with a standard syndication, you can't 1031 into it because you're buying into an LLC.

You're buying shares in an LLC that aren't in your name. It's in the name of the LLC and that's not a like-kind exchange. However, once you. Incorporate a tick structure into the syndication structure. So, you have the tick the tenant in common structure as well as the investor LLC and they both how you know have shares in the overall syndication.

Now you have a structure that 1031 people can come into because a tenant in common structure is like kind exchange according to 1031.

Todd: Awesome, awesome good stuff. We're kind of running up on time, but I want to go back to the data and ask you is there any anything else in the data that you want to?

You know talk to our listeners about is there anything else that you really think is important for them to understand?

Anna: Sure. We talked a lot about data from the acquisition side and I want to also highlight that that it's important to use data when you're running your business because you know once you once you buy it.

Buy a business once you buy a multifamily or commercial piece of property, the game is just starting that's not the end of the game. And so, we use a lot of data techniques to optimize our property. And so, we are we have a Monday Morning Report, which many people have that our property manager.

Delivers to us on a weekly basis on Monday morning and delivers us the metrics of all that, you know, the vacancy the occupancy, you know, the upcoming notice to vacate its The Vixens and so we have this kind of mashup of that's a dashboard. That were able to really see all of the data and all of the trends and I think that's critical that that you always have the pulse on your business and having the data at your fingertips is very key.

Then the other thing that we do is we have used technology to optimize. One of the things we do is we drive leads to our properties and the queen of leads. If for those of you that aren't familiar with asset managing is, we have there's advertisements that your property manager typically creates through there.

Property management software Yardi or AppFolio? It's kind of push a button and it pushes ads out to the sites that are associated, and most property managers are like good. I've done my job. I've got ads on the internet well for us that's not good enough. So, we have a staff. We have a virtual Army is what we like to call them that basically a section of this virtual Army is responsible for Mega marketing and what that means for us is that they are.

Creating ads and in ways that are completely legal but are utilizing the system in ways that we're kind of tricking the system. So, there's more advertisements going out there on specific channels and what and then we're driving leads to our property managers way above what they're doing. So, for example, we had one property where the weekly.

The property manager was driving. I think it was like 19 to 20 leads per week into this property. And once we turned on Mega marketing, we drove a hundred and eighty-nine per week in addition to the property. What does that do when you when you. Generate all those leads. It's going to first of all it's going to help you fill up your building.

Yeah, and it's also going to help you fill up your building with quality tenants. If you want it, we always talk about turning our tenant base. Right? Well, if you're turning your tenant base with the 10 leads that are coming in you don't have a lot to pick and choose from it all don't done within the laws.

Of course. I'm not encouraging anyone to break the laws of how you choose tenants, but when you have a lot more people coming in, there's just a lot more tenants that are presenting themselves to you. Okay. Now we also look at data and we're all about metrics. So, we look at the data and we say how many leads are coming in for a week.

That's the L and then we look at the ratios to get to Lease's. So, from leads to Lease 's you've got leads to Applications a poor start using leads to appointments. And we track how many appointments get made from appointments to show. So how many people actually show up for those appointments from shows two applications?

How many people we showed it to actually create applications and then finally of those applications how many generated Lease's so that's what we call our laceless system our FAL. And so that's again another way. We're using data to track our metrics and we see where the problem is. So, we've got all these leads how many leases are being generated.

Well, it's there's many places that could be breaking down right? We're people are people are making. But they're not showing up. Well, why aren't they showing up? How can we solve that? Oh, let's send them text messages. Let's send in the two text messages to encourage them to show up. So, so we're always tweaking in order to tweak in order to optimize you need data.

You need data to be able to make decisions and that's what we're all about is being able to just really having our eyes on what's going on and being Innovative and being real thought leaders out there about how we're going to handle that data. And that is a I think a huge advantage to our investors is the way that we're all we're never satisfied with just the status so and the systems that are out there were always pushing for more.

Todd: Yeah, if you don't know it's broke. You won't know how to fix it.

Anna: That's right.

Todd: And you guys are always using data to find out what's broke and what's not working and then you're going to fix it and be able to have solutions to it. And

Anna: Yeah and just look for Trends, you know, sometimes it's not broken.

