

EPISODE 558

[INTRODUCTION]

[00:00:00] ANNOUNCER: Welcome to The Real Estate Syndication Show. Whether you are a seasoned investor or building a new real estate business, this is the show for you. Whitney Sewell talks to top experts in the business. Our goal is to help you master real estate syndication.

And now your host, Whitney Sewell.

[INTERVIEW]

[0:00:24.1] WS: This is your daily Real Estate Syndication show. I'm your host Whitney Sewell. Today, our guest is Logan Freeman. Thanks for being on the show, Logan.

[0:00:33.3] LF: Thank you for having me, Whitney. It's a pleasure to be here.

[0:00:37.1] WS: Yes, pleasure for me. The listeners as well. I'm sure I'm honored to have you back on the show. You were a guest number 219. It seems – it's amazing, it's been that long ago. It doesn't seem like it's been that long ago but that was May 28 of last year. Almost a year ago. I know a lot has happened since then and looking forward to catching up a little bit but also just diving into numerous topics, obviously around what's happening in the market right now and some ways that you are able to navigate that and still be productive. And you know, all those things.

But just in case the listeners haven't heard of you before. Just a little about you. A real estate investor, developer and agent who has found his niche in the industry acting as an investment property specialist and actually representing buyers instead of sellers in the transactions process. He's completed multiple joint venture projects, equity partnerships and works as a developer.

Logan, thank you again for your time. Give the listeners a little more about who you are, maybe where you're located and let's dive right in.

[0:01:38.4] LF: Absolutely Whitney. I'm a Kansas City native here in Kansas City, Missouri and so I grew up not too far from Kansas City. And love this community, love this market, did not start in real estate when I was first here in Kansas City. I was a franchise consultant with Jimmy John's, just being cut from the NFL and kind of really getting my start. And I had some really great mentors that really guided me to think outside the box when it came to investing. And thankfully, I picked up a lot of the books that I'm sure many of your listeners have talked through before. *Rich Dad Poor Dad*, Garry Keller's *The Millionaire Real Estate Investor* and those books had a profound influence on me.

And was able to three years ago, step away from the corporate world. And when I say step, I was forcefully let go from the corporate world into – there is definitely a difference and my wife always says, "You are so unapologetically honest about that." And I said, "Sweetie, it was a defining moment in my life, you know?"

There's been this defining moments across the timeline of my short 30 years here on this earth but that was definitely one of them. And I would thought I was safe. I thought I was comfortable. And you know, the Good Lord showed me that I wasn't. And I knew I should have left, I really did, earlier than I did. But he closed that door and kind of pushed me out. It was one of the best things that's ever happened to me.

[0:03:02.3] WS: Wow, I appreciate you sharing that Logan. You mentioned that you had mentors that helped you think outside the box. Is there a top mentor that we would all know or – and if it's somebody like locally then maybe there's like one or two things they did to really help you through that.

[0:03:16.8] LF: You know, I will say Whitney, it's not because you and I were speaking to this but before we started recording. But my father, I don't remember if I shared this on the first episode but my father lost his battle with drugs and alcohol in 2016. Sorry, 2014. My gosh, it's been six years now that he's been gone. Wow. That time flies.

But you know, at that point, I had a big realization, I went back deep into my faith and I started to go to retreats through my church. And I had all of these incredible gentlemen that were living it out on a daily basis. And I realized through scripture, through reflection and through sharing my testimony to folks that while I always thought I didn't have a good father figure, that the Lord was my father carrying me through the whole time and it was just like this eye-opening experience.

While I've had good mentors and business and as coaches in the athletic world, I never really realized that the one mentor I've always had was Christ. That was so important for me to see and to realize. And six years ago, that really happened to me that my eyes were kind of open. And I know a lot of people probably have similar kind of scenarios.

But I think from the business world, it was really a gentleman that everybody would know on this podcast and it was Tony Robbins. And so Tony Robbins helped me master my emotions. I realized that the foundational work that I had been doing, the three or four years before I started my company and the emotional intelligence work that I was doing personally allowed me to weather storms like we're going through right now.

If I had to point to one person, it would be Tony Robbins and his book, *Awaken the Giant Within*. It's a big old thick book but my gosh, if you can read that, digest that and implement those types of processes and thought patterns that he lays out in that book man, it was an absolute game changer for me.

