

THE DATA SCIENTIST OF MULTIFAMILY:  
**NEAL BAWA'S LESSONS**

**PROFIT**

*with a*

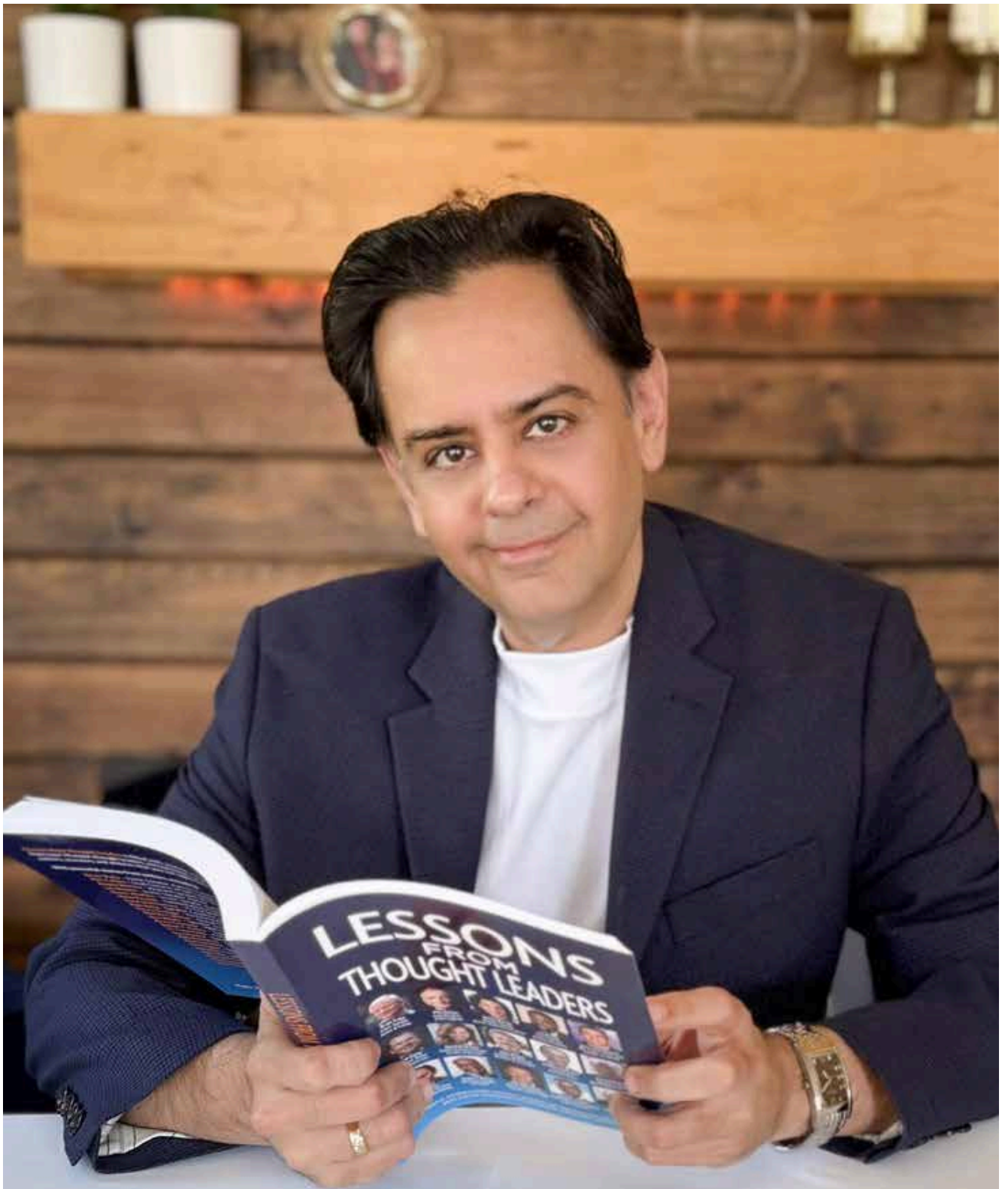
**PURPOSE**

A GUIDE TO **DATA-DRIVEN**  
REAL ESTATE INVESTING

NEAL BAWA



Based on content by Neal Bawa in the book **Lessons from Thought Leaders** (available on Amazon).



