

# Podcast Episode

**Season 1, Episode 5: Innovation in Fractional Homeownership**

**From the WLI British Columbia Innovation Podcast Series**

Date: December 14, 2021

**00:00:05 --> 00:00:09:** Thank you for tuning into the real Estate Innovation podcast.  
**00:00:09 --> 00:00:12:** Brought to you by the ULI Women Leadership initiative.  
**00:00:12 --> 00:00:16:** The Ulic mission as to provide leadership and the responsible  
**00:00:16 --> 00:00:20:** use of land and in creating and sustaining thriving communities  
**00:00:20 --> 00:00:21:** worldwide.  
**00:00:21 --> 00:00:24:** The Wli is the engine that drives you lie BC  
**00:00:24 --> 00:00:27:** to be recognized as a leading organization,  
**00:00:27 --> 00:00:31:** supporting women as leaders in the industry.  
**00:00:31 --> 00:00:34:** Hi, this is Judy, host of the real Estate Innovation  
**00:00:34 --> 00:00:38:** Podcast for EU Libx Women's Leadership Initiative where we chat  
**00:00:38 --> 00:00:42:** with companies and entrepreneurs taking part in innovation and what  
**00:00:42 --> 00:00:45:** that means in the real estate Business Today,  
**00:00:45 --> 00:00:49:** in this episode I'm chatting with one of Addie's cofounders  
**00:00:49 --> 00:00:50:** Steve Jagger.  
**00:00:50 --> 00:00:52:** Steve is an entrepreneur, author and speaker.  
**00:00:52 --> 00:00:56:** His entrepreneurial journey started way back in 2000 when he  
**00:00:56 --> 00:01:00:** and longtime business partner Mike Stevenson set up.  
**00:01:00 --> 00:01:04:** Combustion hosting followed by Uebert are both of which were  
**00:01:04 --> 00:01:06:** acquired in the early 2000s.  
**00:01:06 --> 00:01:08:** To add to the mix in 2012,  
**00:01:08 --> 00:01:14:** they headed to the Philippines and set up outsourcingthingsdone.com,  
**00:01:14 --> 00:01:17:** a platform that provides virtual assistance to the real estate  
**00:01:17 --> 00:01:18:** professionals.

00:01:18 --> 00:01:22: That company grew from virtual assistant services to HR,  
00:01:22 --> 00:01:26: payroll expenses and as a result,  
00:01:26 --> 00:01:28: Steve and his family found themselves living in Manila and  
00:01:28 --> 00:01:30: Singapore for a couple of years.  
00:01:30 --> 00:01:31: As they grew the business.  
00:01:31 --> 00:01:34: Of course, missing our beautiful mountains and parks.  
00:01:34 --> 00:01:37: They came back to Vancouver where Steve and Mike found  
00:01:37 --> 00:01:42: themselves diving to the ever evolving world of artificial  
intelligence.  
00:01:42 --> 00:01:45: Focusing on leveraging technology to find solutions for the  
real  
00:01:45 --> 00:01:48: estate industry at the corner of Steves desk,  
00:01:48 --> 00:01:51: there's that not so small project they call Addie a  
00:01:51 --> 00:01:53: fractional investing platform.  
00:01:53 --> 00:01:56: Started in Vancouver and based all across Canada where  
they  
00:01:56 --> 00:02:00: are challenging the nature of traditional investing by opening  
the  
00:02:00 --> 00:02:03: barriers to homeownership for everyone in as little as \$1.00  
00:02:04 --> 00:02:06: Steve welcome to the channel.  
00:02:06 --> 00:02:08: I'm glad to be your host today and excited to  
00:02:08 --> 00:02:10: hear about what you've been up to with Addie.  
00:02:11 --> 00:02:13: Yeah, thank you very much for having me,  
00:02:13 --> 00:02:16: so I'm gonna kick us off by giving you the  
00:02:16 --> 00:02:19: floor to speak about Addie what it's about and how  
00:02:19 --> 00:02:20: it came to be.  
00:02:21 --> 00:02:25: Sure Addison online investment platform that enables  
everyone to invest  
00:02:25 --> 00:02:28: in real estate for as little as a dollar.  
00:02:28 --> 00:02:31: The mission of the business is what we like to  
00:02:31 --> 00:02:34: say is to enable every human to be a homeowner.  
00:02:34 --> 00:02:40: We've chosen the term homeowner very specifically because  
we understand  
00:02:40 --> 00:02:41: it's a provocative.  
00:02:41 --> 00:02:44: Farm these days and what we you know.  
00:02:44 --> 00:02:48: We basically think that the term homeownership is broken in  
00:02:48 --> 00:02:48: 2021,  
00:02:48 --> 00:02:52: that the you know the the dynamic of how homeownership  
00:02:52 --> 00:02:55: works is is not working for a lot of people  
00:02:55 --> 00:02:59: out there and that it can and should be redefined  
00:02:59 --> 00:03:03: and so you know we think a lot about.  
00:03:03 --> 00:03:06: You know, if you maybe use transportation as an example,  
00:03:06 --> 00:03:08: if you backed up 20 years ago.