[0:05:19.4] WS: I appreciate you telling us about the book as well and just your faith and you and I have talked about that and just contribute everything to our walk with the Lord and no doubt about it. I do believe the Lord puts people in our path, you know, that helps mold us as well and it's still from the Lord but people, whether it's Tony Robbins or somebody personally locally. So important.

Let's dive in there a little bit and think about how you're navigating this crisis and still being productive. I think it's going to be able to speak to a lot of people that are listening that are just really concerned right now. Right? I mean, things are changing so fast, have changed so fast, it's

like from one day to the next almost, especially a week from now, we don't really know. There's so many unknowns. You know, how are you able to navigate that and still be productive?

[0:06:08.1] LF: Well, there's a few pieces that I think that I've been doing personally that I'd like to share. And I'm utilizing this time not as using this adversity as an opportunity. What I mean by that, it's super hard for folks that are – I'm not downplaying the folks that have lost their jobs, they don't know where the food is going to come from. I've been there, I understand that. But I'm not at that point in my life anymore, thankfully.

However, I'm in a commercial real estate broker capacity, syndicator capacity, so my livelihood is absolutely directly impacted by this as well. And so, as I have looked at this scenario. I said okay, "There's two choices. One, I could be pessimistic," and I can be – I can kind of recess however you like to think about Grant Cardone. One thing that he did right that was really good was the 10x rule and I don't agree with him from an investment thesis standpoint. That's fine. I'm not going to get into that.

But his mentality about how he built a company in one of the biggest recessions ever is extremely important and so I read that book every quarter and -

[0:07:17.8] WS: *The 10X Rule?*

[0:07:18.6] LF: *The 10X Rule*, yeah. I've let that book kind of resonate for the last four, five years as I've been reading it. And I see this as the opportunity to work on my business. To push harder and faster on building systems and processes and I know those are two terms that a lot of folks hear a lot but they don't really know what that is. I will dive into that.

And so, I've looked at this as an opportunity for me to zoom out of doing transactions every single day and everything flying past my head and moving so fast to say, "What if you could just be a little more strategic and make sure that you're positioning yourself as an expert during this period of time?"

Some of those systems and processes that I have been putting in place are a CRM system. This is the best time in the world to get a CRM system in. And believe it or not, I've done six or

seven syndications as a general partner running the show, without an investor management software! Yes.

[0:08:16.5] WS: I don't know how you sleep at night.

[0:08:18.0] LF: Exactly. I'm using this time to evaluate all the different service providers out there and software providers. Building that team. I have formalized my strategic alliance with two other sponsors in Kansas City. We are creating a new business. I have brought on a consultant to look at all of my messaging, my marketing to say, "Hey, how do you feel this has been directed towards accredited investors and property owners?" He's giving me feedback so I'm rebuilding the website.

I hired a full-time investor relations person to be reaching out to my database that I know I should have been talking to and as well as cultivating those new relationships. This is the fourth podcast that I have already been on this week or hosted myself so making sure that I've got my home office. You know, Adam Gower put out a great resource. He's with GowerCrowd. I think he's been on your show.

[0:09:10.2] WS: He has.

[0:09:11.0] LF: He has great resource on how to create what you and I have created, a workspace that you can feel comfortable in. Those were some of the systems and processes that I've been implementing.

From a mentality standpoint, I've taken this time to dive even further into Brendon Burchard's *High Performance Planner*. I spend every single morning – my wife is like, "What are you doing that for 45 minutes every morning?" Well, it helps me get my mindset right, it helps me understand what my top three goals and priorities are, think through all the meetings that I have, maybe I need to reschedule something.

And so, really taking that morning mastery routine from Tony Robbins and [inaudible 0:09:50] and all those guys and just diving back into that. And obviously, that's the time that I really spend in silence, in prayer and reading scriptures as well. And so, one thing that has been inter-

esting to me too, that Hunter Thompson has been a big proponent of is this meditation. I'm a very active guy, it's hard for me to sit down and just sit in silence. And I've been challenging myself daily to turn my timer on my phone and say, "Okay Logan, we're going to go for seven minutes today."

And just sit there and focus on breathing, you know? I mean, really breathing. I don't think we breathe enough throughout the day. And holy cow, just re-centering before my crazy day gets started with my 14-month-old baby, with my wife working from home, all of those things. I feel proactive instead of reactive in these times. I think doing that for yourself before getting started throughout the day is paramount right now.

