
How To Take Advantage of The Current Market Confusion for Your Own Personal Gain...

Creative Strategies For Accelerating Your Financial Freedom And Massively Grow Your Wealth

“A wise man will make more opportunities than he finds.”

- Sir Francis Bacon

This quote is the philosophy we all need to adapt if we want to make seriously wealth in the real estate market NOW! This could be the most important report on property investing you ever read. Here's why...

I hear it everywhere I go. People say that you can't make money out of real estate in a flat market, and yet some of the best opportunities to make money in real estate are right now! This report was written to give you ideas, secrets and strategies that many of my clients have used in the last 12-24 months to get out of the rat race forever using real estate.

In this report, you will notice that I have a bias towards cash flow real estate initially. The reason why is because that's exactly how I started and it enabled me to buy back 40-60 hours a week. Why is that important? It gave me time to focus on investing and creating not just further cash flow, but capital growth as well full-time.

You'll discover in this report many different ways on how to replace your income in the next 356 days, as well as build growth and equity that will enable you to create a balanced portfolio that never runs out of money.

Understanding this simple fact will teach you volumes about what you can do to turn your life around. Real estate is the one investment that can give you an instant cash flow, that will continue to grow over years to come and even if you really stuff up in the real estate market, if you hang on to something long enough your stuff up will become a good investment. In my opinion, no other investment is as forgiving and gives you the security that real estate does.

Yes I'm biased.

I guess the reason I'm biased is because real estate has made me literally millions of dollars. But more importantly real estate has made my clients and students millions of dollars. Millions of dollars on their own are really not that important. It's what those millions of dollars can mean for you in terms of



Dymphna Boholt

One of Australia's Leading Real Estate Strategists
and Highly Successful Property Investor

Inside This Report:

Introduction.....	01
What Are You Really Worth – The Truth.....	04
The Millionaire Makeover Is Possible For You.....	06
Cash Flow Will Give You Your Dream Lifestyle.....	07
Retire Rich, Retire Early- If You Want To.....	08
No Money... No Problem.....	10
How To Buy Property At A Massive Discount.....	11
Big Profits With Just A Bit Of Paper Work.....	14
You're One Deal Away From Making A Killing.....	15

Creative Strategies For Accelerating Your Financial Freedom And Massively Grow Your Wealth

lifestyle, choice and freedom that really makes a difference. For many it's the ability to have choices. Choices to stay at home and be with your kids. Choices to do voluntary work. Choices to work part time, or not at all. Choices which allow you to literally live the life you intentionally designed (and desire).

But don't take my word for it. Here's what a few people have had to say about my teachings and philosophies when it comes to real estate and what learning these strategies has meant to them.

"I have purchased 7 properties since I began with Dymphna and helped my son (knowledge only) purchase their first investment property. They are now looking to buy another (both aged 21). I also helped a friend aged 55 buy his first house. I LOVE investing and have just finished our first reno which goes on the market next week. I am now retired (health reasons mainly) but would have had to have remained working had I not attained all this knowledge from Dymphna.

I am very happy and grateful that I found Dymphna. She has given my family the opportunity to live a better lifestyle because we now know there is a way to make your financial life so much better through investing. We wanted to get into investing many years ago but never knew how to start leave alone had the nerve. Dymphna has not only empowered me by sharing her knowledge but I can see a much better life style for our entire family. Our two boys are so keen and my husband is unstoppable now and can't wait to buy another property and another and another."

- Glennice Rainer

"We have been active property investors for approximately 4 years. We joined a group that convinced us we should diversify into shares and managed funds and our wealth creation suddenly slowed to a snails pace. 10 months later, we saw Dymphna speak and she reignited our passion for property. We purchased all the CDs, books and tickets to her events.

Since attending her Boot camp in 2005 we have doubled our net worth and more than doubled our property portfolio in a period of 6 months. We now own 23 properties with more on the horizon. We thank Dymphna and her team for sharing their knowledge and enthusiasm and for showing us the way back."

- Sharon & Andrew Morrison

"My husband and I owned our own home on the Sunshine Coast, but were frustrated as we didn't seem to be getting anywhere financially. Dymphna showed us we didn't need to keep selling our home to create more wealth. We now own in excess of a million dollars of property and have been able to make a profit of around \$100,000 in the last two years."

- Karen Dixon

Is It Really Possible To Break Out Of The Rat Race?

What most people don't realise is that they have many options to increase their wealth dramatically. They don't realise that they can become their own banks and stop paying extortionate bank fees and be at the mercy of their bank manager. That they can pay as little as 9.5 cents per tax dollar, (even if they are earning \$100,000 a year), if they are maximising all their tax benefits. That even if they are only 18 years old, they can realistically look to move out of home and into a property they own if they play a few simple cards right. That they can retire comfortably - with more than the \$29,000 a year most Australians in our current state of affairs stand to rely on.

It's very easy to get caught up in the realities of every day living particularly when your life is, let's say... 'comfortable'. I call this comfort zone, this level of complacency the 'comfy couch syndrome'. When you are doing okay financially, but not brilliantly, it's very easy to always 'do what you've always done'. And guess what? That's going to always 'get you what you've always got'. It usually takes a major trigger, a major life event or situation, to kick somebody off that comfy couch and get them to take significant positive action in order to get significant positive financial results in their future.

