EPISODE 112

[INTRODUCTION]

Logan Freeman (00:00:00) - When I talk to people who are trying to get into this business, the best thing that they can ever do because everybody's always talking about, is it the deal or is it the money? Well, look, it's both, but you need to be focused on building relationships first.

Tejas Gosai (00:00:15) - Ladies and gentlemen, welcome to Real Estate Investor MBA. My name is Tejas Gosai, and I've had the honor of helping hundreds of investors achieve the American Dream by creating generational wealth through real estate. I've spent the past few years interviewing the most knowledgeable experts I could find in the business to cut your learning time and conquer the hardest subjects in the game. Check out rei.mba, which my team and I have packed with over 75 interviews and free access to our real estate roadmap, webinars and publications. If you're listening, I am rooting for you and you're already on your way to financial freedom. Cheers and happy hunting!

[INTERVIEW]

Tejas Gosai (00:01:04) - All right, guys, you know what time it is. I only bring on the best guests that I could find in real estate.

Tejas Gosai (00:01:09) - Today, we have Logan Freeman with us. Logan, welcome.

Logan Freeman (00:01:13) - Thank you for having me. I'm energized, excited and ready to bring hopefully some good knowledge and experience to the table.

Tejas Gosai (00:01:21) - For sure. You have a stellar background and I want the long version of the story. You could just tell us how you got here.

Logan Freeman (00:01:29) - Yeah, absolutely. So many folks don't know the capital of Missouri, but it's Jefferson City, small, 50,000 people that live there. Good place to grow up. That's where I grew up. The beginning of my life is kind of interesting because I identified as an athlete for so long. But when I was 14 years old, I got really interested in making money. You know, I had this entrepreneurship bug kind of early on. And so as a 14 year old, you know, it's like, what can you do? Well, I mean, back in the day, I don't know what the you know, what they you know what age you can start working these days.

Logan Freeman (00:02:01) - But I could get a letter from my school and my parents would say if I was 14, I could start working, you know, and I did that. And so I got two jobs, the first one being a dishwasher and floor scrubber at a catering business, and the second one being throwing hay in the middle of Missouri fields in the hot summers, you know, throwing hay, literally picking up square bales and put him on a trailer. And here's what that did for me. I saw my mom worked two jobs to keep food on the table for us, but never really talked about finances or anything like that. My dad really being bad in that regard in a lot of different ways. And so I wanted to start saving money. I thought saving was kind of the way to go, and so got those jobs, started putting money away when I was 15 years old. Started a Roth IRA. You know, I still remember sitting in that meeting with that guy saying, no, this is the youngest individual I've ever started a Roth IRA for, but it's because personal finance in schools was based on Dave Ramsey's model, which for a lot of United States and the rest of the world is a good model to follow. But in a lot of ways, that's not how you generate and build wealth.

Logan Freeman (00:03:04) - And so I went to college, ended up I had a couple different ideas. I was either going to go military, culinary school, or play football. And so I ended up getting a scholarship, and I played football at the University of Central Missouri in Warrensburg. And had a really great career there. And so that's where I really grew up and started to continue to learn and try to flourish as a student-athlete. After I was finished playing football, I got picked up as an undrafted free agent with the Oakland Raiders, and so I went out to camp. I was able to beat out a few of the folks that they had drafted. I moved positions but ultimately got cut, and when that happened, I had a decision point. I always look at my life as these different inflection points and decisions that you have to make. And this was one of those monumental decisions. And, you know, I'm a very passionate guy.

Logan Freeman (00:03:54) - And the fire just was not in my belly for football anymore. And so that's when I decided to go back to school, finished my master's degree and start working. well at the NFL combine. I was 335 pounds as an offensive lineman, and in less than six months I dropped over 100 pounds. So I remember weighing in at 219 pounds. Through that physical transformation, something very crucial happened. I had to get a job because I was no longer on scholarship. You know, I didn't have any money. And so I got a job making 265 cold calls per day, getting told no about 264 times out of the day. And that built resilience. But I put these ear pods in or on my car. This was before podcast, and that seems crazy to to seem like John Lee Dumas and Louis Howes were like the only ones podcasting back then. So I had CDs of Tony Robbins, Jim Rohn, Zig Ziglar, I, you know, and unfortunately, my car got broken into and they stole all my CDs at one point, but I had all those CDs, and that just led me on this journey to reading a lot of different books.

