



THINK REALTY

THE MAGAZINE FOR REAL ESTATE INVESTORS

COMMERCIAL DEVELOPMENT

How commercial real estate connects communities

RENT CONTROL

Is this hot topic helping or hurting the industry?

Chief Empowerment Officer

BETH O'BRIEN AND HER UNCONVENTIONAL PATH SURGES GROWTH AT COREVEST

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NOV/DEC 2019
\$5.95 U.S. • \$6.95 CAN



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CHIEF *Empowerment* OFFICER

*Beth O'Brien and
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BY BOBBY BURCH

PHOTOS BY EMILY FRANCES



**YOU'RE ALLOWED
TO MAKE MISTAKES.
AND THAT'S WHAT I
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DO IF YOU'RE TRYING
TO BUILD A CULTURE
OF CONSTANT
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BETH O'BRIEN
CEO, COREVEST

CoreVest CEO Beth O'Brien maintains a belief that likely isn't popular among other chief executives.

"You actually want to encourage dissent," she said. "You don't want to encourage people to not do something if they're supposed to do it. But you certainly want to empower people to challenge you."

Such conviction is part of O'Brien's broader philosophy to elevate each team member of CoreVest, a rapidly growing finance company for residential real estate investors based in Irvine, Calif. From stimulating productive defiance and embracing failures to emboldening employees to find and use their voice, O'Brien's approach may be unconventional, but the results speak for themselves.

Founded in 2014 by O'Brien, CoreVest is a leading private lender for residential real estate investors throughout the U.S., offering portfolio and single-property loans for rental properties as well as short-term credit lines and bridge financing. Recently, the company of 100 employees surpassed a significant milestone in closing over \$6 billion in loans and financing over 40,000 investment units.

What's helped CoreVest hit such meaningful achievements is its breadth of experience, O'Brien said. For example, among CoreVest's three C-suite executives, there's more than a collective 80 years of industry experience in real estate and finance.

"One of the things that sets CoreVest apart from some of its competitors is our deep understanding of the market," O'Brien said. "Because we understand the market so well and have so many people who work in our company who were equity investors and have been in this particular market for many years, our ability to customize what the investor needs, our ability to close in a reasonable period of time, and our customer service sets us apart from others. We understand their business well enough to work with them on the business pieces alone."

O'Brien herself has 30 years of experience in nearly every aspect of the mortgage industry, as both a principal and an



advisor and has managed more than \$15 billion in transactions. O'Brien previously was executive vice president at Auction.com, where she ran residential capital markets, and previously was the president of AuctionFinance.com, where she ran the financing strategy for the platform.

Such a diverse background provided O'Brien not only a well-rounded perspective on the finance and real estate industry but also cultivated compassion and understanding for a business's needs.

"Having a really diverse background and a non-linear career has been super helpful in having the empathy necessary for all the different departments but also an acumen and ability to multitask on a lot of different topics," she said. "Being CEO is actually making a lot of de-

isions all day long that aren't always that sophisticated. Sometimes it's the heavy strategic stuff, but sometimes, it's working with other departments."

CoreVest has also grown thanks in part to its significant expansion of loan offerings over the last year, helping to serve a diverse and growing client base that employs varied real estate strategies. In spring 2019, CoreVest introduced its Build-to-Rent Complete, which provides a comprehensive financing solution for investors that build and hold portfolios of new rental properties. The company also rolled out additional bridge loan products for multifamily properties and a new 5/1 adjustable-rate mortgage loan to provide alternatives to finance individual rental properties.

Beth O'Brien's Favorite Tech Tools

With clients and offices around the United States, CoreVest CEO Beth O'Brien's work and communication is often executed amid travel. That's why the executive relies on powerful yet flexible technology to help her perform at her best. Here are a few of O'Brien's favorite tools.

The iPad

As the leader of a 100-person team, O'Brien recognized that her role has evolved from that of a producer of data to one that is consuming it when meeting with clients and making decisions. That's why she opts for a portable tech tool for her travel-laden schedule: the tablet.

"I'm so attached to my iPad that when I once locked it in a car, the CFO said, 'Did you leave your arm, too? Because I thought it was surgically embedded,'" O'Brien laughed. "Everything we do is cloud-based and mobile, so I can access everything I do for work on my iPad, which is really nice. ... The tablet is not great for creation, but it's awesome for consumption. You can read on it better than a phone, and you can manipulate it. It's all the things I need, which is really consumption of data."