Significant positive results give you choices, lifestyle, time freedom - whatever it is you want in your life. For everybody this is going to be a different thing. If someone is in dire straits i.e. they have GOT NOTHING TO LOSE, they are normally prepared to try anything. To be resourceful. To give it a go. You'll often find in history it's the people who have come from the hardest backgrounds, and experienced the most devastating circumstances that make the biggest changes in their lives, and later the most money, that means they become the seriously wealthy.

Being comfortable and suffering from the 'comfy couch syndrome' might just be your biggest obstacle to achieving the level of financial and personal wealth you desire.

If you are reading this whilst sitting on your 'comfy couch' or 'comfy work chair' you can rest assured that you are not alone. Australia is a nation of complacent comfy couch potatoes.

We have a high tax regime, yet we do nothing about it. Our rent return on investment (yield), are some of the lowest in the Western world, yet we do nothing about it. Our education system is inadequate, yet we do little to rectify this. A large percentage of our population is financially illiterate, yet we do nothing about it. Only a small percentage ever seek out financial education and an even smaller percentage of that small amount of people actually act upon it.

Well there's good news. The 'comfy couch syndrome' is entirely curable through natural non-drug related self-medication.

Every day, millions of innocent people are forced from their homes by a disaster called work.

Who wants to change that situation? Well that's exactly what this report is about. how you can accumulate the wealth you need in order to retire in the near future. Now to give you a

Creative Strategies For Accelerating Your Financial Freedom And Massively Grow Your Wealth

better insight into where I'm coming from, I want to tell you a little bit more about me.

Who The Hell Is Dymphna Boholt?

I grew up in Central Queensland and I grew up in a traditional country family unit where the father controlled all of the finances and the females really didn't have a say in any of that sort of thing. I was pretty lucky in that I was a fairly smart kid and I started my first business at the age of four, where I negotiated the purchase of Blackie the Cow.

Blackie the Cow was an old milking cow owned by a neighbour who I convinced he should sell it to me for a certain price, I can't even remember right now what it was, but it was something very paltry. She became my first investment because she was an income-producing cow. She had calves that were worth something. I kept the heifers and I sold the steers, over time I built up my herd. I even convinced a few of the neighbours to lend me their bulls.

Over time, this taught me the principles of a profit and loss which I've grown to become very familiar with. Basically if you're buying something, regardless of whether it's a piece of real estate or whether it's a business, if it doesn't make you any money, you've got to question why you're buying it.

Hundreds of people every day go out there and buy negatively geared property that doesn't make them any money. In fact, they cost them money, week after week, they're costing them money out of their pocket. Admittedly my entrepreneurial ability didn't stick with me in my 20's, I went a bit ridiculous and did all the normal things that twenty year olds do, including getting married and running around and spending a lot of money on my first husband.

Too Busy In Survival Mode To Even Think About Investing? A Common Problem...

However, I found myself in my early 30's in a situation where I was going through a very messy divorce and I had a toddler and was also heavily pregnant. So I was in a situation where I had given up all work to try and make things work. I had foolishly sold all the properties that I had owned previously to buy cars and toys and useless stuff, I had no job, a mortgage and two little beings that I had to support.

It was at that point in time things really started to hit home and I wondered what I was going to do? So I went into survival mode.

Now survival mode to me was to go back to what I found really easy, which was accounting, and that's actually when I moved up to the Sunshine Coast in Queensland as prior to that I was living in New South Wales. I moved up to the Sunshine Coast and I set up an accountancy practice. I walked the streets, heavily pregnant and all, you can just imagine it ... I looked absolutely beautiful ... I walked the streets and I introduced myself to business owners and I said, "If you want a second opinion on anything, come and talk to me. I'm setting up a practice, etc..." And my fledgling accountancy practice blossomed from there.

When I Discovered That Property Investing Was The Answer For Me...

I don't consult anymore because some years ago I got to the stage where I was sitting on the comfy couch again. I had the practice running at a stage where I worked in the practice and it was hard work, but I had enough income coming in, I had the kids taken care of and things were happening. I was actually speaking on stage and I was talking about asset protection and taxation which I'd become an expert in and a public speaker on, I walked off stage and this little guy walked on stage, he was the next speaker after me, and I hadn't met him before. I knew nothing about him and I thought I'd hang around and see what he had to say. He was speaking on property, and within the very first ten minutes or so he said something that really hit home to me.

It was about trading time for money, and even though I'd rebuilt myself up, I'd regrown, things were going well, I was still trading time for money, even if it was my business.

It was still time for money.

I still had to be at that accountancy practice, seeing clients for some 40-60 hours a week and my kids used to come to me and say, "Mummy can you come to my sports day?" Or "I've got a reading day..." Or I've got a whatever. I'd have to say, "No honey, I've got clients, I've got responsibilities, Mummy has to work."

And it was at that point in time, my focus changed. I realised that, yes I was successful in what I was doing there but I needed to extract myself out of that business and I needed to have passive income coming into me that I didn't have to work for. It needed to come in regardless of whether I was sitting by the pool, watching a sports day carnival of my kids, I was sitting on the beach, whether I was sailing or whatever else I might like to do.