Logan Freeman (00:04:56) - And so physical transformation, yes. But mental transformation was monumental at this time because I had an hour drive to work and an hour drive back and then school all night. And so through this period of time, I got a lot of knowledge in my brain. I got the bug to really start to learn this wealth thing and what entrepreneurship and business is, as I am in business school to get a master's in business administration. But I had a fundamental dilemma that the higher education at the time I was learning about regression analysis and charts and accounts and accounting, and I still couldn't figure out what business was until I took a marketing class. And I said, here it is. It is a product or service that you have being able to market that and then sell that and then customer service. And so I got that kind of ingrained in my mind. So I finished up school. And this is another inflection point for me. My father had really struggled with drugs and alcohol his whole life. And unfortunately at the time it hit a tipping point and he got really sick.

Logan Freeman (00:05:55) - And in less than two weeks, my father passed away after I finished my schooling. And so I am scheduled to go to Jimmy John's as their youngest franchise consultant that they had ever hired. And I have to push back the training two weeks because of the situation with my father. So I remember leaving for Jimmy John's training in Champaign, Illinois, and I got the call that my dad had passed away because I was just sitting there with him for so long, and then the day that I left is the day that he passed away. It was a really crazy story, but like what that did for me was also say, oh my gosh, like the decisions that you make in your life have a real impact in what your results are. And so I go to Jimmy John's, I come back to Kansas City. I'm a franchise consultant. I have 25 stores in Des Moines and Altoona, Iowa, northwest Arkansas here in Kansas City do that for about a year. And I'm like, okay, I'm ranking in the top five of business consultants for this company.

Logan Freeman (00:06:49) - They're growing. What's the next move? My boss at the time said, well, it's regional manager and, you know, but you got to put your time in. You probably got five years before you're going to be able to do anything else. Two weeks later, I'm out the door and I start with a startup company that had three individuals and completely different industry.

Tejas Gosai (00:07:06) - What year was that?

Logan Freeman (00:07:07) - This would have been in 2014, 2014. And so start with this this startup company and have a lot of success. We're growing. We're getting all these pilot programs with these large trucking companies. But the product just wasn't quite ready. And so that ended up fizzling out. They've raised money since and are very successful company. So I moved to a larger company, and that I thought that I was going to be more of a safe place to be. I'm there for 15 months and they sell to a private equity company. Private equity company comes in and slashes all the new sales people. And so I'm out of a job, newly married, I'm out of a job.

Logan Freeman (00:07:42) - But one thing I had done was I had listened to a ton of podcasts, and I had read close to 700 books, most of them that I still have. And so my wife at the time said, hey, why don't you take this period of time for reflection? I will support you in anything and everything that you decide to do. So at that point I said, well, real estate's really interesting to me, but I'm not 100% sold and being in real estate alone. So I started a sales consulting company as well. So I grabbed the fastest 5000 companies. I called the first 3000, I landed three different clients, pay me more money than I ever had made in my life, thinking that I wanted to have a consulting business. At the same time, I took a head of acquisitions position for a $50 million fund in Kansas City, buying single-family homes. So I've got two gigs going at one time. Six months in, we're rocking and rolling. I'm working 80 hours a week.

Logan Freeman (00:08:29) - My wife looks at me and I don't have any children at this time. I'm about to have my third baby here in four weeks, but at the time it was just work, work, work, she said. You know, look, you need to focus. And so I ended up finishing up the fund that I was working with at 265 homes, went through a CoreVest portfolio refinance program, six in the country to do that returned 80% of the capital to the investors and still cash flow. Now this is in 2017, 2018. So prices weren't quite what they are now. And you could still do this. So I sat down with those fund managers and I said, where did you raise the money from? And that's when they said syndication. Well, I had never heard that word before. So what did I do? I read the books. I went to the seminars, I learned the business model. I said, okay, I want to do this, but not on single-family homes, multifamily and commercial.

Logan Freeman (00:09:16) - And so I hadn't had that much experience in that realm. So I moved my license. I start representing 1031 exchange buyers in Kansas City looking for replacement properties, multifamily, neighborhood retail shopping centers. And this is another kind of decision point for me. But when I brought the idea to the brokerage I was going to, they said, don't work with buyers. It's going to be a waste of your time. You need to go after listings. I did not go and heed that advice. I went the opposite direction. I represented buyers and I outsold the rest of the company combined for two years straight representing buyers. Put a little money in my pocket, decided, okay, now it's time for me to buy some properties. So I go out and find some properties that I want to purchase. Purchase them. Midas touch right? Everything I touched at this point turned to gold, quickly learned with a growing brokerage business and historically adaptive use projects that have a major construction component to it that have no experience in.

