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# Raising Private Capital For Beginning Investors

Hosted by*:* Joe McCall
Guest: Hunter Thompson

**Joe:** Welcome. This is the Real Estate Investing Mastery podcast. Hey, what's going on, guys, Joel McCallhere. Welcome to the Real Estate Investing Mastery podcast. It's going to be really good. I've not done an interview like this in a long time, and I've got a special guest on your name is Hunter. And we're going to be talking about raising money. Raising the technical fancy term is raising capital. And if you want to be a successful real estate investor and you want to grow a business that can buy a lot of deals, have a big impact, you need to know how to raise capital. You need to know what it is and how to raise it. And so Hunter is going to be a guest on we're going to be talking about that because that's what his company does. And we're going to be talking about how not just sometimes when I talk about raising private money or raising capital. People think big commercial buildings, developments, apartments or whatever. Know what I'm talking we're going to be talking about how to do this for single family homes, how you and me, the normal everyday investor, the average Joes out there can raise private money. First, I want to say this podcast is brought to you by yours truly and PartnerWithJoe.net. Once you go check it out on PartnerWithJoe.net, you get a free calculator. It's a software that I have that helps you create or analyze and create cash offers for your deals. And then the premium version. If you sign in for that, it's just seven bucks. You're going to get the automated offer. Pro software that helps you create cash offers. This option offers owner financing offers. I got a bunch of other cool things in there that you can get. I'm also going to show you and teach you how to get your first deal, the first wholesaling deal in the easiest and fastest way possible. So go check it all out. PartnerWithJoe.net right now. Go check it out. All right. Let's bring Hunter on. Hunter, how are you, man?

**Hunter:** Thanks again for the opportunity. Nice.

**Joe:** Now you're with Asym Capital. Is that how did I say it, right?

**Hunter:** That's right. It's short for asymmetric. So. That's right. That makes sense.

**Joe:** I like that. Cool. All right. So introduce yourself to everybody here and talk about what it is that you do. We met through a mutual friend, I believe. Are you you've got a great podcast.

So we'll talk about that in a minute here. But introduce folks to you and what you guys do it a SIM card.

**Hunter:** So, yeah, I appreciate that. Look, man, I mean, the way that I've met you is the way that a lot of people probably meet you, which is that you are absolutely crushing the social media game. We see your name and face pop up on our social media accounts. We're like, I got to meet this guy. And that's exactly what I did. And you were happy to oblige, which I really appreciate. So my background, I got into this space at the right time. I graduated college in 2010 in the heart of one of the most pronounced real estate collapses in the history of the United States. And being a kind of countercyclical person, just from a personality standpoint, I thought it's probably a good time to start. A real estate company moved out to California and where the market was absolutely decimated. And that didn't really impact it the way that I thought it would. I thought, OK, this is where the opportunity is. My strategies, which would later be very different than I originally anticipated, were formed because the market was so decimated, not in the sense that I would say, OK, the market down in California, we should buy California. But because trying to start our investment career in 2010, what do you do? You go to networking events, you try to figure out the World podcast wasn't really taken off the times. You're just driving around trying to go to meet ups. And those meet ups were somber and filled with people that a lot of them had lost their shirt on, especially in California. What part of California, right? That's exactly right. In Los Angeles in particular. But the people that kind of that were able to overcome a lot of those challenges had really great strategies in terms of being really respectful for debt, which is the big cause of a lot of problems. It's not just twenty eight, by the way, that usually caused those problems. That's typical. So a lot of respect for debt systems and processes that were really built like businesses and operations that focused on scalability, et cetera. And I built an investment business based on those practices. Some of the first investments I ever made were in single family houses through a hard money loan type of structure, which you can talk about today. And very quickly, I recognized, hey, look, if I could find best in class operators, people who can buy, fix and flip, people who can buy commercial properties like you were talking about earlier, I would love to be able to defer to their expertize and just come up with the money. And it's been a quite a bumpy road. You know, it's not been just all amazing. The market dynamics have looked incredible, but that's with hindsight. It was 2010. It certainly didn't look like that. But slowly we built the business going from one investor, just me to four to hundreds to hundreds and hundreds.

And we purchased about one hundred million dollars for the commercial real estate and et cetera. I'm so happy to be here today.

**Joe:** So your company then raises private capital, but you also lend it or do you just raise it for your own business yourself?

**Hunter:** That's exactly right. So basically, when it comes to raising money, one of the reasons I'm such a big proponent of it is if you can do that magic trick, make the money appear, you can participate in the space and every which way because everyone wants to be your friend, because it's a really lucrative skill to have. So we've done all of it right. And the stuff we're going to talk about today, it's applicable with single family. It's applicable with commercial real estate. It's also applicable with pet snacks because whoever can get someone from an ice cold lead never heard of you to hear. Fifty thousand dollars, whoever can do it the fastest is going to win, so that's why I'm so passionate about it. But yes, we've done a lot of hard money loans and I still do hard money loans to this day.

**Joe:** OK, by the way, just what you were talking about reminded me of that show. Do you watch it? Undercover billionaire.