To me, the result of that was property. Now that gentleman's name was Dr Dolf De Roos who I have become great friends with and he supports me in a lot of things that I do, including my mentoring program called Wildly Wealthy Women.

So Why Am I Sharing This Information With You?

As a result of my property investing, if I choose to, I no longer need to work ever again. I don't need to go out and speak to people at seminars and events, I don't need to write reports like this, or produce home-study programs. But here's why I do it: I have a burning desire to make a difference. When I worked as an accountant I could only affect one person's life and I could only ever feasibly fit in six or seven clients per day for an hour slot each. That's six or seven people I could help per day, and only around 30 per week.

Now that I am an educator, speaker, and author I can affect thousands of lives and I love that.

Through my work I come into contact with a wide variety of people from varying backgrounds, education and financial strength and through a process of motivation, education and support I see the dramatic effect my work has on them, not just as individuals, but also the pebble in the pond effect, of everyone that they are associated with.

Creative Strategies For Accelerating Your Financial Freedom And Massively Grow Your Wealth

Whilst I'm no social worker I know many social problems experienced in Australia stem from financial insecurity and the lack of personal empowerment. By bringing that personal empowerment back to its roots, financial independence can follow not just for the individual, but for the whole Australian economy – really!

Already, I have seen the result of my input impacting thousands of lives thereby giving them the confidence and know-how to then help their extended family, friends and communities.

I know through hard core economic calculations that if I can help one individual family unit to achieve both their personal and financial goals the ripple effect that this has on their family, friends, and community, not just financially but in attitude as well can change the financial and spiritual wealth of whole economies.

Get Serious, What Are You Really Worth – The Truth

Here's a little exercise for you. No matter if you're an accountant, a lawyer, high-flying business person, teacher or a factory worker, this little exercise will work wonders if you take it seriously.

The only truth is the result. It doesn't matter to me how much you know about anything, especially when it comes to investing. The only truth is what results are you getting right now in the market?

This is going to hurt a little bit at first, but what it will do for you long-term will be worth going through the exercise. As you can see, I've put in a little box. What is this all about? Simple.

All you have to do, is put in the box what you are earning passively right now, without having to work. For some of you, it wont take you long to add a figure.



If it's a zero, don't be deterred, take stock of the reality of your position and recognise you need to make serious changes and take massive action right now. Your goal in the next 365 days is to put a figure in this box that completely replaces your income. Impossible? I'm going to share with you the strategies, right here that will get you there.

We're Richer Than We've Ever Been – So Where's The Money Going?

Although Australia has experienced high growth in the economic sector over the past 10 years, few Australians have capitalised on the opportunity to increase their personal wealth by using that growth to invest in assets that will grow in the future. Much of this personal wealth increase has gone instead on consumable and lifestyle items such as new cars, plasma screen TVs, holidays, swimming pools, jet-skis and other luxury items.

The past decade of economic growth has bred a population of complacent Australians who expect this easy money and easy growth to continue indefinitely.

Clearly this is not necessarily going to happen and the complacency and comfy couch syndrome is a dangerous mentality for Australian investors to have.

What happens when the unexpected happens?

The vast majority of Australians are ill equipped to handle unexpected expenses or interruptions to their income stream due to sickness or illness or other life circumstances. In fact the Australian Bureau of Statistics has estimated that 70% of the Australian population is likely to be out of work for a period of six months or more some time during their working life due to sickness or injury.

How would you or your spouse fare if you were forced out of the workplace due to sickness or illness for six months or more? Would you have the savings, the passive income or even the income protection insurance to fall back on to see you through a period of no income and possibly extraordinary expenses such as medical and travel expenses?

How Long Could You Support Yourself And Your Family If Your Income Stream Stopped Tomorrow?

It may not be as a result of sickness or injury. It may be due to a decline in the economy, restructuring, job cuts, supply shortages – it could be for any number of reasons. How long could you last?

Would it be a year?

Would it be six months?

Would it be a month?

Or would it be next week....

Even as an accountant, economist and public speaker I thought there wasn't too much that could stop me from doing the work that I love. After all, much of my work involves communicating verbally with others e.g. running my property investment portfolio, standing on stage and speaking etc. Clearly I was wrong. A couple of years ago my son accidentally hit me in the jaw with a golf club and broke my jaw (I've now given up golf instructing as part of my career path). Having to eat through a straw and unable to move my jaw meant I was rendered incapacitated and unable to work. Fortunately not only did I have the savings in place to see me through any down time, I also had income protection in place which kicked into gear soon after the accident.

Income protection insurance is payable at a rate of 75% of your current income stream and kicks into place if you have a sickness or injury in or out of the work place which renders you unable to work. Pretty good piece of mind huh?

Getting things as essential as income protection insurance into place and other basic financial management is not difficult. It might be boring and something we tend to put off until later, but it is something anyone and everyone could and should do, and regularly.

Our Education System Has Failed Us Miserably

Creative Strategies For Accelerating Your Financial Freedom And Massively Grow Your Wealth

Historically, our education system has failed us miserably when it comes to equipping us with the financial management skills we need to achieve financial freedom. Thankfully, the wheels of change are starting to turn and our education authorities are finally starting to introduce some basic money management skills as part of the curriculum of our primary schools. Talk about overdue! All those years of teaching kids subjects like geography, history, calculus, stats which is all very well and good to a certain degree, but although they might know an algebra equation they didn't know how to apply that mathematics to every day life such as balancing a cheque book and basic budgeting!