Those are just some things that I'm doing to kind of navigate this current climate that we're in.

[0:10:53.8] WS: Those are some good ones, some great places to start, in doubt about it. Yeah, if you don't have a CRM, my goodness, some free ones that are really good. There's some free ones that area really good. I mean, we've graduated through some different ones. And you know, it was started with something that's not as expensive as we have now. But yeah, great ideas there, great tips.

Formalized alliances. You formed a partnership with a couple of other operators and I'm sure you've experienced growth through that no doubt about it, you hired a consultant and you hired a full-time investor relations person. I just think that's so smart. I mean, it's just critical to build your team. And that's where we started to see growth when we hired different people and have started to grow and have some people that are specialized in different things, right?

[0:11:39.3] LF: Absolutely. I took that time – I'm trying to delegate and Stephen Covey's book, *The 7 Habits of Highly Effective People*, that's the eighth habit there. But *The 7 Habits of Highly Effective People* really putting it in the quadrant of what's important and urgent? What's not important but urgent? What's urgent but not important? And vice versa.

Delegating those tasks that was just was not getting done. It's very difficult in a time of crisis and challenge to pour money back into your business. But I know that I realized that January, February, March, I should have already been doing that stuff. And so now I've got the opportunity to

actually do that and I'm already seeing extreme growth from those things and mental capacity come back.

I'm reading again. I am more patient with my wife. My work is not falling into my personal life. I'm present with my daughter, you know? All of those things are coming back and just really energizing me and fueling me up. Because I know a lot of folks have that issue of if they pour into people, all of the time. They're always pouring. But when is their cup being filled up?

That's a very important lesson to learn and a message for hard-charging entrepreneurs that you really need to make sure that your cup is getting filled up throughout this process. You know, I think this is also showing us that you don't have to be face-to-face for every single meeting.

You don't have to do that meeting actually, it can be solved over email. Big companies are saying, "Holy cow, we didn't need half of our workforce." Unfortunately, that's terrible for some people who were in that workforce. But our business landscape is changing and you have to be able to pivot with it to stay relevant in our current times.

[0:13:28.8] WS: Love it, I think it's a great segue to – you've talked about it quite a bit but I love to know some more, just the success routine that you have. You know, any more details and I love thinking through – You mentioned a little bit about your morning routine a little bit but you know, if there's anything else that you can help the listeners and myself with.

Because I know, when I started reading different books about self-help and performance, all these things and really changing my morning routine. You know, that's when I started improving myself in a big way, reading more books. And the business just started to improve as well. Give us some more success habits or routines that you have or that's been crucial?

[0:14:08.2] LF: Two of the guys that I follow a lot – and one of them, the main one is Darren Hardy. And the second that I follow a little less religiously is Tim Ferriss. I like Tim because he tests out a lot of things. But Tim wrote an article probably 60 days ago, maybe 45 days ago that said the one decision that frees up a thousand others. And as I am listening to Darren Hardy on a podcast, which he never does, Kyle Wilson had a three-part podcast series with Darren Hardy only because Kyle Wilson played such a big role in Darren's life that Darren accepted that.

And he put it this way he said, Kyle said, “Darren, why have you not been on podcast? The publisher of *Success Magazine* and all of these things?” And he said, “Kyle, I realized that if I had to say no to and give a reason for every single person that asked me to be on their podcast that would drain emotional energy, time and effort from me. I’d made a decision two or three years ago to not be on anybody else’s podcast and that freed up a thousand other ones for me to go work on.”

And so, that is a huge success routine that I am implementing right now. So, for example, I am a big guy. I was an NFL offensive lineman. I have trouble keeping weight off of my body because it just likes to pack on, pack on, pack on. And so, the one routine or the one decision that I can make to help keep my weight where it needs to go is fasting. And so, I fast for 18 hours a day religiously and I eat for six hours a day or whatever the timeframe is. But that one routine has or that one decision has freed up a million other things because I don’t have to worry about, “What is going to be for lunch? What am I eating?”