**Hunter:** Yeah.

**Joe:** The both seasons?

**Hunter:** I haven't only this current one.

**Joe:** That's not even the good one.

**Hunter:** OK, tell me about it.

**Joe:** It was so dramatic and so frustrated with these guys. They're all just a bunch of whining babies except the lady from Tacoma. She was amazing, but like, no, no, the first season was all was way better. You should watch that anyway. Sorry. No disrespect to the grant.

**Hunter:** Oh yeah. Yeah. Well, they'll tell me. So what was the what was the tie in there. Because I know you're saying about.

**Joe:** Well you were talking about raising money. Right. And you're absolutely right. Like if that's a skill that if you learned and you could match that you could you could do anything pretty much right. Because all business is kind of about that raising capital. All right. So anyway, so what does your business look like today?

**Hunter:** So. Well, if it's OK with you, I'll back up a little bit because sometimes if I start with just, oh, we've done all this. It's like, wow, wow, this applies to this person, but not me. And I can tell you the story, like I said, is far more challenged than it may appear. Now, I think I did what a lot of people do, probably a lot of listeners of this podcast. You guys uncovered real estate. It wasn't you weren't born real estate investors. You went to school, you learned about getting a W-2, you learned about investing in the stock market, retire at sixty five, etc. And at some point you basically on your own had to start looking into the stuff and then realized most of that stuff is not true. Like those strategies are not well equipped to get you where you're trying to go, at least not quickly. And that's what happened to me. I started to uncover for myself, OK, look, if I can invest in something that produces cash flow, let's say rental properties, for example, even if it's eight percent at the time, that's like 10 times, 20 times, 50 times better than I'm getting otherwise and like bonds or CDs, etc.. And I went, OK, this is going to be really easy. All I got to do is show this investment opportunity to my network and they're going to go I can take my money out of a CD making one percent and put it into something else, making eight percent with no appreciation and factored in. This is a total no brainer. And what happened with most people, same thing happened to me. I presented an opportunity like that in front of a roomful of accredited investors. There was like thirty million dollars in the room. Standing room only went through a presentation, handed out a piece of paper to everybody at the end, said, write the number you're interested in investing and I'll follow up with you after the fact. And it's like already I was going to raise my first million dollars.

**Joe:** Maybe I missed it. How did you get into that room?

**Hunter:** Yeah, I mean, I've basically sent out mailers, emails, phone calls, et cetera, to friends and family trying to get plus one, plus two is cetera, just trying to create some buzz. I had about three months of marketing to build up to a lunch where I was going to pay for the lunch free investor lunch and I thought it was on once you get to a room of thirty million people. Thirty million dollars. So I got it. Now, this is a no brainer. But after handing out that piece of paper, I went up to my room, unfold the paper and no one had written anything I had dinner is a dollar and I was shocked. I was blown away. I was blindsided. I did not have any way of emotionally preparing for that. I hadn't even even think that that was possible, to be honest. And I realized this is much harder than I thought. Getting someone, No one to understand real estate, no to to be interested in forking over their hard earned money. Those are really different things. All the skill sets you learn in life don't really prepare you for that, even if you're a good salesman, usually trying to sell a product where they get the product physically and they know that they got a good deal, they got the product. This is different. This is give me your money. I'll give it back to you in twelve months or twenty four months or ten. Trust me. Yeah. Yeah, exactly. So I built my career trying to solve that problem, trying to figure out how can you get someone who's never heard of you and to repeat one hundred thousand dollar plus investor, like I said, been a long road but here we are.

**Joe:** OK, cool. So then what happened after that.

**Hunter:** So after kind of investing personally, let's say twenty five, fifty thousand dollars, identifying some quality fixed and flippers. Again, I didn't want to be on the operations side of the business, so I just want to find people that were working in low volatile markets so away.

**Joe:** I love the power, I love the power of focus. If you guys are picking up on one thing, by the way, I didn't give you everybody your last name, Hunter Thompson. Is that right? That's right.

**Hunter:** That's right.

**Joe:** And everybody just let everybody know that. And you don't because you don't see it on the screen there. But Hunter Thompson. All right.

**Hunter:** That's right. And by the way, yes, there is a famous author named Hunter Thompson. And I do have a book called Raising Capital for Real Estate. So when people ask me, like the author, I go, yeah, exactly like the author. So you can just stop making that joke. It is. I am a published author now, so there you go. OK, that mom and dad who accidentally named me a famous author at the time, they didn't know if they know that well, they knew he was an author, but back then he wasn't. Nearly as famous as he is today, so they didn't know second grade was going to be a challenge.

**Joe:** All right. All right, cool.

**Hunter:** So I started investing just by identifying people who I thought were good at what they did. Most importantly, I was you know, you've got to think about it. My perspective on investing was very much molded by the Great Recession. Looking at this from a historical standard, that's not a typical real estate collapse. No. One, real estate collapses are typical at all. But I thought, OK, well, if I need to prepare for this to happen, what strategies? What

I need to implement to really mitigate that. And one was focusing on markets where the rent to price ratio is basically the way the valuations are described. So the typical number everyone talks about, the one percent rule. If I can buy single family house for one hundred thousand dollars, that will rent for a thousand dollars a month. We're going to be in a good position. Now, those are numbers that we're kind of more appropriate back then and maybe you can't quite get there now. And one hundred thousand dollars range at least, but it's a good metric. And if you look at markets like that, there's not a lot of volatility in those markets, at least not within that vertical. So that's why I started.