It is going to take a long time before the financial literacy education being introduced now will start to have an impact on our society, and in the meantime there are still vast tracts of the Australian population who remain uneducated when it comes to personal finance, property and getting ahead financially.

Where I believe an immediate impact can be made is to encourage the educators and trainers themselves to improve their attitude to wealth and their personal financial situation, so that they can not only set an example for those they are teaching, but so they can better convey to their students through their own life experience and successes how to create financial wealth and success from the grass roots up.

One of the most important life teachings that we can pass on to the next generation is one of attitude towards success, money and wealth. Success and wealth after all, is a positive thing. Especially when our next generation truly gets the impact that wealth and success can have and the amount of good that can be done when they come from a position of financial strength rather than weakness.

Finding The Right Person to Help You Get Off The Comfy Couch – Or Out Of The Gutter!

Getting started and finding the right person to take you to where you want to be is only the start of the journey. When confronted with anyone suggesting that they can help you get rich it is important to work out whether the person selling you the idea or concept is actually close enough to the source to know whether what they are telling you is the truth or whether they themselves are rich, and practice what they preach.

I've seen many people hurt financially, myself included, by often well-meaning people selling a concept or investment which they believe in 100%. The trouble is that they themselves have in turn been misled or sold a concept fraught with lies or errors.

As hard as it was to learn my early lessons, I consider myself lucky to have learnt the lessons I did when I had little money to lose, rather than later on when the stakes would've been higher and more money could have been lost.

If you're starting from the bottom the only way is up!

Education and ongoing training is something that I consider to be paramount for everybody at every level. Once you have some education under your belt at least you have the tools at your disposal to start working with.

Not A Property Millionaire Yet? Maybe This Will Help You...

Now for every single one of you, that decision is going to come to you in a different form. For every one of you, you're going to have a trigger and that trigger might be this book. It might be something that's said at a barbecue, it might be something that you hear me or somebody else say, that makes you think, "You know, that's right, and that applies to me. And if I don't make those decisions and if I don't make those changes now, then in ten years time or five years time or whatever else it might be, then I'm still going to be in the same situation I'm in now. So what has to change?"

From the moment I made that decision, it took me 18 months to totally replace the income that I was earning through the accountancy practice by being there 40-60 hours a week, passively, not having to get out of bed. And I did that purely through investing in property.

I focussed on property that most people don't even look at. I'm a girl from the country. It doesn't bother me if I invest in the country. Nice people live in the country, believe it or not. Whereas most investors, particularly if they're city investors, they think, "I live in this particular suburb and I'm a nice person so if I buy in this particular suburb, well nice people are going to live in my house and that's safe and secure for me". Ratbags live everywhere, so do nice people. The difference is, how good your property manager is.

Now if you take on the role of property manager, well then you've got to make sure that you're armed with the knowledge, the strength and the guts to be able to actually manage those properties effectively. I don't do that. I find that's not an effective use of my time. I prefer to manage my managers because I have property all around Australia and in fact the world. If I spend my time managing my managers, and they do the wrong thing by me or my tenants, then they know about it. So that's a more effective use of my time. But in saying that, the types of properties that I focussed on were properties that produced a positive income, regardless of what else I did. There were properties that, from the day I bought them, they put more money in my pocket than they were costing me. And I'm going to show you some of those in this report.

In my home study courses I go through many, many strategies as to how you can actually implement strategies and make money for yourself, through real estate. Clearly, I'm qualified on a number of counts. I can talk about tax, I can talk about asset protection, I can talk about superannuation, I can talk about investing in whatever else. I can talk about how you should structure for tax, I can talk about how you should structure for GST and all that sort of stuff, but from personal experience I can talk about how to make passive income work for you. I can see what strategies have worked for me and for other people, other clients. I know in detail what went wrong and why it went wrong or why things worked.

You Can Stuff Up Real Estate and Still Make Money... I Love It!

Investing in real estate is one of the safest investments you can make. There's a lot of room for stuffing up. You can make a really bad property investment and so long as you keep it long enough, you'll still make money, whereas if you're smart and you know the style of property that suits your portfolio, you can make

Creative Strategies For Accelerating Your Financial Freedom And Massively Grow Your Wealth

serious income, passive income and growth very, very quickly. In that 18 months time span that I totally replaced my accountancy income, I spent the first six months thinking.

You might tell me I'm a slow thinker, perhaps I am, but also I was planning it. It was deciding on what strategies were going to work. It was putting into place things to get me market ready, as I wasn't market ready. I didn't have my loan structures in place so I could act tomorrow if the right deal came along. I didn't have my tax returns done. Remember the old story about the painter's house is always the worst painted house in the street and the plumber's always has leaky taps? Well your accountant always has the late tax return because they're busy doing everybody else's.

So I had to get myself in a market ready situation, so in reality that passive income was created in a 12-month period. Any one of you can do that.

The Millionaire Makeover Is Possible For You...

