

PROFILES IN REAL ESTATE

REGGIE JOHNSON, REMA GLOBAL

BY
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THREE YEARS FROM ITS outbreak and the consequences of COVID-19 are still there. In the last 14 months, the Fed raised interest rates 10 consecutive times with rates rising at the fastest pace in decades. It has taking investors time to adjust. Many commercial real estate owners still pay rates lower than current levels, so refinancing activity has slowed. It's unclear if rates will continue to rise or if the Fed will change course in the second half of the year. This leaves investors with a familiar feeling: uncertainty for commercial real estate through the rest of 2023.



I first met Reggie over a decade ago in Columbus, Ohio. He is the CEO of REMA Global LLC and works in a variety of markets across the United States. He is a U.S. Army Veteran, proud of his country and the opportunities it has afforded him, very passionate about accounting and how deals are structured. Reggie has been in commercial banking for 30 years primarily in multi-family real estate, and the asset management and dispositions space.

Roxana: What does your company do?

Reggie: REMA Global offers project feasibility underwriting for conventional, affordable and LIHTC developments. We deliver real estate development financial modeling for commercial office building, market rate and land development. And we prepare loan write ups for commercial construction and permanent loan facilities. We also provide strategic growth and succession planning, financial literacy training, and business plan analysis.

Roxana: Why REMA Global?

Reggie: As a typical "number cruncher" in commercial lending, you learn to recognize patterns, how transactions are assembled, yield objectives and how to mitigate risk to an acceptable level for your target audience. I worked in the governmental and private sectors and got the inspiration to bet on my dreams. I worked with an entertainment creation team and successfully raised \$8MM. It was a lot of work and outreach to potential investors around the world but the journey was a lesson in persistence, proof of concept, having the ability to pivot, bonding with an extraordinary group of leaders, being open to criticism, and celebrating the small steps

along the journey. REMA Global is a mindset for greatness in your pursuits. We want to empower clients to see the opportunity and risk in a transaction to make an informed decision. We want them to create leverage for any deal.

Roxana: What are your typical transactions?

Reggie: Some examples are: 1) Modeling a 50-150 workforce housing or market rate multi-family develop with 5,000-10,000 of retail. The capital stack is a combination of equity investors, public funding, and a construction/perm facility. We provide waterfall summary to include cash on cash, preferred return and IRR assumptions and hold periods. 2) Acquisition assessment and valuation of existing business. 3) Small business development that provides small businesses that are renting retail space the opportunity to own their own commercial facility with a mixed-use structure that provides housing for a tenant. The business renter becomes a property owner with a residential tenant. 4) Business plans that scrutinizes the concept to a measurable outcome, including a comprehensive pro forma, SWAT analysis, market analysis, cash burn, capital stack, pitch deck, and write up for the appropriate audiences.



Roxana: How did you grow your client base?

Reggie: Started small but there was gap for financial modeling, business plans and commercial loan write ups. Overtime we gained traction by word of mouth and successful outcomes.

Roxana: What are your thoughts on current market conditions?

Reggie: The market has opportunity but access

to credit is making penciling deals difficult. The days of 4-6% rates are rare to non-existent. Not sure when that becomes attractive again for lenders and borrowers. Workforce housing is in high demand —80%-120% AMI.

Roxana: Where is your business now and what do you see for the future?

Reggie: We were impacted by COVID-19 but the market for cash and well capitalized buyers is gaining traction as over leverage deals are emerging. There is a lot of demand for financial loan packages, and business plan analyses. We see headwinds ahead in the credit market making access to credit facilities challenging. This will impact how a client stacks capital to make a deal.

Roxana: What is your favorite part of your role?

Reggie: Seeing that a volume of ideas get introduced, survive the underwriting scrutiny, get implemented and scaled. Not everything that is presented survives but there are great visionaries and an entrepreneurial energy in this country that just needs a little polish to shine. We love that aspect of the business.

Roxana: As a veteran in the real estate business, after seeing so many aspects of it, and having been through diverse market conditions, what is your approach to business now?

Reggie: This is the greatest country on the planet, and I celebrate those who have fought for our liberties and freedom. Capitalism is one of the greatest tools that provides financial security and lively hoods for those who choose to bet on themselves. **Life is a risk but also a journey, so be grateful you're alive to live it.** Everyone has 24 hours in a day and choices on how to spend them. We can execute for outcomes or drive towards our goals and dreams. Hard and great dreams take time to birth, are uncomfortable, seem unfair, makes one lonely, doubtful, and just rough. But in those moments, we learn about ourselves, abilities, and capabilities. **You learn more from the journey than the destination.**

Roxana: We all have greatness in us, but it's waiting for us to introduce it to the world. What's your greatness? Present it. ■

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