



IMN Interview with Steven Gesis

VP, Equity & Sales Operations Smartland

Steven Gesis is responsible for the strategic direction and performance of all sales teams within Smartland®. He also oversees Customer Account Management. Throughout a career spanning over 15 years, Steven has successfully orchestrated strategies and helped to build the talent of his team members. Prior to joining Smartland®, Steven was an Operations Administrator at Cleveland Clinic, where he was instrumental in the implementation of new strategies and efficiencies. Previously, Steven served as Vice President of Sales at ACI, Inc., where he helped guide the organization through rapid growth and the eventual sale of the company. After starting his career in personal computers with ACI in 1998, Steven went on to hold a variety of management positions with various companies, including Cleveland Clinic, Cleveland Restoration Group, and Cleveland Real Estate Development. As an entrepreneur, Steven was a founding partner and President of Case Media Group, a regional media company that provided consultation to businesses in Northeast Ohio. Steven holds an MBA from Cleveland State University's Monte Ahuja School of Business as well as a Bachelor of Science degree from The Ohio State University.

IMN: Can you tell me about Smartland and your role there?

Founded in 2008, Smartland® is a fully integrated value-add real estate private equity firm. My position is VP of Equity and Sales Operations

IMN: I see you do both principal and turnkey investing. Can you tell me a little about the turnkey side of the business and the apartment investing strategy there?

We have been in the SFR Turnkey business for over a decade, this has always been one of our Core Products, we help investors seeking SFR solutions like a "Walmart" you can come into our store and pick-up a cash-flowing and renovated property from day (1) - we provide a solution that's operational from the moment you close. We do not seek things out and then renovate them causing massive lag in time and stalemate money. These are properties we have already purchased, renovated, and placed residents. Then we manage them for our clients, we exclusively only manage what we sell or have in our Smartland Portfolio, to help increase efficiency of service and longevity of residents, we implemented a FORD model, all of our homes have standard product lines when it comes to fixtures and colors. This helps mitigate maintenance and increases client retention.

As for the Multi-Family, we have two avenues we seek to purchase opportunistic Multi-Family, we seek to purchase buildings 100+ units, either as a Single Asset Deal or into our fund. We have two types of investors we work within this category, but the assets we acquire are all opportunistic heavy value-add - we do the same as we do in our single-family just at scale, we renovate the property both inside and outside and we want to provide a unique opportunity for our investors and residents to offer them heavily renovated and an overwhelming amount of amenities to retain and maximize the efficiency of the operation.

IMN: We see you also manage single family homes for customers; do you have some kind of integrated SFR/Multifamily property management strategy?

We are completely vertically integrated, Property Management, Construction, Acquisition, Customer Service/Maintenance all in-house, maximizing efficiency, and investment.

IMN: What is your principal multifamily investment strategy?

Heavy Value-Add - Opportunistic - we are not just adding a few bucks to the rent and doing a signage upgrade, its typically more than 30% of acquisition cost and its the whole gambit (interior and exterior) - modernized interiors with Alexa, USB, Nest Thermostat - Exterior you will find pet parks, EV Car Charging, Bike Repair Stations and much more.

IMN: How has the coronavirus impacted your investment and operations tactics and policy?

For us its regular business, we have not changed our strategy drastically, we have fair priced units and the market had a need for average-priced housing, whether it be SFR or MFR 0 if you have a high-quality product at a fair price, qualified renters will come to you. Beside our operational change and additional precautions and some future implementation ideas top move to as much touchless technology as possible, not much has changed for us in this current COVID landscape

IMN: Value-added rehab vs. repurposing: Where do you think the returns are in this part of the cycle?

We always have been in the Value-Add business, this is our core strength so we firmly believe this is the path for the greatest reward.

IMN: Any deals that didn't close due to the coronavirus? Where you able to pick up the pieces on any of them and get them done later?

No, we are excited to say we actually closed on 144 Unit Mult-Family in May right in the middle of the Corona Virus Pandemic. Certainly, things to have slowed down a bit, values continue to go up or have maintained - but we remain vigilant and continue to find deals and are underwriting several larger complexes ranging from 300 units to almost 950 unit deals. We are excited and think that our landscape has not really been changed to much at this time.

9. What was the latest technology your company adapted?

AI - (Artificial Intielligence) for marketing and prospecting new residents. This has been super exciting and has now increased our marketing and application rate by over 100% - we are very engaged with this.