In one of my mentoring programs, I remember I did a Millionaire Makeover on a lady who had \$300,000 worth of equity. That's what she was starting with. I just pulled her out of the crowd and said, "OK, show me your details, what have you got?" And then I put up real deals and the whole audience could work through and see whether they would buy that property or not.

Now they were deals that I had either pulled off the internet, found through my agents and sources that I deal with all the time, or properties that clients of mine had bought in the last six months so they were all real, live deals.

I threw them on the screen and said, you know, "Would you buy this, can you buy it, how would you structure it, how do you finance it, is this a deal that's in your comfort zone or not?" And she made yes/no decisions or even sometimes she was too late and missed it. If she dithered around and carried on too much or maybe she didn't do enough due-diligence, she got a dud.

So I didn't only put in good properties, I put in bad properties as well, and over that period of what she COULD buy in a 12 month period, she accumulated in excess of \$100,000 in passive income through the properties that I put up. She also accumulated over \$700,000 worth of equity in the properties.

Now clearly, I selected properties that were going to produce her income or were going to produce her growth in a short period of time but I also threw some duds in there to see whether she'd take them or not. Now that is not unachievable, with the correct education and knowing what you can do.

From 0 To \$250,000 In Equity Growth PLUS A Bonus \$16,000 Per Annum Passive Income In Just... 12 Months.

I know what you are probably saying to yourself right now... "I don't have have \$300,000 worth of equity."

If you have the knowledge, you can start with nothing. Here's an example. One client who had recently came out of divorce and she had no money at all, incidentally, when I came

out of divorce, I had \$40,000 in my back pocket and that was it. So everything has been built from that \$40,000.

She was in a situation at the beginning of the program where she was one of the students that I actually took on and personally mentored. She accumulated in excess of \$16,000 in passive income in that year but her focus was growth. She had nothing to start with, remember, and she had over \$254,000 worth of equity by the end of the nine-month program. We had ladies that became millionaires in that nine-month program.

Social Security Mum Makes \$160,000 In Record Time Legally And Breaks The Poverty Cycle

We had ladies who bought their very, very first property. We had a lady who was a third generation social security mum who broke the cycle. She bought a property, she renovated it, she lived in that property, she lived through the bearers and the joists stage and the walls that were hanging down and everything else but she made \$160,000 and I said to her at the last event, "Could you have made that money any other way", and she was actually very heavily pregnant with her second child and said, "Well, not legally".

So, what I'm trying to get across right now is that it can be done, it is something that if you make that decision, if that trigger happens for you while reading this report, it is something you can act on next week. You can make serious difference for yourself but it all comes back to the knowledge of what the plan is for you, and selecting the properties that are right for you, that next move for you. There might be a great deal out there but if it doesn't suit your portfolio, it's wrong for you. So it's a matter of being able to put that plan together for yourself and the only way you're going to do that is to know what's out there and what else you can do.

So let's have a look at some of the things that you might be able to do.

- Strata titling
- Buying off the plan
- External forces
- Buying, immediate growth
- Mortgagee sales
- Deceased estate
- Rates defaulters
- Public perception
- Emerging economies
- Prime locations
- Speculative building
- Speculative land deals
- Developments
- Subdivisions • Flips
- Options
- Commercial
- Equity drawdown

Creative Strategies For Accelerating Your Financial Freedom And Massively Grow Your Wealth

- DA and BA approvals
- Lease and sublease
- Dual occupancy use
- Renovations
- Creative management
- Creative contracts
- Vendor Financing
- Lease Option & Wraps
- Re-zonings
- Cash cows

Cash Flow Will Give You Your Dream Lifestyle And Growth Will Make You Rich

What I'm going to go through are things in broad terms and just pull out a few of those that I think might interest you. But first you've got to understand exactly what growth is? A growth property is going to produce you wealth. It's going to produce you equity that you can use to borrow against. It's going to give you the ability to have security to go out there and buy the next property. But it's not going to give you lifestyle. It's income that's actually going to give you lifestyle.

It's income, cash flow coming in that says, "I don't have to get out of bed today. I've got my money coming in that I would normally need to go out and work for, coming in passively". It's the one that says, "I can go on a three month holiday". It's the thing that says to the doctor client of mine, "I can take three months off and go and work for the tsunami appeal, because I want to, because I can". Previously when they were focussing on growth property, they were not in a position to do that, which is something that they really, really wanted to do. It gives you the ability to be able to implement some of the more community-related things that affect you.

Most of you reading this at the moment will be sitting there, thinking...

"This report is all about making money."

...And yes, you're right, it is. However, there's a point that I hope you experience down the track by following my strategies here where you don't have to focus on selling your time for money and doing what your totally passionate about. That's total freedom, and that's why I keep teaching these strategies.

You'll get to a stage where me's taken care of and then you'll get to a stage where you ask, "What else do I want to do? What difference do I want to make? What's the mark that I want to leave on this earth?" There's a particular client of mine who comes to mind and I always get a little bit teary when I think about this girl, but, four years ago she came to me and we started to work through a few issues with her and her passion was property, through her real estate investing, what she's been able to do is set up orphanages in China.