00:03:08 --> 00:03:12: You know, young people. The transportation was handled in  
a  
00:03:12 --> 00:03:13: one to one solution.  
00:03:13 --> 00:03:14: You know you'd have a car.  
00:03:14 --> 00:03:16: You'd have a bike, you have a bus pass and  
00:03:16 --> 00:03:17: like that's what you did.  
00:03:17 --> 00:03:21: That's how you got around town where if you Fast  
00:03:21 --> 00:03:22: forward back to today,  
00:03:22 --> 00:03:26: transportation is more of a portfolio solution where.  
00:03:26 --> 00:03:29: People have bus pass like Uber account.  
00:03:29 --> 00:03:31: Maybe Ivo carshare. Maybe they have a car.  
00:03:31 --> 00:03:33: Maybe they take the sky train.  
00:03:33 --> 00:03:36: Maybe they'll walk. Maybe they'll use a shared scooter and  
00:03:36 --> 00:03:40: they'll use a combination of these things to solve their  
00:03:40 --> 00:03:43: transportation needs and we think about real estate.  
00:03:43 --> 00:03:46: Real estate investing in a similar lens in that.  
00:03:46 --> 00:03:50: We can use technology to enable people to own small  
00:03:50 --> 00:03:54: slices of different properties around the country and enable  
them  
00:03:54 --> 00:03:59: to have access to ownership of those properties where  
otherwise  
00:03:59 --> 00:04:00: they would be completely locked out.  
00:04:00 --> 00:04:03: You know, with the state of real estate and the  
00:04:03 --> 00:04:03: pricing,  
00:04:03 --> 00:04:06: the government printing money, making the dollar worth less  
in  
00:04:06 --> 00:04:07: assets worth more,  
00:04:07 --> 00:04:10: has really made it very difficult if not impossible,  
00:04:10 --> 00:04:12: for young people to be able to participate in the  
00:04:12 --> 00:04:13: real estate market.  
00:04:13 --> 00:04:15: And when you look at it from,  
00:04:15 --> 00:04:18: you know a 20 year old today trying to figure  
00:04:18 --> 00:04:19: out how do I get.  
00:04:19 --> 00:04:23: Onto that property ladder, you either need significant help  
from  
00:04:23 --> 00:04:24: your parents,  
00:04:24 --> 00:04:26: which is a small percentage of people that have that  
00:04:26 --> 00:04:26: ability,  
00:04:26 --> 00:04:29: or you know you're an entrepreneur or you've got some  
00:04:29 --> 00:04:32: sort of you know job or role that allows you  
00:04:32 --> 00:04:33: to do that.  
00:04:33 --> 00:04:36: But the vast majority of people are blocked,  
00:04:36 --> 00:04:39: and so Addy exists to eliminate those barriers to entry

00:04:39 --> 00:04:42: so that we can enable everyone to be able to  
00:04:42 --> 00:04:45: participate and be able to invest in these opportunities,  
00:04:45 --> 00:04:47: not just the wealthy or not just the few.  
00:04:48 --> 00:04:52: Right, and it's interesting. You spoke about the comparison  
with  
00:04:52 --> 00:04:53: transportation.  
00:04:53 --> 00:04:56: My mind went to, you know I have a bus  
00:04:56 --> 00:04:56: pass.  
00:04:56 --> 00:05:00: The pro of that is I can get on the  
00:05:00 --> 00:05:02: bus and use it.  
00:05:02 --> 00:05:05: I have a scooter I can get on the scooter  
00:05:05 --> 00:05:08: if I'm investing into an Addy.  
00:05:08 --> 00:05:09: You know definition of homeownership.  
00:05:09 --> 00:05:12: I can't necessarily go into that home,  
00:05:12 --> 00:05:16: but it sounds like that definition of participating in real  
00:05:16 --> 00:05:18: estate is where it's at.  
00:05:18 --> 00:05:22: It's almost changing from. Where I wanted to have a  
00:05:22 --> 00:05:22: home too.  
00:05:22 --> 00:05:25: I want to be part of owning real estate equity,  
00:05:25 --> 00:05:27: is that right? Yes,  
00:05:27 --> 00:05:29: and if you look at one of the one example  
00:05:29 --> 00:05:32: of one of the properties we did was an apartment  
00:05:32 --> 00:05:34: building in North Vancouver.  
00:05:34 --> 00:05:36: It's a 22 unit apartment building.  
00:05:36 --> 00:05:40: We invested into that platform or sorry into that property  
00:05:40 --> 00:05:44: we came in as an LP investor and we enabled  
00:05:44 --> 00:05:47: 15150 people to invest into our LP slice.  
00:05:47 --> 00:05:51: But interestingly, some of the renters in that rental building  
00:05:51 --> 00:05:52: of those 22 units,  
00:05:52 --> 00:05:53: those people have rental contracts.  
00:05:53 --> 00:05:56: They pay a monthly rent for their space in the  
00:05:56 --> 00:05:56: building.  
00:05:56 --> 00:06:01: Some of those renters invested in the building through us  
00:06:01 --> 00:06:04: as part of the investment group.  
00:06:04 --> 00:06:07: Which now puts them sitting in both seats,  
00:06:07 --> 00:06:09: so they are sitting in the the tenant seat because  
00:06:09 --> 00:06:10: they have a rental contract,  
00:06:10 --> 00:06:12: but they're also now sitting in the landlord seat because  
00:06:12 --> 00:06:14: they are part owners of the building.  
00:06:14 --> 00:06:16: So when distributions come out of that building,  
00:06:16 --> 00:06:19: it's essentially coming from their rent,  
00:06:19 --> 00:06:21: and So what we're trying to do is just change

00:06:21 --> 00:06:24: the game in and change the conversation in,  
00:06:24 --> 00:06:27: and how this? How this works and use technology to  
00:06:27 --> 00:06:31: enable people to be able to participate and and that's  
00:06:31 --> 00:06:34: what we're saying is like what?  
00:06:34 --> 00:06:35: What is home home ownership?  
00:06:35 --> 00:06:38: You know if if you've got a house and that  
00:06:38 --> 00:06:39: you you know you own,  
00:06:39 --> 00:06:40: but you've gotta you know,  
00:06:40 --> 00:06:42: 90 percent, 80% mortgage on it,  
00:06:42 --> 00:06:45: the bank, it definitely has a potential that they're going  
00:06:46 --> 00:06:48: to own the house if things go sideways.  
00:06:48 --> 00:06:50: And so we're just trying to say,  
00:06:50 --> 00:06:52: you know there, there are ways for us to use  
00:06:52 --> 00:06:55: technology to enable people to be able to participate,  
00:06:55 --> 00:06:58: eliminate those barriers to entry so that we can.  
00:06:58 --> 00:07:01: Have people participating in the asset class not just the  
00:07:01 --> 00:07:02: you know,  
00:07:02 --> 00:07:04: not just either. You're you're wealthy and you can do  
00:07:04 --> 00:07:04: it,  
00:07:04 --> 00:07:07: or you can't. I think there's a lot of opportunity  
00:07:07 --> 00:07:09: to to enable everybody to participate.  
00:07:10 --> 00:07:13: It's it's almost like taking the bank away and replacing  
00:07:13 --> 00:07:15: it with communities and people.  
00:07:15 --> 00:07:16: Yeah,  
00:07:16 --> 00:07:18: yeah, like one of the things we're very focused on  
00:07:18 --> 00:07:19: at Addie is we,  
00:07:19 --> 00:07:21: you know, we have ambitions to become a B Corp,  
00:07:21 --> 00:07:24: and so we think very much about a triple bottom  
00:07:24 --> 00:07:24: line in.  
00:07:24 --> 00:07:27: And how do we not only enable our Community to  
00:07:27 --> 00:07:28: be able to invest?  
00:07:28 --> 00:07:30: From a you know a financial aspect,  
00:07:30 --> 00:07:33: but we also want to have properties that are a  
00:07:33 --> 00:07:37: benefit from societal point of view or from an environmental  
00:07:37 --> 00:07:38: point of view.  
00:07:38 --> 00:07:42: And how can we find those opportunities and enable our  
00:07:42 --> 00:07:46: community to be able to invest in those in those  
00:07:46 --> 00:07:49: properties and use that sort of that?  
00:07:49 --> 00:07:52: That triple bottom line lens of investing and we've validated  
00:07:52 --> 00:07:54: it with our community that they are very interested in  
00:07:54 --> 00:07:55: that,  
00:07:55 --> 00:07:57: right? You know, there's lots of examples of how that

