

IP Real Estate Show 1

Growth in the Real Estate Space

This is Investor Perspectives. I'm the host of Investor Connect, Hall T Martin, where we connect startups and investors for funding.

In our new Investor Perspectives series entitled "How to Solve the Real Estate Problem", you'll hear about growth in the real estate space.

As the COVID pandemic passes, we emerge into a new world. The real estate space is now undergoing tremendous change as we shift to a new normal way of life. Work from home and the shift to working from anywhere is changing the real estate market. We have investors and startup founders describe the changes coming up.

Our guests are:

1. [Chi Hathiramani, Chief Investment Officer, Casoro Group](#), 01:17
2. [Brent Bowers, CEO, The Land Sharks](#), 05:34
3. [Lauren Hardy, Founder, TMF Real Estate](#), 07:31
4. [Wade Micoley, Founder and CEO, RealtyHive](#), 10:16

We hope you enjoy the show.

Our first guest is Chi Hathiramani, Chief Investment Officer at Casoro Group. Casoro Group is an award-winning multifamily-focused real estate investment firm that specializes in providing better homes for better lives throughout the United States sunbelt region. They look for multifamily, student housing, and senior housing investments for their family office, high-net worth, and institutional clients. Chi thank you for joining us.

[00:06:23] **Chi Hathiramani:** Thank you, Hall.

[00:06:25] **Hall Martin:** Great. Tell us more about your work and what you do.

[00:06:28] **Chi Hathiramani:** Sure. Yeah. So I'm the Chief Investment Officer of Casoro Group, as mentioned. We work in commercial real estate, specializing in multifamily real estate, so apartments, housing, And yeah, we focus on value add product within that space, which means we go in and we find ways to increase the value of the asset, values of the properties through what we call forced appreciation, and hopefully generate strong returns for our investors.

[00:06:54] **Hall Martin:** What exactly is forced appreciation?

[00:06:57] **Chi Hathiramani:** Forced appreciation is in tandem with what we normally, when you say, when you buy a house, and it appreciates over time, that's what we normally call organic appreciation, it's driven by the market fundamentals around you, it's driven by the environment, or, to the extent, if you owned a rental home, it's driven by what renters could afford to pay. But in forced appreciation is where you go in with a business plan to increase – to improve the quality of the asset or make it more appealing, more desirable to your target demographic, to the extent that the target demographic is willing to pay even more for the asset. So let's just say if something's renting, the house is rented for \$2000, and organically, rents are growing at 3% per year, you might come in and say, hey, this house is in a good location, I want to repaint the whole exterior, I want to do granite countertops, stainless steel appliances, and I can get \$2500 for it. So that forced increase in revenue in commercial real estate leads to forced appreciation, forced valuation increase.

[00:07:54] **Hall Martin:** So let's talk about the growth in the real estate space today, what do you see happening there?

[00:08:00] **Chi Hathiramani:** Oh my God, there is a lot of growth. The stock market, as you mentioned, is on the way up, is booming. We're seeing the same thing in multifamily real estate as well or in real estate in general, asset valuations are up, call it 20-25%. A lot of it as a result of stimulus, but also real demand drivers here, particularly, we're in Austin, Texas, and we're seeing a lot of influx in migration basically into the state, and these are high paying, high skill jobs that can pay higher rents. And so, this is pushing up the rental rates in the city or across the state, even all the way across the sun belt and all these major markets, and pushing up real estate values along with it. So that's some of, you know, those are some of the fundamentals.

The other side of it is the capital markets. Everybody's got money to invest today or there's far more capital looking for investment opportunities today than there was pre-COVID, or at least feels that way.

[00:09:00] **Hall Martin:** How you see the tradeoff between residential and say commercial on the current landscape?

[00:09:05] **Chi Hathiramani:** It's interesting. So, commercial can be broken up as sort of office, you know, retail, industrial. That is experiencing, each of those sectors are experiencing their own demand fundamentals changes. So office not so hot, retail depends on what kind of retail it is. So in retail, street retail really struggle. There are other kinds of retail that have done just fine. But then you see industrials exploded. Because of the sort of the move to the digital economy and Amazon warehouses left and right in that nature. And then you've got sort of the commercial real estate that's multifamily per se. That has also seen a substantial increase as people, you know, there's a lot of folks now that are looking for more space in their units, so they're looking for sort of that all – they want all of the amenities within their units, they want the washer dryers in the units, they want that extra den for their office space, for their home office, and that's really booming. So office, I mean, sorry, multifamily industrial are killing it right now. And the other sectors, each one has its own nuances.

[00:10:03] **Hall Martin:** Well, outside of Austin, what do you see as the primary trend in the real estate space, what's the overarching driver here?

[00:10:09] **Chi Hathiramani:** Yeah, I think it really comes down to consumer preferences at this point. So much has changed since COVID hit, so we've seen people go to work from home, you've seen technology become a massive part of company spending and company infrastructure at this point. It always has been, but it's accelerated to that degree where I think prop tech is really poised for growth in over the next three to five years, yeah.

Our next guest is Brent Bowers, CEO of The Land Sharks. The Land Sharks program is advanced online training that shows you how to build an income generating “machine” that generates passive income on autopilot, attract an avalanche of sellers, dominate this “hidden” real estate niche which has virtually no competition, stop dealing with desperate sellers, create a “lifestyle” business that practically runs without you, generate true “legacy wealth” without being a landlord and dealing with tenants, toilets or termites. Brent thank you for joining us.