She'd had an experience where her business partner was Chinese, and they were over in China and she saw first-hand,

outside the tourist route, what happens to babies, particularly baby girls. In China you're only allowed to have the one child so the second child is often killed. And today, that girl is rescuing hundreds and hundreds of babies lives because of her efforts, because of what she wanted to do what she decided to do. Now that's the impact of one person. If you can affect one person, if you can get it right for me, for the you, the individual, you can affect your whole community. You can affect everyone around you.

Have you read *The Richest Man in Babylon*? It's a beautiful book. I give it to my kids to read. The underlying message behind it is, save 10% of your income. But if you look at it a little bit deeper, it's about whole economies. I'm actually an economist, and it goes through the economics of how one person's wealth can change a whole community. Now I know by changing your financial wealth, I can not only make a difference in your life, but also in the lives of everyone you interact with – everyone you spend money with, everyone you communicate with. Just like the pebble in the pond and the ripples that filter out over the entire pond, whole economies are affected. You may not realise it, but from an economics perspective, it does. And that's why I'm writing this report. Because I know the difference I can make if you let me.

The Perfect Time For Cash Cows Is Now...

So what's a cash cow?

Where can we find these cash cows, where do you buy a property and it produces you more income than it cost you? Well a cash cow, basically, if you take all of the income, less than all the expenses, and it's still positive, then that's a cash cow. That's the kind of property we're looking for. So how do we do that when we're out searching for a property?

Well there's a little thing called The Rule 2 that I use.

Now this is only a rule of thumb, but basically if you're looking at a property and you want to know how much rent you need to make the property positively geared then this is what you do. You take the purchase price of the property and multiply it by two and divided by 1,000, this then gives you the weekly rent required to make the property start to be positive cash flow. If it's anything more than that, it's an even better cash cow. So if you're buying a property for \$200,000 and it produces \$400 a week rent, that meets the rule two. It's a cash cow. Now obviously rates vary from council to council, so do interest rates, so do other charges and things that you might have but just as a general rule of thumb, if it comes close to that, you're getting to the stage where you're starting to look at something that's going to be positive cash flow to you.

Now that's after you've paid your agent's commissions, and after you've paid interest on 100% of the mortgage. Now the reason I'm saying 100% of the mortgage is because, if you've got your principle place of residence and it's worth \$400,000 and you get a line of credit on it which at 80% be \$320,000. But let's say your mortgage is only \$100,000. So what you've got there is \$220,000 worth of available equity. This is on your PPR, principal place of residence.

Now you might say, "OK, that's where I'm starting from." You might form, for instance, a company and a trust that goes out

Creative Strategies For Accelerating Your Financial Freedom And Massively Grow Your Wealth

and buys its first property. Now let's say that first property was a \$200,000 property. What you would do is go and get a loan on that property of 80% which means you'd be borrowing \$160,000 secured on that property. Where's the rest of that money going to come from? It comes from your available equity, your big credit card that you've got sitting there available to you secured by your PPR.

So in order for that property to be a cash cow, it has to support the interest on not only the \$160,000 but also on the \$40,000. That's a cash cow. There are a lot of agents, salesmen, people out there that will sell you negatively-gearred properties based on a deduction for tax purposes that you might, after claiming the deduction for depreciation might be marginally positively cash flowed. My definition of a cash cow is one that is positively cash flowed on a cash-on-cash basis. Forget the tax, I want to be making money, real money, and that's how you calculate a real cash cow. Anything above the rule of two minimum means you're better off.

How Do You Find Cash Cows And Even Better, Multiple-Income Cash Cows?

So where do we look for these kinds of cash cows? Well they're going to have certain characteristics. They might be in a regional area and I'll show you some of those that I've bought. They might be a dual occupancy property where upstairs and downstairs are both rented out separately or where you've got a granny flat to rent in addition to the main house, or you've added a second residence to the property or it might be a duplex or a triplex or a four-plex. It might be a six-pack or an eight pack. Go to the United States and it might be a 57-pack. Their developments over there are huge. But that's great. It just means there's more money to be made.

So what are multi-income stream cash cows? Here's how they work. You've got multiple income streams coming from the same piece of land that you've purchased. It might be a shopping centre. It might be a development or an office development. It might be an industrial warehouse development where you've got a number of different incomes coming from it. You might buy a piece of real estate and you say, OK, how else can I increase the income on that property? I might be able to sell signage, I might be able to rent out the back. I might be able to do something else. How else can you get that extra income coming in?



Here's an example of a multi-income stream cash cow. Simple, easy, anyone can do this. This particular cash cow cost me \$250,000. Most of you reading this report could have bought this property. Here are the figures on it. It cost me \$8,000 in purchasing costs and it has a rental income of \$52,000 a year, which is \$200 per week in the five units. It's a block of five. My

costs on it are only \$24,000, which means that this property puts a passive income in my pocket, every week of \$527.00. And that's \$527.00 that I no longer have to go out and work for. It's passive.

Do I have to pay tax on that? Yes but if I went out and worked for the income, I'd have to pay tax on it anyway. Do I have to pay tax on all of that? No, because I know my tax laws. I know that I can get a quantity surveyor in there and maximise my tax deductions. I know that I can go and visit it and claim it as a tax deduction. I know all the appropriate tax deductions that I can claim by sitting in my office and not going anywhere near it. So no, I won't be paying tax on all of the income whereas if I go out and work, chances are, for that same \$527 a week, I would be paying tax on all of it. And if I'm working for somebody else, then I'll get the tax taken out first, thanks very much, and then have to prove that I need some of it back. That's how it works.