Social media

To stay abreast on real estate market news, O'Brien finds that social media platforms are quite useful. In addition to LinkedIn and Twitter, O'Brien particularly likes Instagram to stay informed.

"I'm going to go to the airport soon and I'm going to be in the back of a car, on the phone, checking Instagram and sending emails," she said. "It helps me feel attached to what else is happening in the market. I get a lot of information from it."



Web-based platform

CoreVest's responsive, web-based platform has been invaluable for O'Brien. It enables her to not only use the same data the company uses but allows her to access it however she needs amid her busy travel schedule.

"The way we set up our company data and tools — even the way we fund loans — it's all web and cloud-based," she said. "Being able to use even highly controlled applications in a mobile way has really enabled us and me to travel the way that we like to, to see the assets we need to see and never feel like we're not using the actual company systems."





THREE LEADERSHIP LESSONS from CoreVest CEO Beth O'Brien:

Through her decades of executive experience, CoreVest CEO Beth O'Brien has cultivated a deep understanding of what's important in leadership.

Now as the honcho of more than 100 employees, O'Brien has been intentional in stepping back to evaluate what aspects of her own leadership should remain consistent and what should evolve. Here are a few of her insights over the years.

1. Find Your Voice

O'Brien believes that we're all more effective if we're true to who we are. The same piece of advice that she issues to new leaders is the same she gives to her children and employees: Find your own voice.

"It's great to be exposed to all different types of people, to learn from them and take from them the things you feel you can incorporate," O'Brien said. "But at the end of the day, you're never going to be as effective unless you find your own voice. You need to be the leader that you are — not the one that you know you thought was great when you were two jobs in. And that means finding a voice and a style that's really you."

When you harness your voice, O'Brien said that employees will naturally gravitate toward your message. Authenticity is contagious and will empower those around you, she added.

"If you're true to your own voice, the people will really follow you because it's genuine," O'Brien said. "Think about what your friends like about you. What your family likes about you? Those are your key attributes that are going to work in your voice. If your friends find you hilariously funny, it may not be the easiest thing to translate to a work

CoreVest also worked diligently to simplify the loan process via the internet or over the phone. After submitting an application, the CoreVest team works with customers to determine the size and prices of a loan, guiding them through each step. Once approved, a loan can close as fast as a few days, helping customers accelerate plans based on their specific timelines.

Such offerings are examples of how CoreVest enthusiastically tries new things to serve the market and grow its customer base. O'Brien and her team have prioritized an adaptable approach that listens and responds to customers. Iterative design has allowed the company to evolve with the market and continue to address fluctuations as they come.

"One of the things that's really been key to our success is our ability to make decisions, be willing to try new things, and then adjust the decision if it doesn't work out," O'Brien said. "We have a culture of constant improvement. Sometimes it's just small improvements, like a process or small change. Anything that continues to reduce the friction to the client or increase our efficiency or work in a way that's a little bit smarter. Sometimes it means evolving the product to fit the client a little bit better. ... You can't just build it and they will come."

According to O'Brien, CoreVest also incorporates a mentality of growth into its company culture, which means that it's OK to make mistakes along the way.

"I don't want anyone to ever be afraid of a negative outcome," she said. "You're allowed to challenge, and you're allowed to make mistakes. And that's what I think you need to do if you're trying to build a culture of constant improvement."

At times, O'Brien is still shocked that the company has largely emerged from its startup roots. While it's exciting and gratifying to drive such growth, O'Brien said that she hopes CoreVest never loses its scrappy, startup attitude.

"I think it's part of what makes us successful," O'Brien said. "I hope to never fully shed that startup skin, but I recognize that scalability is the quintessential goal of every startup. ... I have teenagers, so it's not lost on me that getting teenagers to adulthood is pretty similar to what's going on here. Your basic teenager or 20-something is incredibly capable, incredibly smart, and really not 100 percent ready yet."

As CoreVest has expanded over the last five years, O'Brien said adapting to that growth has been among its biggest challenges. After reading *Blitzscaling* by entrepreneurs Chris Yeh and Reid Hoffman, O'Brien realized

environment. But that means that you probably should be a little bit more lighthearted than the average leader because that is part of your persona."