**“Neal Bawa combines data-driven strategies with a passion for creating positive change in the real estate world. Discover his unique approach to multifamily investing.”**

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Neal was recently a featured guest on **The Fundication Show** hosted by Christian Sadler and Caloni Michelle

# ABOUT NEAL BAWA



Neal Bawa is CEO & Founder at Grocapitus, a commercial real estate investment company. He uses cutting-edge real estate analytics technology to source and acquire or build large commercial properties across the U.S. for over 1,000 investors. Current portfolio over 4,400 units, with an AUM value of \$436M.

Neal shares his team's unique and cutting-edge real estate data methodologies to connect with geeky and nerdy (or just data driven) investors who share his vision - that data beats gut feel by a million miles. Over 10,000 real estate investors have taken his free Real Estate Data Analytics course on udemy.com and the course has over 1,000 five-star reviews.

Neal speaks at dozens of real estate conferences across the country and virtually online. Over 5,000 investors attend his multifamily webinar series each year and hundreds have attended his Magic of Multifamily bootcamps. His facebook and meetup groups have tens of thousands of investors.

Neal believes that we are at a turning point, where traditional commercial real estate will combine with Proptech and Fintech technology disruptors, and will truly reach it's potential as a tradable, highly liquid asset class that will rival and eventually beat the stock market in its size and scope.



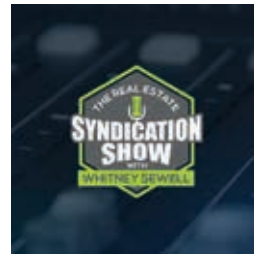
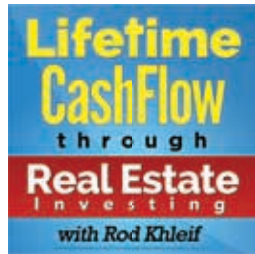
## APPEARANCES

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Neal Bawa is one of the most in-demand speakers in commercial real estate. Not only does he speak at dozens of conferences every year, tens of thousands listen to his podcast appearances and he has been featured in over 50 top rated podcasts and radio shows.



PODCASTS



INTRODUCTION

# EXPLORE THE GROCAPITUS PORTFOLIO

**Grocapitus specializes in high-quality commercial real estate investments for our capital partners.**

We focus on maximizing risk-adjusted returns and enhancing the lives of tenants and communities through strategic investments in multifamily, student housing, and industrial properties across 11 states and 17 metros. With approximately 4,400 units and a portfolio value of \$436 million, we're dedicated to creating significant value.

Our success stems from a proprietary data-driven process. Our expert team excels at identifying, acquiring, managing, and optimizing value-add properties, and developing best-in-class new construction projects. To date, 1000+ investors have invested in Grocapitus projects, with \$200 million+ equity invested across 21 projects (9 sold).

**Access  
Our Portfolio**

Download our portfolio book to gain in-depth insights into our properties and strategy.

**1,000+**  
investors

**4,400+**  
units

**436M\$**  
project value





# INTRODUCTION



I ran a technology company in Silicon Valley from 1993 to 2014. It was growing fast, and I had a big, fat tech salary. I lived in California, so I was paying a huge chunk of my income to the tax man. **Enter real estate.**



# FROM SILICON VALLEY TO REAL ESTATE

I ran a technology company in Silicon Valley from 1993 to 2014. It was growing fast, and I had a big, fat tech salary. I lived in California, so I was paying a huge chunk of my income to the tax man. Enter real estate.

In 2003, we started building campuses for our company, and by 2011, we had built or improved half a dozen campuses. In that process, I had a chance to understand the extraordinary depreciation benefits of real estate and its tremendous positive impact on my take-home salary. That made me a huge fan of real estate investing.

By 2008, I had saved a bunch of money because now I wasn't paying a huge amount of tax, and I wanted to invest in real estate. I am a data scientist, so naturally, I focused on the data. I started asking simple questions like: What is the best city in America to invest in? How do you tell which city is the best? Which city is the worst and why?

When I would ask people, even real estate experts, these kinds of straightforward questions, I would never get answers that made sense. It seemed no one I met had

actually gone through data for every US city, found effective ways to compare them, and finally backtested to see how the results compared to real estate profits. When I realized there wasn't anyone looking to do this, I decided I wanted to be the first.