Another one is, “Hey, I can’t make it to the gym every single day.” Okay, well what is the one decision that I can do? And I decided to take a tracker that looks like a real watch by the way and it has different bands that people can put on. So, I have a leather band as well. It is not a FitBit. It doesn’t look like a digital weird thing. You know it looks like a real watch and people comment on it. And I have decided to get nine or 10,000 steps a day. And so, in March alone, I walked 170 miles.

And so, those two things for my health I have applied those decisions to my health that I freed up a thousand others that I don’t have to focus on, I don’t have to worry about. The same thing in my business. I have what I call my MVP’s. My MVP’s are always my faith first, my family second, my fitness third because when you do have your health, you have a thousand dreams and goals but when you don’t have your health you only have one. So, it is my faith, my family, my fitness and then my future. Those are my MVP’s. And I tie what I call profit-producing activities to those. And so, every day in the journal I know exactly which profit-producing activities need to be scheduled tied to those MVP’s.

So, when am I getting my workout in? When am I getting my scripture in? When am I filling up my wife's cup and spending time with my daughter? And when I'm working on the business? And then I craft my days around that instead of my days crafting my life for me. And so, it's really important to work through that and it looks different for everybody. But that is how I try this approach that and those are my two big success kind of tips or routines right now that I am implementing.

[0:17:24.4] WS: You know what I love is that you are very purposeful. You're really thinking this out. And that planner and whatever it may be probably helps a lot with that right? But most people I feel like just go along with whatever happens. And then you even said you're proactive, you're not as reactive and I feel like most of us are very reactive. Pick your phone up first thing and you're just reactive. And you get in the groove of just being reactive all day long as opposed to setting aside time to get to those emails or social media or whatever when that's not the most important thing at that time.

[0:17:59.4] LF: Do not let your email run your to-do list. The biggest thing you can get away from is letting your email run your days, okay? I get it, some people need to be on email all the time that's their job that's fine. As entrepreneurs, check it two, three, four times and have it scheduled. Do not have notifications on your phone that are actively pinging you on a regular basis.

And so, Paul Minors has a – I don't know his company but it is M-I-N-O-R-S. He has this great little productivity newsletter and podcast that I listen to. I haven't implemented the SaneBox it is called Sane. But apparently it reads your emails and then kind of prioritizes your emails based on your own behavioral activity, which is very interesting. But I am looking at things like that because you cannot let other people and other things run your to-do list. You have to be in control of that or you'll never get your most valuable priorities done for the day.

[0:19:04.7] WS: That's funny that's called Sane.

[0:19:06.6] LF: Yeah, I know. I haven't looked into it yet but I am almost to the point of checking that out. I've got some other things that I am working on. But yeah, it's just things like that that you have to be on the lookout for to be able to help your own productivity and sanity.

[0:19:20.2] WS: Tell me about that article about Tim Ferriss again, the one decision that what frees up something?

[0:19:24.6] LF: I think it is something like the one decision that frees up a thousand others. And it was on his newsletter that he had sent out. But if you just search Tim Ferris the one decision, I am sure that it will pop up because I found it again.

[0:19:37.5] WS: Nice, now I want to look that up no doubt about it. Unfortunately, right now we are running low on time. So, you know I just think routine is so important, we could talk about real estate on so many episodes. And we talk about all of these details. But your routine no matter how you handle crisis, I mean I feel like as an entrepreneur you'd better be able to handle crisis pretty well or see things that most people would see as big as pretty small, get over pretty quick and figure out how to get around it or over it.

I mean you got to be able to do that, no doubt about it. You know I thought quickly too, I know through this crisis and in your line of business too, if you could give us just a couple mistakes that you are seeing people do in underwriting right now, before we have to move to just a few final questions.

[0:20:20.7] LF: So, two things that I am seeing from my clients and from brokers that are sending me deals is one, they are not grossing up real estate taxes. And so, you know when you sell a property and if it is a reporting state, one way or another that municipality is going to get that new price and they are going to try to get those taxes up. And so, Jackson County in Kansas City went through a big mess last year with all the taxes.

But I am seeing folks just keep the taxes the same and increasing them with the inflation rate and two or 3% a year, whatever it is. So that is my biggest concern with some underwriting because maybe that person held that property for 20 years when they bought it, it was only five or \$6,000 and now it's 15, 20, 25,000. So, know your middle rate, know your levy rate, know how to calculate taxes. And if your broker doesn't know how to do that you need to have a new broker. But that is one of the biggest ones.