[00:05:08] **Brent Bowers:** Thanks for having me, Hall.

[00:05:10] **Hall Martin:** So tell us more about your work and what you do.

[00:05:12] **Brent Bowers:** So I mean, what I do, I buy land at massive discounts, and then I turn around and sell it for premium and retail values that basically creates passive income for me, and we've done so well with it, I now actually teach others how to do it. And obviously, we

know this real estate market's exploding, so couldn't have been in a better time to start implementing it and teaching others how to do it, so it's really cool to see other people build a business that serves them and their families and others.

[00:05:41] **Hall Martin:** Great. Well, let's talk about the growth in the real estate space. What do you see going on there today?

[00:05:47] **Brent Bowers:** It's just bananas, it's nuts. It's just the, it's like the old cartoon where you see the cats and dogs fighting, but I wouldn't say there's fighting going on, but it's just a lot of chaos happening. I mean, there's people buying and selling, and when something's hot, everyone seems to want to jump in. But you got those people that sit on the sidelines too, like, oh I'm waiting for it to fail, then I'm going to swoop in and buy it all up. But it's just a lot of different things going on, and I feel like it's a country wide seller's market right now for land, for houses, for just about anything. And I'm starting to see some trends too, and I say this very lightly, from like what happened in 2008, when people were making quick fortunes on one property. I'm not saying the lending is getting free, like it was back then, but I'm seeing massive inflation, and it's just, it's nuts. People are trying to park their money in real estate because they think it's safer, and it's just pure chaos, but it's fun.

Our next guest is Lauren Hardy. Lauren is a real estate investor with a “people first” approach to business. Investing in hundreds of properties in her career, including developing spec houses in Nashville, Tennessee, Lauren has the unique reputation of being a successful “virtual investor” having not lived in many of the states she’s invested in. Lauren thank you for joining us.

[00:10:39] **Lauren Hardy:** Hi, thanks for having me.

[00:10:41] **Hall Martin:** Great. Lauren, well, tell us more about your work and what you do exactly.

[00:10:45] **Lauren Hardy:** Yeah, So I own a few businesses in the real estate investing space. So I started out my career about nine years ago, and I was in house flipping, just your typical HGTV, fixer flip type business, and I was in my backyard. After a few years of doing that – now, this is, let me take you back to 2012. It was much easier to flip houses in Orange County, California back then, just because of the market conditions. I eventually had to start looking at out of state markets, because I wasn't getting the returns that I wanted and was seeking for. So I had to change my business model to an out of state business model, and fast forward, almost nine years now, I'm a virtual real estate investor, everything I do is out of state, I don't do – I don't invest in my backyard anymore. And I also coach, I have a successful coaching program, and I am a podcast host and the topics that I cover is investing out of state and virtual wholesaling.

[00:11:51] **Hall Martin:** That's great. So it sounds like you have a great deal of experience in the real estate space, let's talk about the growth that you see going on there – what growth do you see coming up?

[00:12:02] **Lauren Hardy:** I am hearing more and more that people are looking to invest outside of their backyard. And so, my passion is finding territories that are, you know, that makes sense, that meet the needs of the investor. It's just so competitive right now, I mean, real estate is just so, so hot that people that are living in very well-known major metros are just – they're not able to find deals, they're not able to find their flip deals, they're not able to wholesale. So they're having to look outside of their backyard, but that's very intimidating for people, especially if you get used to working your backyard, and that was always your model. So now more than ever, I'm getting people asking me, like, how did you set yourself up. And, in a way, I'm lucky that I got forced to do that so early on, because I have the skill, but it's definitely, it can be scary for some people to consider going outside of their backyard.

Our final guest is Wade Micoley, Founder and CEO at RealtyHive. RealtyHive is a proven, global real estate platform that pairs intelligent digital marketing with strategic time-limited events to connect buyers and sellers from around the world faster than ever before. After working with financial institutions and even the federal government, RealtyHive revamped a retail version of the product to bring solutions to consumers and agents. Wade thank you for joining us.

[00:02:26] **Wade Micoley:** Thank you. Thanks so much for having me.

[00:03:44] **Hall Martin:** So tell us more about your work and what you do.

[00:03:48] **Wade Micoley:** Well, RealtyHive is a platform that has been serving the real estate industry for many years, but within the last 27 months, really became a retail product for us, helping not only financial institutions and federal government agencies, but also consumers and agents across the globe.

[00:04:11] **Hall Martin:** ~~Great.~~ Let's talk about the real estate space and what we see happening there in the way of growth, what can you tell us about that?

[00:04:19] **Wade Micoley:** The real estate industry has been a very interesting subject over the last 24 months with COVID, and there are certain segments – and this is probably always true in any market, but especially the light has shone on it for the last 24 months, and that is there's very low inventories right now, all-time lows. In fact, an interesting statistic in the United States was a couple of months ago, there were more licensed realtors in the United States than there were homes for sale. So with every different aspect of what changes a market, whether it's a seller's market or a buyer's market, whether it's a good economy or a bad economy, there's always properties are selling, and there's always properties that are not selling. And then that happens in each individual segment, commercial, vacant land, etc. So what we see happening

right now is very unique. And even at a time of all time low inventory, there are still anywhere from 23 to 34%, depending on the marketplaces of properties that are not selling in the best market I've ever seen in 30 years, for residential, that is. And that is the segment that RealtyHive services, we service those people that are not – that need more, they need something different and more, because what they're doing in the traditional world is not currently working.

Thank you for joining us today.

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Let's go startup something today.