So, I started mining various websites and then backtesting the data to connect it to real estate profits. Slowly, I started to discover the metrics that matter the most. Home prices were obviously connected to real estate profits. Metrics like population, income, jobs, and crime were very interconnected and powerful ways to rank cities by growth. I built a decision matrix using a statistical analysis software, and started to make public predictions. The algorithm got better with a decade of tweaking. First through meetups, then on conference stages, I made regular predictions on cities that would have the highest real estate profits. Many of my predictions have successfully identified small cities that have gone on to become blockbuster cities. That process got me notoriety in the real estate industry, even though I was running tech company.

# TURNING DATA INTO DOLLARS

While I was publishing real estate data science from 2009 to 2013, I was not a professional investor. I was buying for my own portfolio and publishing data science for geeky investors through a Meetup group, on conference stages, and a Udemy course with 13,000 students. People who were like-minded, who were nerdy and geeky like me, started to coalesce around me. That group eventually grew to thousands of investors, and helped me invest \$300+ million in equity to buy and build real estate.

In 2013, I sold my tech company and had this huge tax liability. How do I reduce it? I started looking at multifamily. *Hmm, maybe instead of buying one single family home, let's buy large multifamily properties.* I put properties under contract and shared what I was doing with the geeky folks in my database, people I had been influencing for years. The project sold out in hours. The investors loved it, and everyone wanted to invest with me because they understood my math-driven approach.

Someone then gave me a nickname, **The Mad Scientist of Multifamily**, and soon, I was being called to present at conferences. Somebody put one of my hour-long presentations on YouTube, and that video ended up having hundreds of thousands of views.

That's how the ball got rolling. The investor list kept growing. Each year, I would publish a list of cities I thought people should invest in, and people were making investments and sending me thank you emails a year or two later. I used the list in my company, which had two divisions: one that built apartments and one that bought and rehabbed older apartments. I've been lucky enough to be involved with a large number of projects of each kind, almost 5,000 units altogether.



# COYOTE CREEK

Owned and operated by Grocapitus, Coyote Creek is a 116-unit new construction multifamily development located in St. George, Utah.





# BUILDING VALUE, CREATING COMMUNITY

I am an immigrant, and I love my adopted country. I feel like I shouldn't just be making money for investors, I should be doing good in general. Over time, I became driven to have a mission, a profit with a purpose. Initially, the mission was taking older properties and improving them or building beautiful buildings. For years, I thought both were improving lives. After about five or six years, I came to a realization: both of the approaches had issues.

By the time I finished rehabbing an older building, rents were raised so much that I was pricing out a lot of tenants. The same thing happened with the buildings I built. To make a profit for my investors, I was adding gyms, infinity pools, and clubhouses. As a result, rents were pricing out middle-class Americans. I needed to change something to get back on mission. By 2019, I felt I had to try something different.

I started to do a lot of research about

what Middle America really wanted. The short answer was that most Middle Americans didn't really want to live in apartments. They wanted single-family homes. But post-COVID, interest rates dropped to zero and single family home prices rose dramatically. The difference between what Middle America could pay for a starter home and the actual mortgage payment ballooned, which marooned millions of families from ever having their own homes. They became "forever renters."

I realized the right mission for me was to find the most efficient way of building rental townhouses for these forever renters. Townhomes are as close to a single-family home as you can get. You've got a backyard, a garage, and no one living above you. And townhomes are significantly cheaper to build. I felt the townhome was **the missing middle solution for America.**

# TOWNHOMES FOR MIDDLE AMERICA

I started doing research on where I could build townhomes at a reasonable price. I tried building in Texas, but the cost of construction and the property taxes were too high.

So, I ranked every city in the US by “buildability.” This made-up word allowed me to match up my townhome construction price to the income of the people living there. In the majority of cities, it was completely out of whack. There was no way the cost of building a rental townhome would match what someone in Middle America could pay.

But slowly, I started finding cities where it could work, where I could build profitably for a certain rent number that would not burden Middle America—a rent number that they would be happy to pay and stay for a long time. I focused on these cities because I could finally build Class A townhomes that worked for Middle America.