00:07:57 --> 00:07:58: can work.

00:07:58 --> 00:08:00: You know, investors choosing to invest.

00:08:00 --> 00:08:01: In a below market rental building,

00:08:01 --> 00:08:04: knowing that it's not going to be rented at market

00:08:04 --> 00:08:04: rates,

00:08:04 --> 00:08:06: it's going to be rented at below market rates,

00:08:06 --> 00:08:09: but from a societal benefit that makes sense because you'll

00:08:09 --> 00:08:12: be able to open up that community to schoolteachers to

00:08:12 --> 00:08:15: live in the in the catchment of where they're working.

00:08:15 --> 00:08:18: You know, nurses, firefighters, whatever it is,

00:08:18 --> 00:08:20: to be able to have that societal lens on your

00:08:20 --> 00:08:21: investment,

00:08:21 --> 00:08:24: so knowing that your financial return might be a little

00:08:24 --> 00:08:25: bit lower,

00:08:25 --> 00:08:28: but your societal return can be higher,

00:08:28 --> 00:08:31: and that is very much what we're.

00:08:31 --> 00:08:34: Interested in in doing and finding opportunities that we can

00:08:34 --> 00:08:36: enable our crowd to to participate in?

00:08:36 --> 00:08:40: Yeah, that's amazing. Actually, that sounds almost like.

00:08:40 --> 00:08:43: I want to say like put your money where your

00:08:43 --> 00:08:45: mouth is but not so much that as much as

00:08:45 --> 00:08:47: you're you're bringing the stakeholder upfront.

00:08:47 --> 00:08:51: You're you're having the narrative validated before the

00:08:51 --> 00:08:51: buildings even

00:08:51 --> 00:08:51: up.

00:08:51 --> 00:08:53: That's very powerful. What does that impact of that?

00:08:53 --> 00:08:57: On on the scale of developments that can get built

00:08:57 --> 00:09:00: on their relationship with Council as a developer,

00:09:00 --> 00:09:03: as buildings, you know, I,

00:09:03 --> 00:09:05: it seems like this is this is going beyond just

00:09:06 --> 00:09:06: raising money,

00:09:06 --> 00:09:08: but almost putting a voice to the crowd that for

00:09:08 --> 00:09:11: the type of housing and the type of development they

00:09:11 --> 00:09:11: want to see.

00:09:12 --> 00:09:16: Yeah, we we consider ourselves differentiated capital,

00:09:16 --> 00:09:19: meaning you know, generally a general partner will have a

00:09:19 --> 00:09:21: property or an opportunity.

00:09:21 --> 00:09:23: They set up their GP LP structure.

00:09:23 --> 00:09:26: They'll go out and find a handful of limited partners

00:09:26 --> 00:09:28: to cut large checks.

00:09:28 --> 00:09:31: Generally those limited partners are high net worth.

00:09:31 --> 00:09:34: You know wealthy individuals that can cut a 500 or

00:09:34 --> 00:09:36: a million dollar \$5 million check and that's it that  
00:09:36 --> 00:09:40: you know they're just financially invested in the building with  
00:09:40 --> 00:09:42: the property and what makes us very unique.  
00:09:42 --> 00:09:46: Is this this concept of differentiated capital and that we're  
00:09:46 --> 00:09:48: able to cut the same size check,  
00:09:48 --> 00:09:51: except it's not coming from one wealthy individual?  
00:09:51 --> 00:09:55: It might be coming from 2000 individuals with hundreds and  
00:09:55 --> 00:09:59: hundreds of them living in that neighborhood or that  
community,  
00:09:59 --> 00:10:02: or that catchment or that area or that city,  
00:10:02 --> 00:10:06: which very much I think changes the game in having  
00:10:06 --> 00:10:09: having the community be a part owner of of the  
00:10:09 --> 00:10:11: specific property.  
00:10:11 --> 00:10:12: There's lots of additional benefits there.  
00:10:12 --> 00:10:15: Having the tenants have the opportunity to invest in the  
00:10:15 --> 00:10:17: building that they are tenants in,  
00:10:17 --> 00:10:21: there's unbelievable benefits there. We've seen it with  
commercial tenants.  
00:10:21 --> 00:10:24: We are. We own a Starbucks out in Chilliwack BC.  
00:10:24 --> 00:10:27: A single commercial building with Starbucks Canada as the  
tenant.  
00:10:27 --> 00:10:30: We have 833 investors in their.  
00:10:30 --> 00:10:32: 63 of them are from the Chilliwack area.  
00:10:32 --> 00:10:34: You know, we've talked to these people and like I  
00:10:34 --> 00:10:36: never thought I'd be able to own a building like  
00:10:36 --> 00:10:38: this with a tenant like that.  
00:10:38 --> 00:10:43: And we know that our Members are driving past.  
00:10:43 --> 00:10:45: Mother Starbucks is to go to,  
00:10:45 --> 00:10:49: you know, to go to their Starbucks to,  
00:10:49 --> 00:10:51: you know, participate with that specific tenant in that specific  
00:10:52 --> 00:10:52: building.  
00:10:52 --> 00:10:55: Because it's their tenant, and that's where their distributions  
come  
00:10:55 --> 00:10:55: from.  
00:10:55 --> 00:10:57: We just got word the other day that that Chilliwack  
00:10:57 --> 00:11:00: property has another dividend or distribution coming up,  
00:11:00 --> 00:11:03: and so those 833 investors will get.  
00:11:03 --> 00:11:06: Cash back into their Addy wallets from the investment that  
00:11:06 --> 00:11:06: they've made,  
00:11:06 --> 00:11:09: and they loan. They've got their proportionate share of that  
00:11:09 --> 00:11:10: dividend,  
00:11:10 --> 00:11:13: or that distribution automatically shows up into their into their  
00:11:13 --> 00:11:14: ADDIE wallet.