Logan Freeman (00:10:07) - You can lose money really quickly. And that's exactly what I did. And so I lost money. I relinquished those properties, got out of them and decided, okay, I need to look at this as a business. And that's when I had some mentors pour into me and said, okay, it's time to find some business partners or folks that you can work with that you can grow a business with. And so that took another year or so, found some business partners. So back in 2019 we started what is now FTW investments and started buying smaller multifamily properties. What happened in March of 2020? Covid 19. Well, this was an interesting inflection point as well. It's a time where most people are pulling back. Nobody can travel to come see properties in Kansas City, but debt is extremely cheap, right? And so we made a big splash. We bought over 1500 multifamily properties.

Tejas Gosai (00:10:54) - In 2020?

Logan Freeman (00:10:56) - 2020, 2021 and into 2022, Last year we did not do very many multifamily properties.

Logan Freeman (00:11:02) - We have stepped back into the commercial space because going into Covid, we had about $35 million worth of neighborhood retail shopping centers under contract. Not knowing what was going to happen with retail at the time, we decided to pull out of those. We have since stepped back in and added 600,000ft² of commercial space to our portfolios. So where are we at now? Well, we've got the multifamily portfolio. We have our commercial portfolio that is flex industrial, neighborhood retail shopping centers, vertically integrated on the management side, have started a commercial and multifamily brokerage here that is thriving in Kansas City and continuing to look for acquisitions. So that's kind of where we're at now and how we got here. So lots to unpack there, I'm sure.

Tejas Gosai (00:11:41) - That was awesome. That was awesome. Go to go to this right now. Part of it. So 2020 you doubled down on multifamily found inventory which totally flipped now it's really, really hard. So you did that at the right time. And what was your structure like? How did you do these projects? What was the vehicle like? Was it a 506?

Logan Freeman (00:12:04) - 506-Cs and 506-B syndications so just leveraged the networks that we had and continued to raise capital from private investors. We have not done any funds.

Tejas Gosai (00:12:14) - Just to explain that maybe there's a first-time listener who doesn't know. Why would you get into those two things? What does that mean?

Logan Freeman (00:12:19) - Yeah. So looking at how you can raise capital, you need to understand where your investor base is. And obviously, the SEC lays this out very clearly in regards to what an accredited investor is and what is not. But if you do not have a large network of individuals that may have ready capital to invest in that believe in you, then it's easier to cast a broader network or broader net into finding a bigger network so that delineates between 506-Bs, which are friends and family or folks that you have a pre-existing relationship with, versus a 506-C, which would allow you to use digital marketing to actually raise capital from accredited investors. And so when we started, it was much more 506-Bs that we were using.

Logan Freeman (00:13:03) - And we have since transitioned to utilizing a lot more 506-Cs as we've needed across to cast a broader net and or doing larger projects.

Tejas Gosai (00:13:10) - Thank you for that. I manage a private equity fund. I love talking about the industry and how it kind of didn't exist in the way that it does now, and you nailed it. You're able to advertise market. So you went on a rampage. I could say it. I'm allowed to. And you got a bunch of accredited investors which are hard to find. And then when you do, they want to stick with you if they like what you're doing. So can you talk about that? I mean you got to some scale pretty quickly. How was that transition?

Logan Freeman (00:13:38) - Yeah. So I mean, look, I've been building a list. I mean, I read a book from Mark Anthony. I think it was be so good they can't eat you or they can't eat you or something way back when. Right. And maybe the author is a different name. I don't remember, but in that book I remember him saying, you need to be building a list all of the time and just staying in front of people.

Logan Freeman (00:13:56) - And this was back when WordPress blogs were, you know, kind of the hot topic, you know? And so we didn't have all these different newsletter outlets and things like that. So I was just writing these blogs on WordPress sites that I would just upload and just building a list of individuals. So I'd read a book. If it really resonated with me, I would build a, you know, or write a book report on that and then take that book report and then make it into a blog post. And then people started to organically follow me like crazy. And so then I transitioned that list over to a constant contact list. And then I built the investment firm. So then I somehow transitioned those individuals to thinking about investing in real estate. And so you're building a long-term trust factor with these investors. You know, that you can potentially do business with. And so I got started that way and then started to really leverage LinkedIn. So have over 23,000 followers on LinkedIn, have found a nice place to be to to have some thought leadership and to connect with individuals.