**Joe:** What were you doing that in California? Where you doing? What other states?

**Hunter:** I was located in California. Couldn't find a lot of areas that would meet that criteria.

**Joe:** So even back then, when prices were super low, totally.

**Hunter:** So Memphis, Tennessee was one. And that's, by the way, I'm from. But unrelated to that, I just found a good team there. St. Louis was another. Jackson, Mississippi was another.

**Joe:** Just remember, we were talking about that, OK? Yep.

**Hunter:** Just markets where slow and steady wins the race producing, let's say, somewhere in the range of like an eight percent cash on cash return. But the potential for appreciation.

**Joe:** So you were raising your raising private money from investors who had the money you had. You knew the operators in these different markets and you were kind of acting. How did you get paid? What were you doing?

**Hunter:** Yeah, so good question. So the first thing that I would do is I would create a note that would be at a lower interest rate at what I was investing in. And I would use that note that I was I would use the note that I was investing as as collateral for the note. I was creating a kind of reverse engineer that said that you probably understood what I just said. But for people that aren't familiar with the vocabulary, so I would find someone that's buying foreclosed assets at the time, a lot of those, and was renovating them, tending them and then selling them to another investor that wanted to buy cashpoint property. So they buy a property for, let's say, sixty thousand dollars that was foreclosed. They put twenty thousand dollars into it and then it would rent for a thousand dollars a month and then they would go sell it for one hundred thousand dollars somewhere in that range. What that Flipper wants to do is he can only use so much of his own money before he's going to run out. So he sees a property, doesn't have any more money. He needs to buy the property for sixty thousand. He may go get a hard money lender, which was me in this case, and say, hey, how about this? You lend me fifty thousand, I'll put in ten thousand of my own money to buy the property. I'll put in another twenty thousand to fix up the property. At that point you're at about a 50 percent loan to value. So value is worth one hundred grand. Must be sold for that. You've only invested fifty thousand. I'll pay you a monthly interest rate. You're playing the role of the bank in the situation of eight percent annualized.

**Joe:** Well, you're collecting from you're charging the rehabber,

**Hunter:** What, eight eight percent or something like that. I mean, at the time it was like twelve. Right. But I'm trying to keep the numbers real estate. But yeah, let's say it's 12 percent at the time, so a percent per month. So if you invested fifty thousand dollars, you'd be getting five hundred dollars per month to 12 percent interest rate. And the whole key there is that if they ever don't pay you that five hundred dollars per month on a fifty thousand dollar investment, you can foreclose. This is what the foreclosure process comes from and take the asset. And in states like Tennessee, for example, the foreclosure process for business type of real estate, not real estate in which the operator is living, it can be like thirty or forty five days. So the downside is really mitigated. Exactly. So once that created, though, I'm in the same situation as the flipper because I'm going to run out of money eventually as well. So what I want to do is I want to go to another investor and say, hey, how about this? You give me fifty thousand dollars, I'll create an IOU and I'll say I'll pay you an eight percent interest rate on a monthly basis. Call it four hundred dollars per month, something like that. And then if I ever default, you can have my hard money loan. The loan itself is collateral. And I know that sounds a little bit complicated, but the truth is they can assume my position if I ever default, which is collateralized at the end of the day by the House. So hopefully that makes sense. Did you follow that record?

**Joe:** So your profit was made, though, in the difference in what you're collecting from the rehabber in interest and what you're paying your and your your investor who lent you the money?

**Hunter:** Exactly correct. And this was all done on a one on one basis. There wasn't a pool of investors. There wasn't anything like that at this point. I later did stuff like that. But at the beginning it was just can I raise twenty five or fifty or seventy five thousand dollars and then find a place to place it with an operator that I had built a preexisting relationship with.

And then all of a sudden you're clipping coupons. It's the whole point of finance arbitrage. Lending out money at 12 percent. Borrowing money at eight percent.

**Joe:** It's the golden rule. Whoever has the gold makes the rules. You're doing you're doing several things. You're you're you're advertising. I got money. I got hard money for your rehab deals to investors in Memphis. But you're also then raising the private money to lend out and it's arbitrage. Did you ever like was there ever any back in profit? Like, I understand maybe you're getting a monthly spread of the interest that you're collecting and that you're paying out. Right. Did you ever get any profit from the back end of the deal? So that makes sense.