This isn’t subsidized housing. These are Class A homes with high-end finishes, attractive enough that people want to pay to live in them. In Idaho Falls, for example, we built a Grocapitus townhome community with nine-foot ceilings, granite countertops,

custom cabinetry, and a Starbucks in the building next door — with rents at \$1,700 a month.

## **BUILDING HOMES FOR THE MISSING MIDDLE**

The investor support behind this mission has been incredible. With several communities now completed, I have a high level of confidence in our ability to keep scaling this build-to-rent townhome strategy.

Every day I wake up and ask, is there anything stopping us from building more of these communities? At this point, I don’t believe there’s anything in the way. Class A townhomes for Middle America are true profit with a purpose.

Bottom line: I don’t believe the government is going to solve America’s housing crisis. The private sector must step up, which means making profit for investors. Data is the core of everything we do, and our townhome strategy was designed to use data to make profit without burdening the tenants. We are absolutely going to help thousands of Middle American families live well.



## EQUINOX IDAHO FALLS

Actual photo from our new community with real tenants, no actors. Equinox Idaho Falls is a new construction build-to-rent community located in Idaho Falls, which was recognized as the No. 1 Best Performing Small City in the nation by the Milken Institute (2021, 2023 and 2024).





# WISDOM FROM THE FRONT LINES

## HEALTH AND WELLNESS

My beliefs around health and wellness are slightly nutty. I believe in continuously measuring everything going on with my body. For example, most people do a blood test once every couple years. I do a battery of blood tests three times a year. I want to live my peak life, and to do that, I have to measure continuously. For example, in March 2024, I had a stressful argument with a business partner. After my next blood test, I saw that my thyroid function was depressed. I visited my doctor who, in light of my results and a family history of thyroid issues, recommended a thyroid medication. But, I correlated my thyroid hormone level with the stressful argument. My research showed that stress has a tremendous short-term effect on thyroid. So, I removed stress by pulling away from that difficult situation. A month and a half later, my thyroid was normal. It still is. Bottom line—focus on the cause, not the symptom.

Another example. I am over 50 years old, and there are parts of my body that ache. My doctor says: Take this pill and exercise. But, I do pilates and yoga 3-4 times a week. After years of that routine, I didn't think I should be hurting or popping pills for the ache.

So, I started looking into it, and I realized that 50+ year old people should do ten times more physical therapy (PT) than they do. But a single session of PT costs \$150+. So, I started researching and came across an Indian website called YourPhysio.in. To have an Indian doctor of physical therapy for a 45-minute session, the cost was incredibly low, \$12 a session in packs of 30. With four PT sessions a week, I have fixed my shoulder, tennis elbow, wrist, and extreme tightness in my hamstrings. Outsourced healthcare!

## PHILANTHROPY AND GIVING

Because I am in the housing business, I was donating money for a decade to organizations building homes in the US like Habitat for Humanity. But, I wasn't happy with the inability to measure my impact.

I'm well off financially, and I fly business class around the world. This creates a huge amount of carbon emissions, which have a negative environmental impact. I became very concerned about my carbon footprint. Research showed that my carbon usage is five times higher than an average American's. So, I became obsessed with getting to net carbon neutral.

Research, research, and more research. I came across articles about planting trees to lower your carbon footprint. I started doing math: **How many trees does a person need to plant to become net carbon neutral for life?** The answer is very tangible: 918. If you plant 918 Douglas Fir trees, they will grow and act as carbon sinks, over time pulling harmful carbon out of the air equivalent to the amount you are responsible for emitting over your lifespan. I needed to plant 4,300 trees because of my bigger carbon footprint.



**Ok, so how much will it cost to plant these trees and where can I plant them?**

I looked at Brazil and India, and unfortunately, it was clear that Americans were donating trees, and later they were being cut down for lumber. I wanted a tree that would be there 100 years after I died. Then, I came across **One Tree Planted**. They plant in California, Oregon, and Washington on protected land. I donated enough to make myself carbon neutral for life, then enough to make my family carbon neutral for life. Then, we started offering our employees a 50/50 match, and a number of our employees took us up on it. It was a very interesting and data driven way of doing philanthropy. Very satisfying.