Logan Freeman (00:14:54) - And then it was, okay, now we need to really start to put our own investor list together. And so writing blogs specifically for real estate and portfolio allocation and Kansas City, because that's where we're located. So that's where we're doing most of our transactions. And a lot of people now this is five, six years ago weren't thinking about Kansas City at that time. It's starting to really get popular. And people are starting to really kind of pour capital into here. But at that time it was like, why would we invest somewhere in Kansas? Well, it's actually in Missouri, and there's a lot of things going on. And so now with Patrick Mahomes and Travis Kelce and Taylor Swift and all the things everybody knows about Kansas City, right? But back then that wasn't the case. And so educating about the market was really important. And then then I had to build an investor relations team to actually, you know, start to reach out to these individuals, started to have monthly webinars to educate them on what passive investing actually looks like, what's the structure, how do they think about their own portfolios, you know, and so, you know, it's been an iterative process.

Logan Freeman (00:15:51) - And we've tried to take an education-first approach. But at the end of the day, people are going to invest in two things or, well, three things weren't really the relationship that you have with that person, how you resonated with them. The second thing, what markets are you in? Do they believe in the markets that you're in? And the third, what type of asset class are you doing? Right. And so starting out with no track record, you have to really rely on market and you have to rely on your personal relationship. And that's why when I talk to people who are trying to get into this business, the best thing that they can ever do, because everybody's always talking about, is it the deal or is it the money? Well, look, it's both, but you need to be focused on building relationship first. And so that is done through thought leadership. And so reading all those books, people were like, well, you know, I'm not really a reader.

Logan Freeman (00:16:36) - I said, oh, no problem. Hey, which book are you thinking about reading? Is it James Clear Atomic Habits? Great. Well, I've read that book four times, and here's the things that I've pulled out of that book. Boom. And then you just start having conversations. And then so people are attracted to people who have read or are actually embodying the things that are in those books, and then they're like, well, what do you do for actual work? Well, you know, actually we invest or sell real estate. Oh, well, tell me more about that. So a lot of the folks that I have built relationship with have not been, hey, I want you to take a look at this real estate deal. It's been like, hey, let's connect on a personal level. What's interesting to you? How do you become the best version of yourself? And then boom, now once that's built, they start to think about, oh, well, Logan's a guy I'd like to spend time with.

Logan Freeman (00:17:19) - You know, maybe I'd like to look at what he's offering from a business perspective. So that's kind of been my whole circle. How we've done that. It's not necessarily scalable to the point of raising hundreds of millions of dollars, but if somebody's trying to get started, it's a really good playbook to how to do that.

Tejas Gosai (00:17:36) - That was excellent. It's definitely like a good miniature marketing class and how you can pull this stuff off. Tell me about the properties, though, to go from 10, 50, 100 units to wherever you are. Can you actually talk about how many units you have, things like that?

Logan Freeman (00:17:52) - Yeah. So we're highly focused on the Midwest. So we're across four states right now. That's Missouri, Kansas, Nebraska and Iowa. And when we were getting started, it was really 50-unit multifamily deals and under. And then we found a nice portfolio from a group that is a fund. And, you know, if you're well versed in funds at some point, wherever the property is, the life cycle, you know, if you've achieved your return thresholds, you have to make a decision about the marginal rate of return from holding versus selling.

Logan Freeman (00:18:22) - And some funds can be forced to sell just because they need to get an exit. And or they've proven the business plan. And so we started to buy from some funds that had properties here in Kansas City. And so we jumped pretty quickly because of the ability to build a relationship with them. But they had large assets here in portfolios that we were able to tap into. And so we went from doing 37 unit properties to 26 unit properties to 47 unit properties to boom, a three property portfolio of 426 units during Covid-19. Yeah. And then after that it was like, okay, now let's try to focus on 100-plus unit properties in really great areas that we want to focus on. So I think what we have learned from getting started to where we are now is what we do want to actually own and operate, what we want to avoid, and the different asset classes that or asset types per se that we think that we can actually manage effectively. And so I think that but at the beginning, you know, it was a lot of me and the business partners, you know, managing the assets, I mean property management, you know, pulling, you know, carrying fridges up the stairs, you know, painting and things like that.