00:11:14 --> 00:11:16: And so we know we drive commercial benefit to the  
00:11:17 --> 00:11:18: commercial tenants again.  
00:11:18 --> 00:11:21: There's. There's all of these unique benefits of having adding  
00:11:21 --> 00:11:25: involved in your property that's come with our differentiated  
capital.  
00:11:25 --> 00:11:29: Yeah, that's amazing. It's almost like a rent to own  
00:11:29 --> 00:11:29: program,  
00:11:29 --> 00:11:31: except I own it and rent it at the same  
00:11:31 --> 00:11:32: time.  
00:11:32 --> 00:11:34: You're you're putting a different twist to it.  
00:11:34 --> 00:11:37: When you're, you're almost lowering your risk from an  
expense  
00:11:37 --> 00:11:39: point of view from operating,  
00:11:39 --> 00:11:42: because you've got people using that space driving value to  
00:11:42 --> 00:11:45: that space because they're already invested in in in it.  
00:11:45 --> 00:11:46: That's amazing.  
00:11:46 --> 00:11:49: I think there's a great theory there when the then  
00:11:49 --> 00:11:52: the global pandemic when COVID first broke out.  
00:11:52 --> 00:11:54: Yeah, and and all the restaurants and everything had to  
00:11:54 --> 00:11:56: close my wife and I made a conscious effort to  
00:11:56 --> 00:11:57: support.  
00:11:57 --> 00:11:59: There's a little restaurant down the street from our house  
00:11:59 --> 00:12:01: that we like and we were very concerned that the  
00:12:01 --> 00:12:04: restaurant wasn't gonna make it through and we love it.  
00:12:04 --> 00:12:05: We love the place. It's they like being able to  
00:12:06 --> 00:12:06: walk there.  
00:12:06 --> 00:12:08: The kids like it. It's and so we made a  
00:12:09 --> 00:12:12: conscious effort to do the takeout thing and make the  
00:12:12 --> 00:12:15: effort to you know to to to call them to  
00:12:15 --> 00:12:17: do to get the pickup for the food because we  
00:12:17 --> 00:12:19: want them to be able to make it through.  
00:12:19 --> 00:12:21: And I think if you look at it from that  
00:12:21 --> 00:12:22: point of view.  
00:12:22 --> 00:12:24: From that lens, imagine you had not just me trying  
00:12:24 --> 00:12:27: to support my little restaurant down the street from my  
00:12:27 --> 00:12:27: house,  
00:12:27 --> 00:12:31: but imagine me and you and you know,  
00:12:31 --> 00:12:35: 1900 other people owning that property and wanting to  
support  
00:12:35 --> 00:12:37: that tenant through difficult times.  
00:12:37 --> 00:12:39: You can see you know how that would work.  
00:12:39 --> 00:12:42: In enabling that community of people to to to want  
00:12:42 --> 00:12:45: to support their tenants no different than our than our



00:12:45 --> 00:12:46: Members are investors,  
00:12:46 --> 00:12:48: you know. Driving to that specific Starbucks to go through  
00:12:48 --> 00:12:49: that specific drive-thru  
00:12:50 --> 00:12:51: totally? It's it's. It's a.  
00:12:51 --> 00:12:52: It's a resilient way of.  
00:12:52 --> 00:12:57: Of real estate development by bringing in the interest upfront  
00:12:57 --> 00:13:01: and leveraging the collective power to to sustain risk.  
00:13:01 --> 00:13:04: Yeah, and I think you know there's there's lots of  
00:13:04 --> 00:13:05: other angles you could look at.  
00:13:05 --> 00:13:08: You know, maybe there's a real estate development that's  
00:13:08 --> 00:13:12: coming  
00:13:12 --> 00:13:15: that Addie can get involved with and sometimes  
00:13:15 --> 00:13:17: developments have  
00:13:17 --> 00:13:20: a hard time getting through City Council to get approval.  
00:13:20 --> 00:13:21: You know, imagine if that developer could say you know.  
00:13:21 --> 00:13:23: Well, I've got 2000 Canadians that have invested in this  
00:13:23 --> 00:13:27: property,  
00:13:27 --> 00:13:27: but like 800 of them are.  
00:13:27 --> 00:13:30: From these seven postal codes so they can show community  
00:13:30 --> 00:13:31: support.  
00:13:31 --> 00:13:32: Through actual peoples wall like putting their money where  
00:13:32 --> 00:13:35: their  
00:13:35 --> 00:13:38: mouth is.  
00:13:38 --> 00:13:41: If like yes, I do support this,  
00:13:41 --> 00:13:43: I want this development. I want this project or whatever  
00:13:43 --> 00:13:47: to happen in my community and showing that kind of  
00:13:47 --> 00:13:48: support with an investor base that that they're also going  
00:13:48 --> 00:13:50: to benefit from the densification.  
00:13:50 --> 00:13:51: Normally developer comes into community builds a property  
00:13:51 --> 00:13:53: or builds  
00:13:53 --> 00:13:56: a building densifies.  
00:13:56 --> 00:13:59: It makes the money and then leaves papayes out there  
00:13:59 --> 00:14:03: high net worth investors and then leaves and moves on  
00:14:03 --> 00:14:05: to the next thing and the densification kind of happens  
00:14:05 --> 00:14:09: to the community. We think that that there's an opportunity  
00:14:09 --> 00:14:12: to enable the Community to benefit from the densification  
00:14:12 --> 00:14:15: that's  
00:14:15 --> 00:14:19: happening in their neighborhood so that they can be a  
00:14:19 --> 00:14:21: part of it. On the capital side and participate in  
the benefits of of what goes on when developments are  
approved from a from a densification POV  
and and going sidetracking from that,  
but building onto it, what can you give me?

00:14:21 --> 00:14:24: A high level comparison of how is Addie as a  
00:14:24 --> 00:14:27: fractional fractional investing platform different from?  
00:14:27 --> 00:14:30: Other investing platforms. What's what's the biggest  
difference?