**Hunter:** Yeah. One hundred percent. So like I said, and this is not super technical, but because of how we're positioned as a company, we've been able to do a lot of different structures with a lot of different operating partners, because the whole point is we can bring the money to the table so some operators would get super niche and focus as they should in their particular structure. They're one to have one attorney they work with. They only work in one state, et cetera. None of that stuff applies to us because we're able to defer to their expertize within their niche. So it's your question. We've also done joint ventures where we'll have an operating partner, where we're not lending the money, we're equity participants in the deal. And then similarly, we'll go find someone who wants to be the hard money lender act in a position similarly to my position and the previous thing. And that situation, if I'm a joint venture and then having a little bit more Decision-Making control about when the property is bought and sold, how much it should be rented for, et cetera, and would also participate in the upside. So in that case, I would be getting a monthly distribution rate. I would get no money, no money, no money. In fact, I'd be paying out the hard money lender in the situation. Putting the profit was kind of acquired. But the sale you make maybe more money.

**Joe:** Ok, so then where did you go from there? You started doing deals in different markets like Memphis and St. Louis. What you just kept on growing from there?

**Hunter:** Yeah, you know, the especially back then, the mobile home park industry was just so favorable. I'm a very big proponent of the recession resistant asset classes in general, most notably mobile home parks and self-storage, especially back then. And if you're familiar with the term cap rate for the listeners, mobile home park business in twenty, fourteen, twenty, twelve, etc., it was trading at ten caps. And that may even sound like an infomercial, but I'm talking about, as is trailing financials, 10 percent cap rates as you could buy the property in cash and not implement anything and it would still produce a 10 percent return. So I found that very, very compelling and did something actually similar in that space where I found an operator as opposed to go and say, hey, make me part of your deal. I just said, will you give me a better deal if I invest half a million dollars as opposed to fifty thousand like your normal investors? And they said, OK, sure. So the way that kind of deal works is there's a preferred return. Some of the range of eight percent

**Joe:** You're approaching somebody who's wanting to buy or develop more, invest in a mobile home park?

**Hunter:** That's exactly correct. So they actually had a fund where they were buying ten million dollars worth of mobile homes, mobile home parks, I should say. And they're very experienced. So I couldn't go to them and say, hey, make me a partner of your company. I could say I don't actually want any true compensation from you. I just would like a better deal than most investors are getting. If I'm going to invest ten times the minimum and they say, OK, look, if you can you can raise half a million or you can invest half a million, we'll give you a little bit more percentage of the deal than most normal investors. And that was really the founding of my company. I pulled investors together to do that. And the same concept I created arbitrage, where I go to the investors and say, you guys are going to get the same deals. If you had gone direct to the sponsor, they're giving me and our entity that we're creating a better deal. And I'll just keep the difference between the two and it worked years later.

**Joe:** Did you see at the time when you were thinking of these things, did you see anybody else doing this or was this just something that you were creatively coming up with at the time?

**Hunter:** Well, man, I hate... that's such a kind of grueling question to answer, because this industry is not for innovation. You know, I followed your podcast for a while. You're very good at focusing down on strategies which have been proven to work for decades and decades. That's the whole point of real estate. That's why, by the way, it attracts genius billionaires and also people that are well, you refer to this you use this terminology Average Joe, because it's simple enough that anyone can understand it and it's complicated enough to create incredibly lucrative returns, gains, financial wealth, et cetera. So unfortunately, at the time, this is before crowdfunding and all the stuff, I found myself doing a bit more innovation than I would want to do in this industry, this concept of a fund of funds. I didn't have mentors that were doing this. I kind of spent tens of thousands of dollars on legal fees trying to navigate these waters on my own. And then later, the crowdfunding world drastically changed and the term syndications became popularized.

**Joe:** Wasn't there some legislation that Obama passed to. Making it easier for people to raise private money for business, remember?

**Hunter:** It drastically change the industry. I was that in 2013, the Jobs Act, which is prior to that, you couldn't actually talk about the specific real estate deals on the Internet. And so I was investing prior to that. And I was very fortunate to kind of ride that wave of interest. But I guess I wanted to say, if you're listening to a podcast and you're contemplating having Joe's mentor of yours in some capacity, you haven't yet read his book or something like that. This is not the industry to try to come up with it on your own. You're spewing money and you're stealing time. So just get a mentor or mentors and model what works.

**Joe:** Yeah, very good. Very good. OK, so your company then kept on growing. You started doing bigger deals right after the mobile home parks. What are some of the deals that you like to invest in or do that arbitrage play with today?

**Hunter:** Yeah, we actually are very bullish on the senior living industry right now. And I know I'm sitting in a senior living.

**Joe:** Senior living.

**Hunter:** Yeah. Which is interesting because of covid and the risks associated with that. And the market is kind of whenever there's a question mark around an industry, there's usually an opportunity for exactly just said arbitrage. But just because there's a question around an industry doesn't mean it's a great, great investment. Sometimes if the crowd is going right, it's important not to just go left. It's important to look left. That doesn't mean go left, because sometimes there can be good reasons for that. So we think the senior living business, the demographic shift that's taking place in that sector, the potential lack of competition because of concerns around covid, we think that there's just great tailwinds in that industry. And so we're raising several million dollars for a for a senior living property right now.