Logan Freeman (00:19:29) - And so I think that's just journey that some people have to go through. But me being involved in those different processes allows me to be a better leader when I start to hire folks that can actually do that more effectively. But I'm sitting here saying, I've done those things and I'll get out in the field with my team as well. Once a month, twice a month, three times a month. I'm out in the field helping the maintenance guys, you know, figuring out what's going at the properties, helping on the leasing side of the business, you know, trying to drive more leads from our ILS systems, all the different things. I think that as we look at being operators, true operators and focused on that, I think that's one value component that we can bring to investors to say, look, we are managing these assets and, you know, we're rolling up the sleeves every single week and actually doing these things. It's a big component to actually operating real estate, especially in today's environment.

Logan Freeman (00:20:16) - When I would say that the grader's fool's theory is kind of thrown out the door. Right? I think that we see we're seeing on the single-family home side, Realtors are really having to do their work, and we're also seeing it on the multifamily side. You know, I mean, the model was buying multifamily property, hold it for three years, maybe even less. Trade it, let somebody else go buy it. Well, that model is kind of broken now and it's gone. And so I think we're going to see some pain. We are seeing some pain in regards to interest rate caps and all these different components. One thing that we always did was let's we look at these deals. We say, well, what's the risk that we can incur here and mitigate? Well, one of the risks that you can always mitigate is the debt that you put on the property. And if you can't get a fixed-rate financing deal, then maybe it's a deal that you shouldn't do, right. So we always put fixed rate on our multifamily properties, which is a saving grace sitting here today.

Tejas Gosai (00:21:05) - Yeah, I've seen so many funds and folks that took some variable rates over the past few years just, you know, they got to do capital calls and this bunch or issue new shares ahead of their investors. It's ugly. But let's get into now. So what are you doing now? Obviously, there's a lot of madness and just fear-mongering. And people are in a weird place and election time, geopolitical issues and wars. So what are your investors saying now? What are you looking at? Are you still penciling? Are you running deals? Give me your snapshot.

Logan Freeman (00:21:39) - Well start with the macro snapshot and folks that I follow. So Ray Dalio, Howard Marks, Jamie Dimon, you economists that I really enjoy that I don't think are trying to sell you a program but actually trying to bring good data. I would say all of them are pretty aligned. And let's just think of Deutsche Bank's latest article, 100% chance of a recession, right? ITR Economics is a group that I follow pretty closely as well. I think that most people do believe, regardless of the information that's coming in, that a recession is imminent and is coming.

Logan Freeman (00:22:11) - Right. And so, frankly, a lot of people are comparing it to the Covid-19 recession, which can you believe that was three and a half years ago? I cannot believe that. That's just I mean, we're going into 2024, I still remember. March of 2020 and all of that happening, but I digress. I think that what I would say is, what is that doing to impact the commercial real estate markets? Well, we have interest rates that are above seven. We have rental rates that are not increasing at the same rate, albeit still positive in a lot of ways. We have massive supply coming online, 670,000 new units being delivered, I think in Q1 or Q2 of next year. That's a lot of units. Yeah. And we have affordability crisis on the on the single-family home side. Throw in there the geopolitical risk that we've been talking about. Throw in there the United States deficit and the debt that we have. I mean, there's a lot of components that I think reading Phil Anderson's book, the 18.6 year Cycle, means that we are coming up on some sort of property crash, and we are already seeing it in assets like office.

Logan Freeman (00:23:15) - Now, we haven't seen it necessarily multifamily because of single-family homes being so expensive that people still need a place to live. But could we see it in certain markets that are being oversupplied? Absolutely. If you read Sam's book, am I Being Too Subtle? R.I.P Sam Zell, one of the greats of our industry. He talks about this at length, right is when the going is good, development happens. It's all cyclical. So reading Howard Marks Mastering the Market Cycle, Phil Anderson's book, the 18.6 Year Cycle, Sam Zelle's book Am I Being Too Subtle? I can't ignore the fact of where we currently are and where we are headed, so that is definitely impacting our investment thesis to the point of us only acquiring one project this year that we are closing next month, which is a neighborhood retail shopping center. So we have. Thank you. Yes. So we've stepped out of doing the multifamily properties for the time being and stepped more into neighborhood retail and flex industrial because of positive leverage. So we are cash flow investors.