00:14:31 --> 00:14:35: The biggest difference I think that makes Addie unique is  
00:14:35 --> 00:14:37: we're a membership based model.  
00:14:37 --> 00:14:40: So we enable people to invest as little as \$1.00.  
00:14:40 --> 00:14:43: We cap them at \$1500 so you can invest up  
00:14:43 --> 00:14:46: to \$1500 to this specific property.  
00:14:46 --> 00:14:47: That cap is our decision,  
00:14:47 --> 00:14:50: our choice. There's no rule that says we have to  
00:14:50 --> 00:14:50: do that,  
00:14:50 --> 00:14:52: but we don't take any fees.  
00:14:52 --> 00:14:53: There's no lift on the property,  
00:14:53 --> 00:14:55: no promote, no transaction fee,  
00:14:55 --> 00:14:56: no withdrawal fees. We're not,  
00:14:56 --> 00:14:58: we don't make any money on the property like that.  
00:14:58 --> 00:15:00: What we what we do?  
00:15:00 --> 00:15:02: We have a membership model,  
00:15:02 --> 00:15:04: so we charge people \$25 a year to be a  
00:15:04 --> 00:15:07: member on the platform and that membership gives them  
access

00:15:07 --> 00:15:09: to make these investment decisions.  
00:15:09 --> 00:15:11: And so we make from our core values point of  
00:15:11 --> 00:15:12: view.  
00:15:12 --> 00:15:15: It keeps us very aligned with our community in that  
00:15:15 --> 00:15:17: the membership we made,  
00:15:17 --> 00:15:19: the membership, you know strategically,  
00:15:19 --> 00:15:22: quite small \$25 a year because again,  
00:15:22 --> 00:15:24: our goal is to eliminate barriers to entry.  
00:15:24 --> 00:15:27: So we didn't want to have \$100 a year or  
00:15:27 --> 00:15:29: \$200 a year membership fee.  
00:15:29 --> 00:15:31: That would become a barrier to entry for someone.  
00:15:31 --> 00:15:34: Well, like if I'm only going to invest 500 a  
00:15:34 --> 00:15:34: \$1000 a year,  
00:15:34 --> 00:15:37: but your fee is \$200 like I there,  
00:15:37 --> 00:15:38: there's what's. What am I doing?  
00:15:38 --> 00:15:40: It doesn't make any mathematical sense,  
00:15:40 --> 00:15:44: and so we made the choice to keep our membership  
00:15:44 --> 00:15:46: plan low so that we can not be a barrier  
00:15:46 --> 00:15:50: to entry and enable everyone to be able to participate  
00:15:50 --> 00:15:51: in these opportunities.  
00:15:51 --> 00:15:52: That's pretty smart. So in other words,

00:15:52 --> 00:15:55: if I'm a member at Addie's platform,  
00:15:55 --> 00:15:58: I don't have to worry about if I'm investing 1500  
00:15:58 --> 00:15:58: dollars,  
00:15:58 --> 00:16:02: \$1500. Of my money is going into that real estate  
00:16:02 --> 00:16:03: development not \$1.00 less.  
00:16:03 --> 00:16:06: Yes, that's awesome. Oh my God,  
00:16:06 --> 00:16:10: if everyone invests \$5, you're dealing with potentially a  
million  
00:16:10 --> 00:16:10: investors.  
00:16:10 --> 00:16:13: How do you deal with that administratively,  
00:16:13 --> 00:16:16: legally? What's what's behind the scenes here?  
00:16:16 --> 00:16:18: So we're a technology company.  
00:16:18 --> 00:16:20: We've built all this technology to enable us to to  
00:16:20 --> 00:16:22: achieve what we're achieving,  
00:16:22 --> 00:16:25: so we've done. A whole bunch done 15 properties.  
00:16:25 --> 00:16:28: Now over 10,000 transactions into them.  
00:16:28 --> 00:16:30: The only way we're able to do that is because  
00:16:30 --> 00:16:33: of the technology that we've built that enables that to  
00:16:33 --> 00:16:33: happen,  
00:16:33 --> 00:16:36: right? So someone can come to our website,  
00:16:36 --> 00:16:39: you know, read about the the opportunity in the offering  
00:16:39 --> 00:16:40: and the plan and how the business works.  
00:16:40 --> 00:16:42: If they decided to create an account,  
00:16:42 --> 00:16:45: they can create an account on the platform and then  
00:16:45 --> 00:16:47: they can choose to become a member.  
00:16:47 --> 00:16:50: They pay their \$25 membership plan and then they can  
00:16:50 --> 00:16:52: begin begin investing.  
00:16:52 --> 00:16:54: And it's a very, I think,  
00:16:54 --> 00:16:58: different way of. Of looking at enabling everybody to be  
00:16:58 --> 00:17:02: able to participate in these in these in these opportunities  
00:17:02 --> 00:17:05: and it keeps us very aligned with the outcome for.  
00:17:05 --> 00:17:08: You know there's there's no opportunity where we make  
money  
00:17:08 --> 00:17:11: on a property in the membership or the crowd doesn't?  
00:17:11 --> 00:17:14: We're completely shoulder to shoulder aligned with our  
membership in  
00:17:14 --> 00:17:16: in how we how we operate,  
00:17:16 --> 00:17:16: how we do what we do  
00:17:17 --> 00:17:19: quite evident. You also make it very easy for a  
00:17:19 --> 00:17:23: new investor to understand the development that they're  
getting into.  
00:17:23 --> 00:17:25: I think you've done an amazing job,  
00:17:25 --> 00:17:27: and for anyone who hasn't checked out the platform,