**Joe:** All right. That's super cool. Let's bring it back down to the average Joe investor who is wanting to get into real estate. A lot of people talking about the BR strategy, the idea of you buy a property at a discount, you renovate it, you rent it out, you refinance it and then you repeat. That's the be our I think I got it all. They're not sure how people can doing that for years and years. But the coined the phrase was coined through our friends at the bigger pockets just a few years ago. But that's a great way for people to get started. Right. Buy a house, fix it up. But many times you need temporary financing to do that, right? You can't refinance it into a traditional mortgage. If it needs a lot of work. It needs to have some rent. It needs to get fixed up and needs to get a tenant in there and things like that. So is what you guys do now kind of provide that temporary funding for things like that?

**Hunter:** Yeah, we have done a lot of kind of a typical hard money loan type of structure and we kind of glossed over it. But but just to kind of paint the picture differently, if you've done a few BER properties, eventually you recognize that you're going to run out of money if you continue to grow. And from my perspective, lack of capital should not be a limiting factor in your ability to achieve your goals. Now, it is the most important limiting factor of everyone's goals in real estate. It's the single most important determiner of who can grow and who is left to focus on just theorizing about their own success. So I want to focus my skill set on that one thing, that most important determinant of that exact thing. And by the way, from my perspective, the most lucrative skill in the whole world. So dialing in, if you spend a lot of time learning about real estate and no amount of time learning about things like how to attract attention, how to nurture clients, how to do this whole Internet marketing thing, you're going to run into the same thing that most real estate investors run into, which is the very moment that you have the best, biggest, coolest deal under contract. The money dries up for whatever reason, either yours, your previous investors, let's say that they are like, oh, I only want to invest again once they get my original investing amount back. You can't grow a business with that type of catus. You want to have an endless pipeline of investors coming to your website, learning about you, downloading some free report, etc.. So the structure is that hard money loans structure. I'll borrow money from someone, give you an interest rate, attach a lean on my property, which will allow you to foreclose the asset. If I don't pay you what is owed. But to getting the deal funded is a different skill set. It's not about selecting the right paint. It's not about picking a good market. It's not about any of those things that you spent most of your career focusing on if you're a real estate investor, because that's what most people think real estate is about. And it is. But if you can't make the money show up, you don't get to buy any of it. So we can talk about the tech, the technicalities of hard money loans. But I definitely wanted to focus a little bit on kind of the strategies for actually making the 50 grand or a hundred grand a year for Chicago. So this is all about I'll put it this way. Most people think it's about this. And this is what I did, by the way. It's nothing against it's not derogatory because it's the mistakes that I made. But you think about yourself in the center of the circle trying to go out to convince people to invest with you. And you're like, I'm going to go to this random cousin that I haven't talked to in a while who owns the franchise. Let's say maybe he has twenty five thousand dollars. Maybe I can find a charity because charities tend to attract wealthier people, perhaps. That would work and you're going around trying to convert these people to real estate investors, the challenging thing about this is that that can work and that's what's challenging about it. You think that that's the route to accomplishing your goals because maybe you can get twenty five or fifty thousand dollars here or there. But it's not replicable. It's not scalable. You can do it over and over again. It'll just wear you out. So what I talk about in my book is the ANC system, the attract, educate, nurture clothes, which is about attracting dream clients of yours, people he'd love to invest with you, people that you want to invest with for years and years and years, and then getting access to the thing that's going to make all this make so much more sense. Their email address in exchange for a free report or a book or a checklist or due diligence checklist, 10 reasons to invest in real estate, whatever you want to do. And once you do that, they're in your infrastructure and you can nurture those potential leads and eventually take them through to convert them to investors. So happy to go into more detail, but that's kind of the structure of.

**Joe:** Well, let's talk about in more detail. Right. So you mentioned the acronym there, go into more detail about those other things.

**Hunter:** So the first thing is it's really important to have a lead capture mechanism if you're going to build an online presence. This is something that despite the fact that it's very readily available and you can see it clearly if you go to anyone's website that's having success, they have some sort of downloadable report. The important thing there, yes, they want to add value to these potential clients, but they want to have them in their infrastructure. So if you haven't yet written the ebook, I'm just a huge, huge proponent of this. And I'll give you a structure that'll make it very simple. Seven reasons you need to invest in blank or 10 things you need to know about blank or some sort of result that you're looking for and then the vehicle through which you're trying to get it. So how to achieve monthly cash flow through hard money loans, something that's going to entice the people that you're trying to cater to to exchange their email address for this piece of this resource? And there's other examples, but e-books are the easiest. And I really love e-books in particular, because if you take the time to write out those 10 things that they need to know, you're going to find that just taking the time is going to drastically increase your close rate because you're going to communicate more effectively if you have to speak to investors. You agree with that, Joe? I know you've written a lot of e-books and stuff like that.

**Joe:** Yeah, well, you have to make sure that the it's something that's going to be of interest to them that's going to help them get make their life better. I always whenever I'm thinking of a headline or something to sell, it's like, how can I help people get more cash flow with less overwhelm or make more money easy as possible, less complication. So, yeah.

