

**CASE STUDY: SMARTCAP GROUP**

# Combining online fundraising with investment management solutions

**THE PROBLEM: SCALING THE BUSINESS.**

SmartCap Founder/CEO Tim Shoultz, and Founder/COO Joe Ollis are long-time technology industry veterans. The pair became acquainted over a 14-year stint at Microsoft and came together as commercial real estate investment partners in 2009. As their success grew, so did their interest in evolving from investors to Commercial Real Estate (CRE) Sponsors. They founded SmartCap in 2014, with an initial focus on retail centers and value-add suburban office assets.

In addition to developing an underwriting solution, the company drew upon its technical background to create its own investor management portal. However, as Ollis explained, “We realized we didn’t want to be a tech company; we wanted to be a real estate company.”

The pair evaluated investor management solutions—and at the same time turned an eye toward sourcing capital via online real estate fundraising platforms.

“We discovered CrowdStreet as an investor management platform, but also realized the power of crowdfunding,” said Ollis. “We saw what CrowdStreet was doing and said, ‘Wow, let’s get in with these guys. They’re going to grow fast, and we want to be part of that.’”

The challenge for SmartCap was two-fold. First, the company needed an Investment Management solution that met their high technical standards. The solution also had to provide their investors with the functionality they knew was crucial based on their own experience as investors.

“We reviewed a lot of other platforms before CrowdStreet’s, and it was clear that CrowdStreet got it,” said Ollis. “The platform had self-serve document access for investors, a robust CRM, and other features. We felt like all the bases were covered.”

Second, they were ready to ride the online real estate funding wave. “We successfully raise funds through our network,” says Ollis “but we needed another avenue to continue our growth. We were ready to give CrowdStreet a try.”



“With CrowdStreet, I went from spending 25% of my time managing investors to 1%”

**Joe Ollis**  
Founder, COO

## THE RESULTS: A POWERFUL PLATFORM.

SmartCap's first engagement was a CrowdStreet marketplace listing in 2016 for their South Seattle Business Park asset. A 506(b) offering (and a "home run waiting to be pitched," according to Ollis), the offer subscribed fully almost overnight. "That showed us the power CrowdStreet has for raising money."

Next, the company posted a Fund offering on the marketplace. "We weren't able to compete as syndicators for certain assets. There'd be multiple offers on the table, and if you had to raise money, you'd be out. We've been able to acquire two assets from the Fund offering with CrowdStreet that we wouldn't have otherwise accessed." The CrowdStreet platform exceeded expectations as well. Previously, the company was barraged with requests for K1 forms, details of investors' distribution status, and other information. This resulted in precious time wasted sifting through Excel sheets and folders.

"When I saw how easy it was to upload K1s, I was sold. The time saved on that feature alone has paid for our entire investment." said Ollis. "Now, if I get a call or email from an investor, I go right to the CrowdStreet platform. I can see every detail at a glance. I didn't expect this tool to become such an indispensable part of my business."



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## THE BONUS: INVESTOR LOYALTY.

The SmartCap team was also surprised that, despite their Emerging Sponsor status, investors were eager to have direct conversations—and, in some cases, to even travel to view their assets first-hand.

"People were making a bet on us, despite not knowing us personally. That was eye-opening for us."

SmartCap intends to continue building its investor base via CrowdStreet. "We know we could keep tapping and growing our own network, but we need economy of scale. CrowdStreet gives you that."

### ABOUT SMARTCAP GROUP



The SMARTCAP Group manages over 450,000 Sq. Ft. of commercial real estate investments in the Seattle area, with a focus on value-add opportunities. Its team members have over 20 years of combined experience in syndicating, investing and managing commercial real estate and 30 years in growing teams for Fortune 500 technology corporations and start-ups.

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