

Top Tier

Parker Smith, and his new company CalTier, have an eye out for the ‘Little Guy’ -- making it possible for anyone over the age of 18 to “invest like the 1%.”

Pairing his experience as a successful attorney with a penchant for real estate investment, Parker co-founded San Diego-based CalTier (caltierrealtfund.com) in 2018, for which he also serves as Managing Partner.

"The skills of a good attorney can translate well to a lot of different areas," says Smith, co-founder of Sy & Smith, LP, also based in San Diego. "Understanding contracts and the analytical nature of real estate has definitely helped, just as the network you are able to build as an attorney."

Focused on retail investing in the apartment complex marketplace, CalTier's crowdsourcing approach via its



The new CalTier Fund embraces a unique partnership methodology coupled with a belief that investing opportunities shouldn't be limited to a select set of the populous. Like the ‘one percenters.’

new real estate portfolio fund, evidences an embrace of the partnership methodology, coupled with a belief that investing opportunities shouldn't be limited to a select set of the populous.

Think Robinhood -- but for real estate -- on a global scale.

Smith's legal work served as fine segue to his new endeavor. "At our firm, we practice a lot of immigration law; it's a primary area of focus," Smith says. "Additionally, I've always had an interest in commercial real estate. I quickly realized, both personally and professionally, that there aren't a lot of viable options out there to invest in prime commercial real estate, both domestically and from abroad. Very often our clients would ask us how they'd go about investing in U.S. real estate."

Such queries opened the eyes of Smith, along with those of CalTier co-founder, Matt Belcher, to the need to provide viable opportunities to invest into U.S. real estate for the retail investor.

"Very quickly, I saw a need, an underserved market, of those who want to get involved in cash-flowing commercial real estate in the United States -- the stuff that the ‘Big Boys’ get involved with; the ‘one percenters.’ There's really not an avenue for that or for them. Unless you know somebody, you really don't get to see those types of deals and if you do, the minimum investment often deters investors. It's a tough market with very high barriers to entry."

That's what drove Smith and Belcher to start CalTier: To provide that opportunity, to reduce those barriers

and provide a friction-free solution. "We truly believe that the best commercial real estate investments shouldn't be solely for the 'one percenters', that they shouldn't just be limited to those with a certain net worth, skill set, knowledge, experience, or even location."

In providing inclusive investment opportunities using best of breed technology and an extensive network, the CalTier team created a retail investment platform that allows almost anyone, not only domestically but globally, to invest fractionally into some of the best real estate opportunities in the United States.

Investment levels are open to all at a very modest amount. "They say that about 25 percent of one's portfolio should be in real estate, but how do you do that if you're not an accredited investor and don't have access to most of the 'prime' real estate deals out there? We provide that platform," Smith says. "For as little as \$500, people can invest in our portfolio fund."

Investing via one's retirement fund is also an option. Individuals can also invest using their IRA or 401-K. That opens the door further for people who want to benefit from the returns and stability they can get with real estate.

While CalTier has access to opportunities throughout the U.S., the firm's initial focus is on is on the 'Smile States.' So, the firm looks from California, Washington, Oregon, Arizona, Nevada, even down into Texas and into Florida and up the coast. Specifically, CalTier is eyeing the apartment building market, and is currently invested in two buildings, with a third closing soon and a fourth project to follow.

"We feel quite strongly about multi-family as an asset class," Smith says. "While nothing is resistant to the ups-and-downs of the market and the economy, we feel like multi-family has historically demonstrated stability and resiliency, even bouncing back in times of economic hardship quicker than other assets. People are always going to need a place to live and this has shown to be true during the pandemic."

With a bold goal of 150,000 investors on its platform by 2023, CalTier's early returns would seem to evidence that the company may well achieve such a benchmark even sooner. One of the Fund's first investment projects is already up for sale.

"The prices have gone up drastically," Smith says. "So, it appears to be a really good opportunity for the investors to realize a solid gain within a short period of time."



As CalTier refines its ease-of-use and digital blockchain platform, the venture's real estate niche in a modern marketplace that is seeing a new wave of investors looks to find the firm uniquely-positioned.

In real estate, location might not be everything. Timing is also a crucial tenet. With recent events and market indicators, CalTier believes the timing could not be better. "It's a great time to diversify your portfolio and add real estate, specifically multi-family," Smith says.

"We truly believe that the retail investor is the wave of the future; it's such an untapped market. It's estimated that there's \$140 trillion worldwide that is out there in the retail investment market. And most of that is underserved. We've seen this in current events, with people wanting to get involved with investments that have typically been reserved for the uber-wealthy."

As the Fund finds further fruition and adds new assets to its portfolio of opportunities, CalTier will always have a seat at the table for the 'Little Guy.'

"In some cases, I know I've been the 'Little Guy.' I feel like most of us have been there, where we're trying to secure our financial futures," Smith concludes. "It's important to have options, to not be solely reliant on the traditional methods of investing, like stocks, bonds, and mutual funds; there's nothing wrong with those, but we want to provide the option of investing into 'prime' real estate to everybody, which truly motivates us. Now through our portfolio fund, everyone over the age of 18 can invest like the 1%." — By Judd Spicer, California Business Journal

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