It's a trend that's on the horizon and you're like, oh this doesn't look good and we need to do something about this because this is going this is trending the wrong direction. But you don't have a problem yet. But if you're not looking at your data, you don't even realize it's coming your way. You know, yeah

Todd: Good stuff good stuff.

I love it. Okay, so we are going to wrap up. I've got a couple last questions. I need to ask you first of all, what's your favorite business or real estate book?

Anna: Well my favorite book on syndication. I think that is just really well done is by Joe Fairless and Theo Hicks. What is it the best ever syndication book?

I think it's called. Yep. Yeah, I think that that book is just phenomenally well done. So, for anyone wants is interested in being an active investor. That's the book. You should read first. I believe

Todd: I agree. It's a good book and it's put in a pretty plain language, which I like. I feel like some of the other syndication books that I've read.

You fall asleep to

Anna: Yeah, or in a lot of them just get caught up in trying to be so gooey, Phooey and you know, there's not enough real content there. Yeah, whereas in this best ever syndication book if there is a so much content and I know and you know as syndicators what they're saying is the real stuff they're not it's the correct information, you know, that's how we do stuff.

And so that was so impressive to me. You're not trying to sell me a boot camp. You're not trying to sell me coaching. They're. Giving us the right. You know what we, you know, the here's the steps to how you do this. And I think that's rare out there and I applaud them for what they did.

Todd: Cool awesome.

Good definitely good book last question. What are your three pillars of wealth creation?

Anna: Okay. Tax deferral we're all about tax deferral. I think if you're if you're paying, you know, if you're not watching your bottom line with your taxes you a lot of money is going out the window. Hard work it takes its it takes a lot of hard work to build wealth, you know to set up your pillar to create the foundations of your pillars.

and people you know. Never forget it's all about human beings and people and if you keep that in mind and you keep well, I'm going to throw the Earth in there too. If you keep the Earth and people in mind as you're building your wealth, you won't be. A lonely sour person once you have your wealth but has is living in like a terrible place.

Todd: I liked it. Remember who and what is important.

Anna: Yeah remember who is what important so when you have those pillars of wealth and as you build those pillars of wealth, you know maintain ethics and that are be ethically responsible to humans and the Earth.

Todd: Cool. Awesome. I love it. Well, and I appreciate you joining us on the show.

How can our listeners get in touch with you? Learn more about what you guys have going on?

Anna: I'm sure well multifamilyU.com is a great place for you to come check out a lot of free webinars. I co-host lots of webinars. I also teach underwriting on their free stuff for people to come check us out.

For example, we've got co-star. I'm hosting I've up there were going to be hosting them four times by the time this comes out. But tonight, it's tonight. I'm hosting it Atlanta expert on from co-star. There are more markets coming in the future. We have syndication lawyers. We've got all kinds of people coming on cost segregation CPAs Etc.

It’s a lot of content will people and so that’s multifamilyU.com and you can reach me at Anna@multifamilyU.com. I think that was where are good ways to reach me.

Todd: Awesome. Awesome. I appreciate it Anna and thanks for just a ton of awesome value. You’ve added to our listeners. Definitely appreciate that.

It was fun. I could probably keep talking for another like two hours about

Anna: I hope we run into each other soon because I love

Todd: We could just have Data. Oh my God. Yeah.

Anna: Yeah, we have data time. We’ll have like a regular data check

Todd: In for appreciate it. Have a fantastic rest of the day.

Anna: You too.

Todd: A special thanks to Anna Myers for joining us on the show appreciate her spending time with us and a couple things I took from this episode.

First of all, she talks about using data to run the business and you know Monday morning reports with Data. I just having data and using it to. Make sure the fundamentals are strong make sure the business is strong and then she talks about having always having a pulse on your business as well understanding where the businesses at.

The last thing she talks about is making sure you take care of people and the Earth and made sure you remember who and what is important. So. Again, great having Anna on here fun conversation with her about data and how can be used and opportunity zones as well. So, lots of fun appreciate her join us and you have a fantastic rest of the day make everyday Saturday.

Hey, thanks for listening to the show couple things before we go again. Go on to our Facebook page pillars of wealth would love to have you on their go onto iTunes. Give us a rating and review and subscribe to the show. Also, you know, don’t forget reach out to me if you want any help with potentially growing your business and reach out to John styles to help you buy or sell real estate.

Thanks for listening. We appreciate it have a fantastic the rest of the day and as I say make every day a Saturday.