The second is, I have been harping on this for some time, you cannot just assume that because that other property is getting those rents in your market that you are going to be able to. And I am happy to say that our multifamily properties here are fine. We have no issues collecting rent. We are not worried about it because we factored that vacancy rate in. And we stress tested the deal and we did not proforma all of these big rent increases.

So, I feel for the folks who are in big value-add deals right now that need to hit those new rent numbers. But you really should be able to – And when we give our offering memorandum to our investors they're like, "Why do the returns look so bad?" And Adam Gower talks about this. He said, "This new age of crowdfunding has allowed people to market these high IRR's and when you have a real- real estate operators who own 500, 600 units in a market and they are showing you a true 16% IRR it's because they're not saying, 'Hey, we can go push the rents 200 bucks over the next 12 to 15 months.'" So, I have been harping on that for some time.

So those are the two things that I am seeing really, really affect people's underwriting right now and I get it. As a broker I am one, you have to sell deals. But at the same time, you have to have your client's best interest in mind as well.

[0:22:27.2] WS: So outside of that underwriting is so important and underwriting better be changing a little bit if you are buying a process or buying a deal as oppose to a few months ago. But I'd love to know too, what were you doing a few months ago that prepared you for this, you know as far as buying property and operating?

[0:22:48.1] LF: So, the biggest piece was is our investment thesis is always to buy that C kind of C-plus property that I think positions well during a downturn. Hunter Thompson is always talking about affordable housing, workforce housing and mobile home parks and self-storage because of that. So, we weren't focused on necessarily highly-amenitized properties. And so that was one thing that we've always been doing is focusing on those types of asset classes.

From an operating standpoint, we are paying our preferred return right now and we are communicating this with all of our investors and got their agreement that we are going to put more dollars into our operating reserves. So, if something does happen, if our occupancy does drop for some reason, we are not calling them and saying, "Hey guys, we need to do a cash call."

So, being really conservative on the front end but also focusing on a certain asset class. Additionally, having those calls and getting in front of that. We had all of those calls probably three weeks ago I think now to say, "Hey guys, you know on your distribution you are going to get your preferred return but we are holding back or we would like to hold back some extra for the operating reserves. We are not going to take any distributions as general partners." And everybody was good with that. So, I mean those are the three things that we've been doing over the last couple of months.

[0:24:07.3] WS: Awesome. No, I wish we had time to dive into some of that but we don't today but maybe we will in the future. So, what is the one thing that's contributed to your success?

[0:24:16.3] LF: Man, it's got to be my faith. It has to be my faith. I am a firm believer that if you don't have a strong faith in either Christ or in yourself, you know because there is a lot of successful people who don't have a faith in the Lord, but they're extremely successful because they have a big belief in faith and in themselves so that it's really going to be a tough go. So that's been the biggest success routine for me it's just having that faith.

[0:24:41.2] WS: And how do you like to give back?

[0:24:42.6] LF: Yes, so we obviously have our little non-profit here in Kansas City, but I joined the board of a larger non-profit in Kansas City called reStart. I engaged with reStart by master-leasing their properties to the homeless population in Kansas City and selling properties like that to investors. I loved the organization so much that I decided to accept a board position. And I am helping that organization on a daily basis right now. So, our mission is to end homelessness in Kansas City and we serve over 400 people a day.

[0:25:15.2] WS: Wow, I appreciate you sharing that and giving back in that way, Logan. But first, I just want to say thank you again for sharing your time. I just can't put enough stress on the daily routine and the things that when you start to change and improve yourself like how many other things start to happen for you. I have experienced it personally and can look back and see it now. You know it is incredible and I also contribute that to the Lord and my faith and what He has done.

But tell the listeners how they can get in touch with you and learn more about you?

[0:25:47.7] LF: So, I am most active on LinkedIn, my name is Logan Freeman. I also have a website called livefreeinvestments.com. So those are the two best ways to get in touch with me.

[END OF INTERVIEW]

[0:25:57.7] WS: Don't go, yet. Thank you for listening to today's episode. I would love it if you would go to iTunes right now and leave a rating and written review. I want to hear your feedback. It makes a big difference in getting the podcast out there. You can also go to the Real Estate Syndication Show on Facebook so you can connect with me and we can also receive feedback and your questions there that you want me to answer on the show.

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[OUTRO]

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