

Gatsby Investment Revolutionizes Real Estate Development Through Sponsorships

Real estate developers who want to focus on construction are partnering with syndication sponsors to raise more funds and manage projects seamlessly.

LOS ANGELES , CALIFORNIA , USA, April 3, 2023 /EINPresswire.com/ -- Los Angeles-based real estate investment company, Gatsby Investment, has announced a new opportunity for real estate developers. Gatsby is now offering "sponsor partnerships" in which developers can leverage Gatsby's innovative online platform to raise funds and manage new development projects.

The Problem with Traditional Development

Traditionally, real estate developers have had to rely on personal relationships, including family, friends, and colleagues, to raise funding for a new property. Not only is this capital-raising system inefficient, forcing the developer to spend countless hours promoting the project and answering inquiries, but it is limited by the developer's existing network of contacts.

Furthermore, the process of managing the investors in a project requires exceptional organization, typically through the use of expensive software. Investors expect to receive regular progress updates on the project, as well as the necessary tax forms for their investment. And,



Modern multifamily new development property. European style with earthy tones.



New multifamily development under construction

even when these communications are handled flawlessly, there will inevitably be questions from investors along the way. Developers are often dragged away from their construction work to address investor questions about changing financial projections, tax reporting questions, or cashing out their investment early.

Developers have been expected to be financial consultants and administrators in addition to their project management responsibilities for the development of the project.

The Solution for Overextended Developers

The solution for these overextended developers is a sponsor partnership with a reputable real estate investment company like Gatsby. Having a team of seasoned real estate experts who excel in raising capital and managing investor relations allows developers to focus on their specialty: constructing quality developments.

Why Gatsby is the Right Fit for Developers

Gatsby Investment can offer developers access to a network of potential investors and fund companies, innovative software solutions, and a track record of success.

Gatsby has a network of 8500+ investors and have already invested more than \$65 million into various real estate projects. Partnering with Gatsby means that the project you're working on is offered to this entire network of qualified investors.

Gatsby's proprietary online platform was designed to streamline and modernize the real estate investment process. Our software digitizes fundraising, tax documentation, and proceed disbursements. The advanced technological systems create a more efficient experience on both



Syndication and Crowdfunding Concept.



Gatsby Investment Logo

the developer side and the investor side of the transaction. And the automations built into the system save time and money, which adds to the higher-than-average returns for investors.

Gatsby has never lost money on a deal. In fact, from 2017 through 2022, Gatsby's average annualized net return was an impressive 25.4%. To retain its stellar reputation, Gatsby has established investment models, like sponsor partnerships with investors, designed to maximize investor yields.

How a Sponsor Partnership with Gatsby Works

When a sponsored project is approved as a Gatsby Investment offering, Gatsby will create an LLC to serve as the ownership entity for the property. All equity investors will be named as members of the LLC, providing a stable legal structure for the project's ownership. Gatsby's team will take care of all escrow documents, handle all legal contracts, and secures the property on behalf of the ownership LLC.

Through established lender connections, Gatsby is able to secure the best possible financing for the property. Gatsby co-signs the loan, handles loan draws, makes payments for necessary expenses, and issues the 1099 forms.

With the financing established and the property secured, Gatsby can promote the project to its pool of thousands of accredited investors and reach out to new potential investors. The online platform makes it easy for investors to review project details and place their investments. And Gatsby has representatives available to field all investor inquiries and help get the project fully funded as quickly as possible.

Throughout construction, Gatsby continues to handle the financials and manage the investors, allowing developers to focus on the construction of the structure(s).

If the project is intended to be a long-term rental, Gatsby will oversee the lease-up, as well as ongoing property management for the units. If the project is intended to be sold upon completion, Gatsby will get the property listed on the market and work directly with local listing agents to sell the property quickly, under the best possible price and terms. In either case, Gatsby will be responsible for disbursing investor proceeds and tax documents.

This partnership shifts the administrative responsibility from the developer to Gatsby, streamlining the process, and creating a model in which developers can spend more of their time doing what they love.

What It Takes to Qualify for a Sponsor Partnership with Gatsby

With a sterling reputation to uphold, Gatsby takes care with their selection of developers and deals.

Gatsby is willing to work with smaller developers than other real estate investment firms, but qualified developers are expected to have a documented track record of completing profitable deals. In general, Gatsby is interested in knowledgeable developers with at least 10 years of experience in real estate (at least five years of which is in a specific project type such as single-family flips or multi-family builds). Furthermore, the developer is expected to have a stake in the deal, investing alongside Gatsby's investors.

Gatsby has thrived in the niche market of smaller projects with shorter hold periods. Ideal projects for sponsor partnerships are those that can be completed fairly quickly at price points that are in high demand. For example, single-family house flips under \$1 million with exceptional transformation potential that can be completed in under a year perform well. Build-to-sell multi-family properties of 4-10 units that can be completed in under 24 months and have an after-construction value of around \$5 million are also of interest.

Why Gatsby is Offering Sponsor Partnerships Now

Gatsby has dominated the real estate syndication market in Los Angeles and is looking to expand into other markets. Gatsby understands the importance of local market knowledge for successful investments. So, rather than trying to gain insider knowledge of hundreds of markets, Gatsby has decided to partner with developers who already know their markets inside and out.

How to Partner with Gatsby

If you are interested in a sponsor partnership with Gatsby, you can learn more about the opportunity on [Gatsby Investment's Website](#).

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