Logan Freeman (00:24:17) - We're value investors and always going to think through, you know, the intrinsic value of the cash flows at the property, but also the basis. And so where can we get good basis right now that has performed well? Well, neighborhood retail is an interesting asset class. The Wall Street Journal started posting about neighborhood retail here in the last three months. They're typically 6 to 9 months behind real trends. And so I've been shouting from the rooftops for about two and a half years that this is an asset class people need to be focused on. Why? Well, the supply of it has been nonexistent in 2008. If there is land to build them around good neighborhoods, that has been gobbled up by multifamily developers. And so there's no land for these. And then the on-shoring and the small business, I mean, small business and entrepreneurs are what drive the United States economy in a lot of different ways. And people want to get out and shop. But you also have to remember that these neighborhood centers are highly concentrated with e-commerce resistant, service-based tenants.

Logan Freeman (00:25:11) - So not necessarily the big box or junior box Best Buy type of shopping centers. These are 1500 to 3000 square foot spaces that have dentists, chiropractors, hair salons, restaurants, financial institutions in them. And so that's what we have been focusing on. We've picked up four at this point or hopefully getting our fifth one here. And I think that that's going to be a really strong asset class going forward, at least in the areas that we're looking at and the median household incomes that we target. It's very location-dependent. You have to be very careful with retail, because if you cannot access a retail shopping center from one way, but you have to go around to the other way, that's going to drive traffic counts down way below. Well, then you're not going to be able to get the retailers or the tenants that you want because the visibility and traffic counts. So there's a lot to be said about the differences between investing in multifamily versus neighborhood retail. But the triple net lease structures, the weighted average lease terms being between 3 and 5 after the value add is implemented, and the unsophisticated ownership groups that own these deals for the last 10 to 15 years that are phasing out, you know, that is a big trend that we are seeing where they're like, hey, I've got to put 400 to $600,000 into this deal.

Logan Freeman (00:26:20) - I've juiced this for every cash, every dollar. It's paid my mortgage at my house, so I don't have a reserve.

Tejas Gosai (00:26:25) - My kids’ school.

Logan Freeman (00:26:27) - My kids' school, it's been a great asset. But like, they can't put that money into the property to get it to the level it needs to lease it back up. So very niche. I would say in regards to what we're focused on, we're going to be very selective on that front. But they've panned out very well for us so far.

Tejas Gosai (00:26:41) - Man. You're a world of knowledge I love that. I would like, because we're coming to time soon, your crystal ball also do you have like your reading list of everything you've read somewhere?

Logan Freeman (00:26:53) - I mean, I have my audible, which has about 150 books on it, and then I have my library at my house and my library that's actually sitting right here. You can't see it on screen, but

Tejas Gosai (00:27:02) - You've got to catalog it, like an Excel sheet.

Logan Freeman (00:27:05) - I need to do that at some point, because that would be really cool.

Logan Freeman (00:27:08) - Yeah. You do that. Yeah, absolutely.

Tejas Gosai (00:27:10) - But crystal ball stuff. I admire you researching as much. We're up to 8% now and that just happened. And everyone wants it to kind of just give me your feel for the next couple of years. And interest rates particularly.

Logan Freeman (00:27:22) - Bill Ackman just covered his short that he had on bonds. So for a couple different reasons. One, thinking that the economy is actually slowing much faster than what is being represented and the lag in the interest rate hikes. Right? Everybody should know that when rate hikes happen, it takes at least 12 months to get through the economy. Well, we went up so fast and so high that we have not felt those impacts yet. But you are seeing it in tech layoffs. You are seeing it in certain different economies, I will say. That being said, I think Ed Yardeni from Yardeni Research does a really great job. He classifies it as a rolling recession. Right. And so it hits different economies or different places in the economy at different times.