I also spend philanthropic dollars each year on an Indian charity called **Sankara Eye Foundation**. Each year I donate, they send me the list of the people who are no longer blind. They have 20 hospitals in India where they do eye operations for free. For \$30, someone who was blind and dependent becomes a productive member of society. That's an incredible bang for my buck.







## **EDUCATION AND THE PURSUIT OF KNOWLEDGE**

When I was nine years old, I was diagnosed as autistic. My mom was panicked. She thought there was something wrong with me because I would randomly start uttering numbers. My father was a fighter pilot, so they took me to the Air Force hospital in India. I was very lucky, because a doctor there conducted tests and told my mom, “Your son has a gift. The worst thing you could do is suppress this gift with medicine.”

He told my mom that I was continuously measuring the world. The numbers were not nonsense, they were my measurements. Even today, there’s a portion of my brain doing math, measuring everything in my environment around me. Often this math has no real meaning, but my brain is doing it all the time. Over time, my doctor was able to teach me how to continue measuring while also acting normally. I learned I can have two channels. One channel is doing this math, and the other channel is like any normal person taking in their environment. I’m proud of the fact that my brain is continuously doing two things.

The diagnosis and the decision not to put me on medication was a turning point. I was allowed to freely pursue math-driven knowledge. I believe that it was the greatest gift of my life. Thank you Dr. Ahuja.

# INSIDE THE MIND OF A THOUGHT LEADER

**WHAT ARE A FEW OF YOUR FAVORITE QUOTES?**

“

**You can only manage what you can measure.**

I'm continuously creating dashboards for everything. A data dashboard should be like a car dashboard. You look down for 1/10th of a second, understand, and then return your eyes to the road. A quick glance leads to new insights. So, I do not allow my team to send me large spreadsheets. I only want to look at data that I can get insights from within a second or two. If I fail to get insights in 1-2 seconds, it's the wrong dashboard. I have

the simplest, almost childish dashboards. My obsession is continuously making them simpler. You can only manage what you can measure.



“

**The Bible  
got it wrong  
by one letter.  
It is not the  
mEEK that  
shall inherit  
the earth.  
It's the geek.**

Richest man in the world, geek. Second richest, geek. Third richest, geek. See the pattern? There was a time when being an oilman was the way to be the richest man in the world. That time has passed.

Now, it's the geeks that are ruling the world.



### **WHAT IS YOUR FAVORITE TRAVEL LOCATION?**

I've been lucky to travel all over the world. The place that was the biggest surprise and became a favorite was Bali, a large island in Indonesia. Indonesia has a mostly Muslim culture, so I was expecting Muslim mosques in Bali. But I found that, of the 4.3 million population, 87% were Hindu. There were 10,000 Hindu temples on an island. Bali felt extraordinarily spiritual. I felt they have kept the original tenets of Hinduism alive. It's one of the most beautiful places on Earth. I am returning for my 25th wedding anniversary. I'd like to learn from these people. They have so much to teach.



# LET'S BUILD TOGETHER

Neal Bawa, known as the Data Scientist of Multifamily, invites qualified investors to explore innovative opportunities in real estate with Grocapitus.

To learn how data-driven strategies can maximize your investment potential while making a positive impact:

**VISIT**

[www.grocapitus.com](http://www.grocapitus.com)

**EMAIL NEAL**

[neal@grocapitus.com](mailto:neal@grocapitus.com)



**Unlock the secrets to data-driven multifamily investing** and discover the power of “Profit with a Purpose” with insights from Neal Bawa.

This book charts Neal’s extraordinary career, from his tech industry beginnings to his innovative approach to real estate. Learn how he uses data to predict market trends, build thriving communities, and revolutionize build-to-rent housing for Middle America.

More than just investment strategies, Neal shares his principles for peak performance, offering a roadmap for achieving success in all areas of life. Get ready to redefine your approach to real estate and discover how to build both wealth and a better future.



Neal Bawa is the CEO and Founder of Grocapitus, a cutting-edge commercial real estate investment company. A seasoned entrepreneur with a background in Silicon Valley’s tech industry, Neal brings a data-driven approach to acquiring and developing large multifamily properties across the United States. His companies manage a substantial portfolio, valued at over \$436 million, for over 1,000 investors. Neal is a sought-after speaker at real estate conferences nationwide, sharing his expertise and vision for the future of the industry.