2. Your Approach Should Evolve

As with many things in life, O'Brien encourages people to reflect on how far they've come and what should change as a result.

One thing to consider for new leaders is whether their approach has become inflexible or stuck in time. Often, new leaders are exclusively tapping into the approach that led them to the corner office, rather than adapting their tack to their new role.

"One of the early mistakes people make when they're new to being leaders is that they're so used to being an emerging leader. It's important as an emerging leader to show strength and to be forceful. Sometimes, when you actually get to that leadership position, one of the mistakes people make is that they're a little too forceful, a little too direct because it's how they got there. It's a very normal problem."

O'Brien said that tweaking your approach is necessary to be a more effective leader because your words

that her company's challenges were normal. It started out like a small family and grew to become a village, then a town, and then a city.

"It made me feel better — that you're supposed to break a little at each step," she said. "You're supposed to be going along believing tribal knowledge is fine until all of a sudden you need village rules. It was really helpful to think about it that way — that you're supposed to have challenges each step of the way because you're a different company at 25 people than you are at 50 and 75 and 100 people."

Looking back at the growth over the last five years, O'Brien said she's thrilled by for CoreVest's growth and is thankful for its hand in enhancing customers' lives.

and behavior carry more weight. How you conduct yourself or even consider ideas can shape how people execute their work.

"Once you actually have that title you've been trying to get to, all of a sudden you have to be careful what you say or how you say it because people are going to do it," she said. "If you say something in a meeting, they're going to start working on it — even if you are brainstorming. ... There's that evolution piece that you have to be mindful of."

3. Walk the Walk

What you accomplish and how you spend your time will always be a stronger testament of your character than what you say. O'Brien encourages all leaders to be mindful of the precedents they set, and to follow through on what they say.

"It sounds trite, but I really believe in leading by example," she said. "If you're going to expect people to do things, you better also be doing the same thing. Do what you expect people to do and that's going to resonate more than anything you say."



Joke breaks are part of the job at CoreVest.

Three Pieces of Finance Advice from Beth O'Brien

As the leader of a firm that's closed over \$6 billion in loans for more than 40,000 properties, CoreVest CEO Beth O'Brien has plenty of financing advice for real estate investors.

An advocate of embracing and learning from mistakes, O'Brien insists that newbies roll up their sleeves for the dirty, hard work of becoming a shrewdly educated real estate investor. Here are a few morsels of financing advice that O'Brien has accumulated through the years.

Give Yourself a Cushion

Without hesitation, O'Brien's first piece of advice to investors is a basic but crucial rule to follow. While figures such as home price appreciation are also important factors, O'Brien said it's imperative that investors have an adequate buffer on their investment's debt cost.

"The most important piece if you're taking any debt as a new investor is, does the project cover the debt cost," she said. "That way, if you're in it longer, you're still going to be fine. Give yourself enough of a cushion. Coverage is your friend."

Do Your Homework

O'Brien encourages investors to carefully research a prospective investment's area and its comps, which in real estate refers to comparable sales — location, size, condition and features — of recently sold nearby homes.

"Do as much homework as you can on the area and on the comparables in the area so that you really know you're getting your valuation right," she said. "Because it's very hard to fix a bad value."

Investors can use an agent or research public property records themselves to find a home's comparables. But regardless of how you find such information, make sure it's accurate and serves as a guide for your offer. If your analysis is off, O'Brien said it can be really hurt your returns.

"You're going to make some mistakes along the way — and mistakes are fine, you will learn from them and you'll probably still do fine on the investment. But if you get the value way off, it's very hard to come back from," O'Brien said.

Treat Investing as a Business

Make sure to treat your investing like a business and ensure your actions are in line with your goals. Ultimately, a few extra dollars on a deal might not be worth the extra few months of waiting.

"Don't hold out for the last penny," O'Brien said. "Don't worry if two months later the market's a little bit stronger — you still won and you're using that capital again on something else that you're going to be winning with. Holding out for the last penny is not going to help you either. Just run it like a business, be rational about it, and take your wins when you have a win."

You certainly want to empower people to challenge you.

"It's gone by in a flash," she said. "It feels great and sometimes it's really humbling. ... I've been able to watch some of our clients grow from pretty small investors to pretty legit large players in the market. It's been incredibly satisfying to be part of those stories. It's really meaningful to me that we've been able to grow and at the same time our clients have been able to grow." •



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