Logan Freeman (00:28:07) - And I think that what commercial real estate is feeling right now is that rolling recession. Now I follow the CEO of Marcus and Millichap. I forget his name very closely because he's on a lot of the big news outlets, and he continues to tell folks, hey, commercial real estate is not one asset class. You have office, you have retail, you have multifamily, you have industrial, you have self-storage, you have all these different components, and you can't look at it from one standpoint. But when the reports come out from the Green Street Property Price Index and we see a decrease of 11 to 15%, where is that actually concentrated? Well, a lot of that is in office right now. And so I think that you have to look at the data in a way that makes sense for you, but also get into the details of that data. Crystal ball would be election years. Peter Lindeman is one of my favorite economists to follow. Dr. Peter Lindemann, if you don't follow Willie Walker and him, they go on quarterly on the Willie Walker Podcast, Willie Walker is the CEO of Walker and Dunlap and a privately traded company very, very big.

Logan Freeman (00:29:06) - And he says, do not bet against the United States. If you have capital and you have courage and a long-term outlook, you will be okay. But right now, the last 10 to 15-year bull run that we have been on, that is no longer the case. And so I think there will be opportunities here soon. Remember that purchase price is permanent, financing is temporary. And so if you can get a good basis and you can lower leverage it or buy it, all cash interest rates will come down at some point. I will not bring out the crystal ball and say when I think that with these most recent geopolitical risk, we have a lot more to think about in that regard. And I think that inflation has been stickier than most people would say or thought that it would be. And then what drives on a lot of commercial real estate and the biggest driver of GDP is consumers, right? So you have to look at the health of consumers. And credit card debt is rising in regards to the total amount.

Logan Freeman (00:30:04) - But the actual month over month and year over year is not rising to a level that people are really jumping out of the roof on. Peter Lindeman talks about this on the Willie Walker Podcast is, hey, I use credit cards for big purchases to get the points, but I have the money to pay them off. And so I think a lot of people are using those credit cards to make those big purchases and then pay them off and that data cannot be bifurcated. You cannot understand how much of that is actually in the credit card debt. So when you see these headlines and this fear-mongering of, oh my gosh, the consumer is dropping in health because of the credit card debt, again, you have to dive into the details. So what I'm seeing still is physical demand for good multifamily properties, for good retail properties and for the right industrial properties is still very strong. Self-storage, I think, has a big concern in my point, my perspective, just in regards to the amount of supply.

Logan Freeman (00:30:56) - And I think mobile home parks are always going to be a really great space to be at, especially if you know how to operate those opportunities. Education right now is the most important education about the macroeconomic climate, but then the markets and the asset types that you are looking to invest in. And so if you can't have a conversation with yourself or with me about what we just talked about, and somebody that you're looking to invest in has no idea what GDP or the ten-year treasury is you need to question where you're going to invest your money. Because this to navigate this next 2 to 4 years will take a lot of grit and it will take the right decisions, but it takes a lot of knowledge to be able to get through those. So that's my crystal ball for the next my next 2 to 4 years, I guess.

Tejas Gosai (00:31:40) - That's awesome. Logan, I got to thank you for the time. I got to ask one more thing. What motivates you?

Logan Freeman (00:31:45) - Oh, man. Well, my faith is extremely important to me.

Logan Freeman (00:31:48) - So I grew up as a as a Catholic, and I've just really dove in into that. But now being a husband and a father, right?

Tejas Gosai (00:31:55) - I was going to say, yeah, I mean that is.

Logan Freeman (00:31:57) - The most incredible role, I think, just in life in general. And so making sure that the words that I speak are, they actually back up the actions that I'm taking. And so I want my kids to realize that hard work and education and knowledge paired together can really create really great results. Because I always say that knowledge alone is not power. Knowledge plus action is power. And so you have to be able to take action. And that's all discipline. And so I'm a big. Jocko willing guy. I'm a big discipline equals freedom type of investor. But also in my personal life.

Tejas Gosai (00:32:30) - It's awesome. How does someone get a hold of you? How do we invest in you?

Logan Freeman (00:32:33) - Absolutely. You can find me on LinkedIn. Logan Freeman, search, Mister Kansas City, Logan Freeman I'll pop up there, follow me there, connect with me there.

Logan Freeman (00:32:41) - But my website is FTWInvestmentsLLC.com

Tejas Gosai (00:32:45) - Awesome. All the info is in the notes. Our show is transcribed. If you don't want to see our faces or hear our voices and everything's on [rei.mba](rei.mba). Logan, thanks so much for being here.

Logan Freeman (00:32:56) - Thank you for having me. This was a blast.

Tejas Gosai (00:32:59) - Cheers, guys. Take care.

[END OF INTERVIEW]