**Hunter:** Yeah. So you can also do the achieve result through vehicle without blink. So it's like achieve your cash flow through hard money loans without dealing with tenants toilets and trash that. To me that's really powerful for the people specifically that are most interested in potentially investing with you through this type of structure. Now, it may not apply to someone like that's a stock market investor, but that's the whole point. You're not trying to cater to them. You don't want to try to convince anybody. You're just trying to find the people out there that are already kind of have this inkling that this is possible and you're going to get them to be convinced that you're the person that they should be investing but through this kind of nurture structure. So once you kind of built that out, we've built the website. We've got this lead capture mechanism. We now have email addresses. It's really important to have like an automated system for nurturing them in a way that doesn't require your one on one time. So there's probably a lot of people right now that are listening to this that if they've gone through this process, all they want to have is a full calendar. And that is, by the way, exactly where I was as well, where if I could just be able to talk to strangers about real estate all day, I would feel so happy. Yeah. So if that's your goal, I wouldn't suggest making the second email. So usually a lot of people make the mistake of saying, OK, here's your downloadable resource and then the next email the next day is like, hey, schedule a call with me, because those calls are going to be with people that aren't super nurture. Number one, most people will not book a call with you at that point. But number two, the people that do are going to try to sell you something. Most of the time they're not really in your world quite yet. So I would suggest is creating a lead nurture system, which is like samarium excuse me, some around five to seven emails, walking them through things like this, some big wins of your career, some case studies from investors, maybe an additional resource which is related to the one that they opted in for. I'll give you an example. If you wrote a book about ten things they need to know about investing in hard money loans, the thing about the e-book is the moment they download it, they instantly should know that you're credible. They don't have to read the whole thing. They just need to know that you're credible because your credibility is required for them to take the time to actually read anything so that they know you're credible, you're kind of in the door. So perhaps at that point, the second email could be a podcast or a webinar that you did on the same topic. Now it's going to require their time to actually develop the content. But at that point, you've got some credibility. So they're far more likely to do it than a case study than it may be a testimonial from an investor. Then a potential investment opportunity than some scarcity around that investment opportunity, then maybe an opportunity to book a call. Now, what I just outlined, I said in like 10 seconds. To me, that's like hundreds of thousands of dollars of value that if you implement it, you're going to have far more success than just simply prompting someone to call and following and following up on it again, again and again, which I've done to you, by the way.

**Joe:** Very good. By the way, your book, I'm looking at it here on Amazon, Raising Capital for Real Estate, How to Attract Investors, Establish Credibility and Fund Deals by Hunter Thompson and got a lot of really good high reviews on there. Good for you. That's all.

**Hunter:** Thanks. And I'll get myself a quick little plug. You can get the book on Amazon for like 15 bucks, or you can get it on our site for 8 and that's at RaisingCapitalForRealEstate.com. Plus, you get a ton of cool bonuses if you go to the site. So both are good, though.

**Joe:** I'm going to write that down. You know, is there more to what we're talking about here? You want to keep on going what you're.

**Hunter:** Yes. So that's kind of going through the attract and the educate and some of the nurture phase just by that automated process. But the last part is the clothes. And the thing is, I have a book like like I mentioned, I just opened up my book to kind of check this out before this interview. I think it's two hundred and sixty five pages. I think 12 pages are about the closed process, which is counterintuitive. Most people think raising capital is like, I'm not going to take no for an answer or like objection handling. I don't do that at all. It's not what I do. I try to create systems and processes so that I can overcome all those things before they ever come up. But it is important to actually close the funds. So once you get to, let's say, a phone call with someone, they should be so excited, so nurtured that when you get on the phone with them and know that you've experienced this as well, you answer the phone, you go, hey, this is Joe and I can't really name your company, but hey, this is Joe with Blink. And they go, wait, Joe, you actually Joe. And it's like, wait a minute, I'm so lucky to be able to have a call with you. It's like that's what this system can actually create. That's much easier to put yourself in a position of quasi celebrity in their minds by using these automated systems so that by the time they get on a call with you, they verify that you're a real person and they ask for the wire instructions. And I know that sounds like an infomercial. There's no possible way. But with the right guidance, with the right emails, with the right attention to detail and attention on focus on scalability and not requiring your one on one time, you can have calls like that. And that's when tens of thousands start going into bank account very, very quickly.

**Joe:** And we're getting some questions in from folks. Do you mind if I bring them if I just gave you all the website, you see that there was pretty fancy raising capital for real estate.

**Hunter:** I did that. That's awesome.

**Joe:** All right. So we've got some questions here from folks who do we kind of just talk about this a little bit from Dobi. What if you're not an incredible investor? How do you get started for startup?

**Hunter:** Yeah, so depending on what you're trying to accomplish. So if you're not an accredited investor, No. One, there's a tremendous amount of opportunities out there. Usually it's only a requirement to be an accredited investor. And this is just usually if you're investing in something that involves a lot of other investors. And the reason for this is that the government entities want you to have a bit of control unless you are in fact accredited. So if you're doing the kind of thing that I just mentioned, if you want to invest in an operator that's doing this better strategy and has done 10 and they've run out of money and now they want to do their 11th with the help of your capital, you can usually do that without being accredited investor. And that's just a matter of finding where hard money loans are. Now, in the world of syndications, there's also something called Regg a plus, which allows non accredited investors to invest in commercial properties. If you just Google that term, you'll find some opportunities and you can do some research and see if it's a good fit. So that answers all right, because it may be. Can I add one more thing to laughs? So if you're an operator, you do not need to be an accredited investor in this circumstance. You're simply the one operating it. And you don't have to you don't have to be an investor to fix and flip a property. You're raising money from others. So hopefully that add some context there.