00:17:27 --> 00:17:28: you it's a must. You know,  
00:17:28 --> 00:17:31: I go into a development or an upcoming development.  
00:17:31 --> 00:17:33: You've laid out the potential value,  
00:17:33 --> 00:17:36: add the the profits, the.  
00:17:36 --> 00:17:39: The revenue potential and the ROI etc etc.  
00:17:39 --> 00:17:42: How's the? How's the reaction been so far?  
00:17:42 --> 00:17:46: Overall it's been fabulous. The our community is very engaged  
00:17:46 --> 00:17:47: with what we're doing.  
00:17:47 --> 00:17:51: The feedback we get from them is very positive.  
00:17:51 --> 00:17:55: The you're right, the education piece I think is invaluable.  
00:17:55 --> 00:17:57: People are able to. If you don't know much about  
00:17:57 --> 00:17:58: real estate investing,  
00:17:58 --> 00:18:01: it's a. It's an interesting way to be able to  
00:18:01 --> 00:18:02: dip your toe in.  
00:18:02 --> 00:18:05: Make a small investment into US property that you that  
00:18:05 --> 00:18:07: you like and then you don't.  
00:18:07 --> 00:18:08: You're kind of you know.  
00:18:08 --> 00:18:11: Riding shotgun with the general partner so you get to  
00:18:11 --> 00:18:14: see and and you get the distribution that shows up  
00:18:14 --> 00:18:15: in your wall.  
00:18:15 --> 00:18:16: And when you make the decision,  
00:18:16 --> 00:18:17: you get to read the offering memorandum.  
00:18:17 --> 00:18:20: You get to see some of the due diligence you  
00:18:20 --> 00:18:23: can read about the pros and cons.  
00:18:23 --> 00:18:26: You can make your own investment decision and then participate  
00:18:26 --> 00:18:29: in it and see how the property is going overtime  
00:18:29 --> 00:18:32: as these distributions come out they come up with quarterly  
00:18:32 --> 00:18:34: reports or it's an annual that come up with an  
00:18:34 --> 00:18:35: annual report from the.  
00:18:35 --> 00:18:38: From the general partner so people can read the report  
00:18:38 --> 00:18:41: and understand how how things are doing what's happening in  
00:18:41 --> 00:18:42: that community or for that property.  
00:18:42 --> 00:18:45: You know, if it's commercial or industrial or whatever,  
00:18:45 --> 00:18:47: whatever type of of property it was,  
00:18:47 --> 00:18:49: and I think it's a really neat way to be  
00:18:49 --> 00:18:50: able to.  
00:18:50 --> 00:18:52: Learn plus on our on.  
00:18:52 --> 00:18:54: Outside of that we layer in a whole bunch of  
00:18:54 --> 00:18:55: content on top,  
00:18:55 --> 00:18:58: so we've got a a great YouTube channel that we

00:18:58 --> 00:19:02: do tons of content around education on the different terms.  
00:19:02 --> 00:19:03: What is IR? What is due diligence?  
00:19:03 --> 00:19:04: What is a cap rate?  
00:19:04 --> 00:19:06: What's the REIT? You know what's?  
00:19:06 --> 00:19:07: Why is that not a REIT?  
00:19:07 --> 00:19:10: Like all these all these things we make lots of  
00:19:10 --> 00:19:13: videos not just for YouTube but for Tik T.O.K Twitter.  
00:19:13 --> 00:19:17: Instagram, we've got a discord channel setup where our  
members  
00:19:17 --> 00:19:20: on the platform can be in our discord and they  
00:19:20 --> 00:19:21: can talk to each other.  
00:19:21 --> 00:19:24: And there's there's different channels within the discord  
where they  
00:19:24 --> 00:19:27: can talk about specific properties they can talk about specific  
00:19:27 --> 00:19:27: ideas.  
00:19:27 --> 00:19:32: It's it's quite a fun community of people involved and  
00:19:32 --> 00:19:35: very engaged in what we're doing.  
00:19:35 --> 00:19:36: And then the other side of it.  
00:19:36 --> 00:19:37: I, I would say is there.  
00:19:37 --> 00:19:40: There are lots of people out there that are young  
00:19:40 --> 00:19:42: that don't have a lot of money and.  
00:19:42 --> 00:19:45: Very much understand what's going on,  
00:19:45 --> 00:19:47: but they're just locked out because the dollar amounts are  
00:19:47 --> 00:19:48: too high.  
00:19:48 --> 00:19:51: You know they're young in their careers and they they  
00:19:51 --> 00:19:52: get it.  
00:19:52 --> 00:19:54: You know, they understand real estate investing.  
00:19:54 --> 00:19:55: They understand the benefits of it,  
00:19:55 --> 00:19:58: but they're just forced to be sitting on the sidelines  
00:19:58 --> 00:20:01: because of the way that it all that it all  
00:20:01 --> 00:20:01: works.  
00:20:01 --> 00:20:04: And so now with an opportunity like Addy Addy,  
00:20:04 --> 00:20:05: you know, like I said,  
00:20:05 --> 00:20:09: eliminates those barriers. And then it lets them come in  
00:20:09 --> 00:20:12: and be a participant in the in these opportunities.  
00:20:12 --> 00:20:14: Which is I, I think,  
00:20:14 --> 00:20:16: and an amazing outcome,  
00:20:16 --> 00:20:19: absolutely. So you guys mainly invest or come in as  
00:20:20 --> 00:20:23: investment partners as part of a GP LP structure for  
00:20:23 --> 00:20:24: our audience.  
00:20:24 --> 00:20:26: Can you glaze over what?  
00:20:26 --> 00:20:28: What does that mean and and what's your position as

00:20:28 --> 00:20:29: a limited partner?

00:20:31 --> 00:20:33: Yeah, so the general partner.

00:20:33 --> 00:20:35: They generally is a GP LP structure.

00:20:35 --> 00:20:38: The general partner will have the property or have the

00:20:38 --> 00:20:40: plan to buy a property or have a property tide

00:20:40 --> 00:20:40: up.

00:20:40 --> 00:20:43: Or you know some some sort of opportunity that they

00:20:43 --> 00:20:47: are looking into and they're going to raise some money

00:20:47 --> 00:20:50: and they usually raise money through limited partners and so

00:20:51 --> 00:20:52: the general partner will go to.

00:20:52 --> 00:20:56: Like I said before, generally high net worth individuals and

00:20:56 --> 00:21:00: or sometimes institutions and say hey I'm raising \$8 million

00:21:00 --> 00:21:01: ten million dollars,

00:21:01 --> 00:21:03: 25 million whatever the number is.

00:21:03 --> 00:21:05: For this opportunity, here's the due diligence.

00:21:05 --> 00:21:07: Here's the the investment thesis.

00:21:07 --> 00:21:08: Here's what the plan is,

00:21:08 --> 00:21:10: and minimum if you're interested.

00:21:10 --> 00:21:12: Minimum check is \$1,000,000 or minimum.