Retire Rich, Retire Early - If You Want

So if I can get one thing across to you, this is the way to go. This is what you need to be doing, because income, regardless of whether you love your job and you think, "This is wonderful. I've got the best job in the world and I don't want to leave it". That's great. But what happens if you can't do it? What happens if in five years time you want to have a baby? Not men obviously, but, what happens if you decide to have a midlife crisis and go sailing? Then you've got this as a backstop coming in.

Now this may not be your plan right now but ultimately it is going to be and it is this positive cash flow that will make your retirement a whole lot easier.

Now when I say retirement, most of you think, "Oh, that's too far out, I don't even want to think about that". Well think again! Retirement could be next year. You know, there doesn't have to be a specific age requirement that the institutions like to put on us. When you're financially able, you can retire any time you like. Now, retirement is not something that is actually desirable to me. It's not something I'm actually going out and chasing because I love doing what I'm doing, but I do want that passive income so I've got a safety net in case I change my mind.

Multiple income stream properties are properties like blocks of units. I love blocks of units. The reason I love blocks of units is because I've got multiple income streams coming in from the one purchase. It's in the residential market which means it is easy to get into and it's one of the first investments that most of you will make. Most of you won't jump out there and go and buy a commercial property up-front, even though commercial properties do have a higher income yield than other properties. In the commercial world you've got to know a little bit more and be a little bit more aware when you're buying commercial properties.

When we look at multiple income stream residential properties, you're talking about having an amount of income coming in from a number of sources so if any one of the units is vacant, then chances are you've still got enough coming in from the rental of the other units to make your repayments and other costs. In fact you can actually work out your break-even point.

Creative Strategies For Accelerating Your Financial Freedom And Massively Grow Your Wealth

You can also manufacture a multiple income stream property, and I'll tell you about a couple of clients that have done exactly that.

I've got a client in Bendigo, Victoria who bought a two street frontages property. It was an old house at the front, which they renovated and then rented it out. They then put storage facility units at the back, put a fence down the middle and guess what? They've now got a passive income producing property. They could only fit six storage units on the block, but six storage units rented out at \$25 per week makes a whole lot of difference to the passive income of that property.

I had another client who bought a block of three up in Nanango. Same kind of situation. He actually bought it in his superannuation fund so he had to buy the property outright with no borrowings as superannuation funds can't borrow. It cost him a grand total of \$68,000. The income that came from that property each year was sufficient to allow him to build a few storage units on the block every year. So every year he builds a few more storage units with the passive income the property produces and every year his income gets more and more and more. He decided to do it completely inside his superannuation fund. That wasn't something that he had to do but he figured that he was a better manager of his money doing something like that than putting it with a fund manager. That was his decision.

I've got another client that runs a golf driving range, and he was sitting one day, thinking, and he noticed that the golfers never ever hit the balls down to the end of his property. So he thought, what else can I do with this? How else can I make money on my golf course? So he decided to put industrial sheds at the end of the golf driving range with a laneway down the side. He painted a big circle on one of the industrial sheds and he pays the golfers an extra bonus of a free lesson and some golf balls if they hit the circle of the shed. None of them do. They still can't hit the ball to the end of the property but at least now he's got some commercial properties down the end that produce him more income.

How To Create Your Own Bank And Leverage

Now this strategy is a double-edged sword because not only is the property producing more income, it's also worth more which means he can borrow more against it which means he has more equity available for him to invest in more deals.

By doing this, you are creating your own bank, a bank of equity that can be used for further investment. Taking this concept a step further, your own equity bank can then start to take second mortgages on your properties in exchange for the lending and that's the situation you want to be in. Where you're accumulating your wealth and, over time, you'll paid taxes through your 'bucket company' (because you will have exhausted all of your other avenues to minimise your tax) and your bucket company will then be the company that lends money to other structures and it take registered second mortgages on your property for asset protection reasons. Not only are you protection your assets you are being tax efficient and smart with your money. You're using your money, over and over again, and you're getting a tax deduction for it. But that's a whole other story!

More Cash Flow Property Strategies That Can Make You Rich

Properties like strip shops, and I don't mean "strip" shops - I mean a strip of shops, have multiple income streams coming in as well. Office blocks, shopping centres, (I love shopping centres even though they're more expensive than some of the others) are all examples of multiple income stream properties. But you don't have to start with the biggies, you can start with a duplex, or you can start with a triplex or a block of four...As most of you will once you start to really see the figures and how they can impact your finances.

I've got a block of four in Central Queensland. I've got a couple up there actually, but one in particular I bought for \$176,000 and there are four units. Each of them earns an income every week of \$120 a week rent. Is that a cash cow? Well, do the figures. Four times \$120 is \$480. What did I buy it for? \$176,000. Does it meet the rule of 2? Yes, it's a cash cow. In fact, it produces about \$5,000 to \$8,000 a year positive cash flow.

Now that is just as sweet as the other one I showed you. And if you have a number of those, you accumulate that \$2,000, that \$3,000, that \$5,000, that \$8,000 or \$10,000 or \$15,000 worth of passive income, then it suddenly makes a whole lot of difference to your lifestyle.