**Joe:** Jim, is a question here about your company is a SIM nation. Why do you do deals for multifamily homes? How can people get more information? How can you apply?

**Hunter:** Yeah, so we do operate nationally because of kind of what I was outlining in the sense that we've got operating partners all over the country in different verticals and you can learn more at a whim. Capital dot com and just a heads up. We only work with credit investors just because of the laws and such, but there's plenty of great information on there, regardless of whether or not your credit good.

**Joe:** I don't know if I agree with this comment, but it's really interesting from dream work help the rich get richer. That's the secret. Mhm. Mhm. Right. But that's an interesting comment to talk about that.

**Hunter:** Yeah. First of all boy man I do want to help the rich get richer. I mean totally, I totally want that because the richer people get the better the products are developed that, that become cheaper and cheaper and cheaper. This is the truth of computers and iPhones and all the cool things that we're using right now, this technology, etc. So I want to do that. But it is really good for society if we all kind of rise together. And that's what this industry is all about. So if I can give this is a perfect example. The rich get richer play. That's the Federal Reserve game. The Federal Reserve game is print a bunch of money, hyper inflate asset bubbles. And if you don't have assets, your wealth does not increase proportionately. And if you're on fixed income, for example, and all this inflation starts coming, you get completely destroyed. That's the rich. Get richer, get I want to give people access to assets that appreciate in value. And as far as if the comment was related to the credit investor comment, which is, trust me, I'm sympathetic to that. I would love to work with investors, but the government's made it impossible. So, yeah, I feel you, man.

**Joe:** All right. Question here from Peter. Will you work with newbies who haven't done any deals yet? I'm thinking maybe he's asking about lending or do you help people who haven't done any deals raise money?

**Hunter:** So I'll start with the last part. Really, really important. So when I got in this industry, I felt like I wanted I want to get started as quickly as possible. I didn't want to have to develop my own track record before raising capital. And now a lot of people hear that and they go, wait, warning red flag. And I'm very sympathetic to that. But if you listened all the deals I was raising money for or deferring to someone else's expertize I was never the man, I was never going and saying, look at my track record, look at all my background. I was saying I've found someone who is an expert. Unquestionably, they've done 20 million dollars worth of real estate, one hundred million dollars worth of real estate, half a billion dollars worth of real estate. And I did that. And by the way, that's an excellent way to expedite your growth curve. If you can identify someone who's best in class and add value to their firm and partner with them, you can shorten the amount of time it takes to get quite far in this industry. As far as kind of helping others, you can learn more. Just go to RaisingCapitalForRealEstate.com. You get a ton of free information about how we work with clients and such.

**Joe:** You have somebody here was asking for that link again, and I'll give it to you right here.

**Hunter:** I love how engaged your audience is. We've got so many questions.

**Joe:** That's also and I'm trying to get some more, really. I'm almost out of questions, guys. Keep the questions coming in. Debbie says or Dobi says, thanks.

**Hunter:** Can I make a comment about kind of international investors? Because that's something that I hear a lot about. So a lot of people have interest in raising capital from people that are outside of the country. And it's totally possible. But you have to be very cautious about this while generally speaking, raising money is something that you should be cautious about and always work with the attorney and a tax professional, it becomes even more burdensome if you're pulling investors together to buy larger assets and it becomes even more burdensome if you want to work with people outside the country. So just be cautious about that. And by the way, if you're skittish of dealing with attorneys and paying legal fees, I got to say, I don't think this is the industry for you. Don't blame me. Like I said, I've made my comments about the government regulatory environment, but it's just the nature of the business, which, by the way, is one of the reasons lucrative because there's a lot of people that could be competitors of Joe and I could come in and they go, what is going on? I'll just go be a dentist. And it leaves room for people that are willing to stomach it. You know,

**Joe:** I just saw an article in The Wall Street Journal, and I'm looking for it right now. Well, for the first time in a long time, the foreign investment coming into US real estate has declined or something like that. It's either I don't I don't remember. If I find the article here, I'll bring it up or somebody else sees it. But it was just an article I saw yesterday about foreign investment in the US in real estate has starting to decline. I don't know what that means, but it may not even be a big deal. And for some people, that's actually good. Yeah, good, good, good. Especially the question from DreamWorks. I'm not sure I understand any creative ways to obtain M PS from a financing standpoint. Yes, a mobile home parks.