00:21:12 --> 00:21:15: Check is \$3 million or whatever the the the dollar

00:21:15 --> 00:21:15: amount is.

00:21:15 --> 00:21:20: Generally they're high, high minimums and they would go

00:21:20 --> 00:21:23: and

00:21:20 --> 00:21:23: raise that from those individual LP investors,

00:21:23 --> 00:21:26: and so those individuals would cut \$1,000,000 check.

00:21:27 --> 00:21:29: You know the next person would cut \$1,000,000 check and

00:21:29 --> 00:21:29: so on.

00:21:29 --> 00:21:32: And So what? What we do is we will come

00:21:32 --> 00:21:33: in as one of those.

00:21:33 --> 00:21:37: LP investors one of those LP slices and make that

00:21:37 --> 00:21:39: available on our platform.

00:21:39 --> 00:21:41: We chop that, let's say it's \$1,000,000 slice.

00:21:41 --> 00:21:44: We chop it into one million \$1.00 shares and our

00:21:44 --> 00:21:48: community has the opportunity to then invest \$1.00 up to

00:21:49 --> 00:21:52: \$1500 per property so they can put \$50 or \$100

00:21:52 --> 00:21:55: or whatever their amount is into that specific property.

00:21:55 --> 00:21:57: When it comes to an LP,

00:21:57 --> 00:21:59: you're not the majority LPR you

00:21:59 --> 00:22:03: sometimes we're the we are depends on the property.

00:22:03 --> 00:22:04: Each one is a little bit different

00:22:05 --> 00:22:07: when you look at properties and you assess you know

00:22:07 --> 00:22:09: how much do you want to raise for that property.

00:22:09 --> 00:22:11: Do you wanna be a majority owner?  
00:22:11 --> 00:22:13: Do you have voting rights preferred?  
00:22:13 --> 00:22:15: How do you work through the D risking of it  
00:22:15 --> 00:22:16: through the year,  
00:22:16 --> 00:22:18: acquisitions team and and how do you look at that?  
00:22:18 --> 00:22:21: How do you look at properties from the lens of  
00:22:21 --> 00:22:23: an LP that has the potential to to grow or  
00:22:23 --> 00:22:26: shrink as as much as your audience is interested in?  
00:22:27 --> 00:22:29: Yeah, so I think one of the neat things that  
00:22:29 --> 00:22:32: we've found is because of our differentiated capital.  
00:22:32 --> 00:22:35: We have some flexibility from these general partners.  
00:22:35 --> 00:22:37: General partners are choosing us,  
00:22:37 --> 00:22:40: they're they're. They're reaching out to us because they've  
heard  
00:22:40 --> 00:22:41: about us,  
00:22:41 --> 00:22:43: or they've read about us in the news and they  
00:22:43 --> 00:22:44: are reaching out,  
00:22:44 --> 00:22:47: wanting their tenants to have the ability to invest.  
00:22:47 --> 00:22:48: So we had a general partner.  
00:22:48 --> 00:22:50: We did build a deal with.  
00:22:50 --> 00:22:53: His main interest in with working with us was just  
00:22:53 --> 00:22:56: to enable his employees to be able to participate,  
00:22:56 --> 00:22:58: right? They've been trying for for years to figure out  
00:22:58 --> 00:22:59: how can they get their employees.  
00:22:59 --> 00:23:00: They're doing all the work,  
00:23:00 --> 00:23:03: building the buildings, doing the accounting,  
00:23:03 --> 00:23:05: dealing with the tenants, but there's no mechanism.  
00:23:05 --> 00:23:09: It's easy and cost effective for the general partner to  
00:23:09 --> 00:23:12: enable small investors like their employees to be able to  
00:23:12 --> 00:23:12: invest.  
00:23:12 --> 00:23:15: And so we did. One of those general partners came  
00:23:15 --> 00:23:16: to us literally,  
00:23:16 --> 00:23:18: that was the main driving goal is like I think  
00:23:18 --> 00:23:20: you guys could help me enable my employees.  
00:23:20 --> 00:23:24: The participants in these opportunities and that was 100%  
00:23:24 --> 00:23:27: true. We we enabled the whole bunch of them to  
00:23:27 --> 00:23:29: be able to participate in the in the property,  
00:23:29 --> 00:23:32: and so I think because of our differentiated capital and  
00:23:32 --> 00:23:34: because of how we work these general partners when they're  
00:23:34 --> 00:23:35: reaching out to us,  
00:23:35 --> 00:23:40: give us some flexibility in how we what our allotment  
00:23:40 --> 00:23:41: sizes,

00:23:41 --> 00:23:43: flexibility, and sometimes the dollar amount flexibility,  
00:23:43 --> 00:23:47: sometimes in timing because they they want us to predict  
00:23:47 --> 00:23:48: to participate.  
00:23:48 --> 00:23:50: They want to enable that opportunity.  
00:23:50 --> 00:23:52: To go to the community,  
00:23:52 --> 00:23:55: they they really want the community to be a part  
00:23:55 --> 00:23:57: of the property,  
00:23:57 --> 00:24:02: and so because of that we are like our acquisitions  
00:24:02 --> 00:24:04: team is is able to.  
00:24:04 --> 00:24:06: Come up with some. You know,  
00:24:06 --> 00:24:10: sometimes unique opportunities or sometimes super flexible  
opportunities that fits  
00:24:10 --> 00:24:11: within the timeline.  
00:24:11 --> 00:24:12: That's where that we're working on  
00:24:12 --> 00:24:15: right? So it's almost a a model that needs to  
00:24:15 --> 00:24:19: fit your pipeline rather than specific requirements for equity,  
00:24:19 --> 00:24:22: because really, you are. You're flexible to come in early  
00:24:22 --> 00:24:24: at the acquisitions or or later on,  
00:24:24 --> 00:24:26: or do this much or that much money,  
00:24:26 --> 00:24:29: but it's it's. How does that fit into your your  
00:24:29 --> 00:24:32: operating model or your your projections and your revenue is  
00:24:32 --> 00:24:33: that?  
00:24:33 --> 00:24:34: Is that a right interpretation?  
00:24:34 --> 00:24:37: Yeah, it's more of like we have an understanding of  
00:24:37 --> 00:24:39: what our investment capability is from our crowd,  
00:24:39 --> 00:24:42: so we know how much we have a general idea  
00:24:42 --> 00:24:44: of in our model of how much that they can  
00:24:44 --> 00:24:44: invest,  
00:24:44 --> 00:24:47: let's say per week. How fast that will go to  
00:24:47 --> 00:24:50: to be consumed by the community and then we keep  
00:24:50 --> 00:24:52: an eye on that model.  
00:24:52 --> 00:24:53: As our community gets bigger,  
00:24:53 --> 00:24:55: our issuance size gets bigger and then we work with  
00:24:55 --> 00:24:56: the general partners.  
00:24:56 --> 00:24:58: So we talked to a general partner like our head  
00:24:58 --> 00:25:00: of acquisitions Mitch was talking to someone yesterday.  
00:25:00 --> 00:25:03: They've got an opportunity, but they're not looking to fund  
00:25:03 --> 00:25:04: anything until about February.  
00:25:04 --> 00:25:06: So we in our model.  
00:25:06 --> 00:25:06: We just try to understand well,  
00:25:06 --> 00:25:10: what do we think our investment capability for our  
Community