**Hunter:** So, yeah. You know, well, first of all, because of the popularity of the space, there is an affordable housing crisis in the United States. There is been a complete rollout of government loans for this product, including Fannie Mae and Freddie Mac. And I believe that we recently and I mean, we threw our partner, refinanced some assets at a sub three percent interest rate. That's like pretty unheard of. And it speaks to the fact that these entities view these assets as being not so risky. So that's one way seller financing, which I'm sure that many of you are familiar with, is very common in the industry. You also have the potential for there to be some not as sophisticated sellers. And without doing the math, when someone goes into negotiations, I'm always thinking, OK, price or terms, but not both. So if we found an asset from a seller that's not sophisticated and it was focused only on gross dollars, but not when they get those dollars, you can be very flexible with the price you're willing to pay. So as an example, if someone says, hey, I'll sell my property for eight million and I go, are you willing to seller finance? They go, yes. And I say, well, how long ago? It's not really about that. I just want to make sure I get to this good price. Well, then all of a sudden it's all on the table. How about this? Rather than eight million, I'll pay you ten, but you've got to give me hundred years to do it and they're OK. An extra two million dollars done. Now, that's kind of a silly version of the conversation, but in the mobile home park business especially, there is a little bit of that because isn't. More than eight. So to someone that only owns one property and maybe didn't learn how to use a financial calculator, that could be a great deal.

**Joe:** This is good. I'm going to share my screen here. It's a really good website here at RaisingCapitalForRealEstate.com. And I'm going to see if I can get this to work. Whom do you guys see my screen? Oh, look at that in that fancy look at that face. Yeah, yeah. There we go. RaisingCapitalForRealEstate.com. This is a book gives you the ultimate playbook for insuring all of your real estate deals are oversubscribed. Learn all the capital raising secrets from someone who has raised more than 50 million dollars without being a pushy salesman all under three hundred pages. I love it when this is like you can get the book here for half the price that you could on Amazon.com. Right. Plus you get a bunch of bonuses.

**Hunter:** Yep, that's right.

**Joe:** But you're going to you're going to teach them how to get investors to spend to send you one hundred two hundred three hundred thousand dollars. How to create a beautiful offering deck which will wow your potential investors, the exact phrases to use when establishing a large investment commitment. And then, yeah, this is really cool. It's talks about you, what you guys get from the book. So I'd encourage you guys to go check out. One of the things I was thinking about is we were going through this, too, was you got to dig your well before you're thirsty, right?

**Hunter:** Oh, my gosh. That's exactly right. I don't use that exact phrase, but that's exactly right.

**Joe:** You you need to start really thinking about the money that you need for your deals before you get the deal.

**Hunter:** Yes, it's because of two things. Number one, the number one thing that can kill your deals is neediness. And if you don't have the confidence that you're going to be able to close, the neediness is going to come through. And this is from or in the book pitch anything, which you should probably read that one as quickly as possible as well if you're listing this and haven't yet. But he speaks to the reality that regardless of how good the deal is, if the emotional component is not there and that connection is established and the potential for scarcity and fear of missing out is not there. The money's not coming. So that's the first part. The second part is it's all about building up capacity before you need it, because the moment that you need it, all your attention is on the actual deal. So you go capacity, capacity, capacity, deal, capacity, capacity, capacity, deal. And all of us, including myself, were taught the myth of the real estate sector, which is all you got to do is find a good enough deal. And anyone that's tried to do that recognizes that's not it at all, finding a good deal and presenting it to someone that's, let's say, not ready to invest or doesn't have an interest in investing or doesn't know enough about real estate. That's not going to get the money across the finish line. Right. And this isn't because I'm so smart. I figure this out. No, it's because I fell on my face in front of 30 people and didn't know how to raise a nickel because I thought I had a good deal.

**Joe:** Very good. We got to get going here about Hunter. You also have a podcast, Cash Flow Connections. Talk about that. How long have you been doing that show?

**Hunter:** I've been doing it now for almost three years and I guess for years now. And I know you're coming on to be a guest in which I'm super excited about it. I'm sort of a econ nerd. So a lot of conversations are about economics, different asset classes, commercial, residential, etc.. And would you talk about raising money as well? So if you're interested in kind of getting into the nitty gritty details of real estate, it's a really great place. It's probably not a good place to start. Should be your first podcast that you listen to, but it's definitely very detailed and you'll become intermediate to advanced very, very quickly listening to it.

**Joe:** You've got a lot of great episodes. You're up to three hundred and something. Three hundred and twenty three.

**Hunter:** Yep. Working on them all the time.

**Joe:** All right, guys. Hey, I appreciate you being on the show again. The book is RaisingCapitalForRealEstate.com. I don't get anything for recommending the book. I just like Hunter. He's a good guy. He's one of the good ones out there. So go get his book, check it out. RaisingCapitalForRealEstate.com If you have any interest in raising money for your own deals, but also maybe even syndicating yourself and being that arbiter, is that the right word in the middle, the arbitrator, the arbiter in the middle. And there's a lot of opportunity there. And I'm I'm optimistic for the future of our market, real estate. There's always going to be lots of opportunity out there, whether it's going up or down or sideways or flat or hot or cold. So you've got to learn how to raise money. Super important topic, even if you're just brand new getting started. This is something you should start thinking about now, studying now, because you need to dig your well before you're thirsty. So when you need the money, you've got it. And then the more money you have, the more opportunity that you're going to have to either invest with other people's deals or invest in your own deals. So this is really good. Thanks for being on the show. I look forward to being on yours. We'll talk to you later. Thanks, everybody.