00:25:10 --> 00:25:12: will be in February and and then try and make  
00:25:12 --> 00:25:14: that the work if if the property gets through our  
00:25:14 --> 00:25:15: due diligence process.  
00:25:16 --> 00:25:18: Is it mostly Canada you're focusing on?  
00:25:19 --> 00:25:21: Yes for 2021 all Canadian properties.  
00:25:21 --> 00:25:23: Canadian investors. So people in BC,  
00:25:23 --> 00:25:25: Alberta and Ontario can invest.  
00:25:25 --> 00:25:26: If you're over the age of majority.  
00:25:26 --> 00:25:29: So in 19 and BC 18 in Alberta,  
00:25:29 --> 00:25:30: Ontario,  
00:25:30 --> 00:25:32: you know finishing off that amazing podcast.  
00:25:32 --> 00:25:35: Thank you so much for for all the information about  
00:25:35 --> 00:25:35: Addie.  
00:25:35 --> 00:25:38: What can you share with me about where you see  
00:25:38 --> 00:25:39: Addie over the next?  
00:25:39 --> 00:25:40: You know 5 to 10 years.  
00:25:40 --> 00:25:44: Someone who's who's started and acquired and and sold  
businesses.  
00:25:44 --> 00:25:48: Where do you see Addie maturing into whether you have  
00:25:48 --> 00:25:49: that vision or your?  
00:25:49 --> 00:25:52: You know what can you share?  
00:25:52 --> 00:25:53: Yeah, there's lots of  
00:25:53 --> 00:25:56: great things that can that are in our in our  
00:25:56 --> 00:25:59: pipeline or in our road map of where we're going.  
00:25:59 --> 00:26:01: The from a technical point of view of where we  
00:26:01 --> 00:26:02: want to take the technology,  
00:26:02 --> 00:26:05: how we wanna, what functionality we want to build in  
00:26:05 --> 00:26:05: it,  
00:26:05 --> 00:26:08: into it, to make things better,  
00:26:08 --> 00:26:11: faster, easier, more fun for our community.  
00:26:11 --> 00:26:13: So there's there's lots coming on that front.  
00:26:13 --> 00:26:16: There's an iOS app that's in the works.  
00:26:16 --> 00:26:19: As far as properties and property types,  
00:26:19 --> 00:26:22: we've got a few. I think we've got quite the  
00:26:22 --> 00:26:25: lineup of of properties that are going to be coming  
00:26:25 --> 00:26:28: onto the platform that that Members will be able to  
00:26:28 --> 00:26:30: participate in and make you know,  
00:26:30 --> 00:26:33: choose to invest in. And and I think sort of  
00:26:33 --> 00:26:36: overall like I was talking about before the the triple  
00:26:36 --> 00:26:38: bottom line is very much our focus.  
00:26:38 --> 00:26:43: So we are working to find opportunities that.  
00:26:43 --> 00:26:46: I wish we could find opportunities that check the box

00:26:46 --> 00:26:49: on check the box on a financial return.  
00:26:49 --> 00:26:53: We're looking to start adding opportunities that hit on the  
00:26:53 --> 00:26:56: environmental and or societal returns.  
00:26:56 --> 00:27:00: And so you'll start to see properties that check those  
00:27:00 --> 00:27:03: boxes as we continue to grow our membership and grow  
00:27:03 --> 00:27:04: the the business.  
00:27:04 --> 00:27:08: So we can start hitting that triple bottom line.  
00:27:08 --> 00:27:10: It's very much a focus of what we're what we're  
00:27:10 --> 00:27:11: really after here,  
00:27:11 --> 00:27:11: with  
00:27:11 --> 00:27:14: you being such a community based investing platform.  
00:27:14 --> 00:27:17: Do you see a potential for collaboration with public projects?  
00:27:18 --> 00:27:21: There's lots of opportunities we have First Nations that have  
00:27:21 --> 00:27:25: reached out to government organizations that have reached  
out.  
00:27:25 --> 00:27:27: Large unions that have reached out there.  
00:27:27 --> 00:27:31: I think there's opportunities for for the way our model  
00:27:31 --> 00:27:35: works and enabling a community to participate in the  
ownership  
00:27:35 --> 00:27:36: of.  
00:27:36 --> 00:27:40: Specific properties, so yes, I think there's there's a lot  
00:27:40 --> 00:27:43: of a lot of great opportunity on that front,  
00:27:43 --> 00:27:45: and I think we'll have some exciting announcements.  
00:27:45 --> 00:27:47: You know, on that front in early next year.  
00:27:49 --> 00:27:50: That's amazing, thank you so much.  
00:27:50 --> 00:27:53: I mean this is this is a really exciting platform  
00:27:53 --> 00:27:55: for anyone who hasn't checked them out.  
00:27:55 --> 00:27:59: Addie invest.com definitely would encourage everyone to  
check it out.  
00:27:59 --> 00:28:00: You know what Steve, you and Mike,  
00:28:00 --> 00:28:05: you guys continue to do some really amazing entrepreneurial  
endeavors.  
00:28:05 --> 00:28:07: And and daddy. Certainly one of them.  
00:28:07 --> 00:28:08: Thanks so much for your time.  
00:28:08 --> 00:28:10: And I look forward to seeing the evolution of Addie.  
00:28:11 --> 00:28:13: Yes, thank you very much for having me appreciate it.

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