Everyone Saw It, But No One Bought It...

I was speaking to a group up in Yeppoon a couple of years ago and this ad was in the local paper, the Morning Bulletin, and it said "House divided into four units, all returning \$100 a week, urgent sale \$135,000". Is that a cash cow? Yes.

This came in the paper on the Saturday and I was speaking on the Monday night and I put this up on the screen and I said, "So, who saw this ad?". And about ¾ of the room put up their hand. I said, "So which one of you bought it?". They all went down. "Which one of you rang up about it?" Not a single person. "Why not?" "Oh, this was on" or "It sounded too good to be true" or whatever else.

The fact is that this property put \$11,400 a year, per annum, into your pocket. Not just the first year when you buy it but every year. This thing is an annuity. This is like buying a pension, and all you have to do, to get that pension, is fill out a whole heap of forms, bend down and pick it up, and come back next year and bend down and pick it up again. That's what cash cows do. They have so much passive income coming through that you just accumulate it, year after year and it becomes your income. That is your lifestyle. This stuff happens all over the place. Just about everywhere I speak, I can pull out properties that will produce income, passive income, and people don't realise, they don't know where they are, they don't know how to look.

They may not be standing out there with a sign on them saying "I'm a cash cow, come and buy me". Sometimes you have to make them into a cash cow. Sometimes you might have to increase the income by doing things to them.

How You Can Creatively Manufacture A Cash Cow...

Creative Strategies For Accelerating Your Financial Freedom And Massively Grow Your Wealth

I had a student who bought a block of four units in Toowoomba. She bought them for \$230,000 and they produce \$440 a week rent. Is that a cash cow? Not really, but it's getting close.

After buying the property she decided she would manufacture a cash cow. What she did was put in four washing machines, four driers, a pinball machine, a coke machine, a chocolate machine and a space invader machine. And she did this in a little lean-to that was out the back that she carpeted and did up a little bit. As most of her tenants were students, they threw in an old TV and an old lounge, and the old lean-to became a little epi-centre for the students. Mates come around there and they played space invader machines and did their washing. On average each week, out of those machines, she collects \$500 in coins. Now that's creating a cash cow.

There are lots of ways you can be a little bit creative and manufacture additional income. That's one of them. Here's some more...

Things like negotiating commissions and starting to reduce your expenses on a property. If you have a property that only has one water meter, get them separated amongst all of the tenants because otherwise you're paying for the water, not your tenant. Same thing with the electricity. You can have services provided that cost you X amount that you can charge out at a higher amount. Services like cable TV, high-speed internet. It depends on your client as to what they consider to be desirable.

In some places where I've got properties, having cable TV is something that's the norm. How could you possibly rent something that doesn't have cable TV, my goodness! There's nothing else to do out here. However, there are other ones where high-speed internet is really what's important. It's a matter of understanding your tenants and working out how you can produce more income out of your properties. Here's another good example...

If a carport costs you, say, \$5,000 to put on but you're going to get an extra \$20 a week rent if you rent it with a carport, roughly speaking that's \$1,000 a year extra that you're going to get in rent. Now you've paid \$5,000 for the carport, so what's your return on money invested? 20%. Is that a good investment? Can you get 20% somewhere else? May be not.

The fact is it's actually higher than 20% because you've probably increased the value of your property as well. So what you need to do, before you spend money out of your pocket, on your properties, you have to look at it on a cost-benefit analysis. You need to do your own little feasibility study, if I spend this money, then what return am I getting on it? Is it worth my while spending that \$5,000 on the carport, or is it not? What's my income yield coming from it, what's my potential growth coming from it?

No Money... No Problem. Use Someone Else's Money And Create Cash flow...

When you're at a stage when you're capable of doing things like that yourself, then you would be astounded at some of the deals you could start to put together. I had a lady out of

Sydney that, I'm sort of calling the vendor finance queen. She buys commercial property with no money down. She did her first one by approaching a developer and it was the last in an industrial warehouse estate that he wanted to get rid of and she convinced the broker that she needed to talk to the developer herself. Two hours later, she had a contract in place that said that he was going to vendor finance her, 30% of the value of the property over two years.

She subsequently got a tenant, she got it rented out, it is positively cash flowed, she's done improvements to the property, so in two years' time she will be easily able to revalue that property, in fact she can do it now and pay out the developer. Did the developer even think that he was going to sell it that way? Under no circumstances. "I'm not a bank", he said. But she was able, through her knowledge, to present such a good argument to this guy that she was in a situation to be able to seal the deal and she's done it over and over again thereafter.

\$25,000 In 2 Weeks Flipping Property Strategy

Flips are buying and selling a property with in quick succession and making a profit. What you need to recognize is when a property is undervalue and what it is really worth the whether you can on-sell it relatively quickly. This means you have to know your market. Sometimes you can even organise a simultaneous settlement, that means that you're buying and selling the property on the same day. So all you're effectively doing is taking the profit margin.

However, I will caution you that you must have your finance in place to be able to settle on the property if anything goes wrong. This is an example of a little flip that a mate of mine did in Maroochydore. It was a two bedroom, one bath, lock-up garage, 6 year old unit. The property was listed for \$165,000 and he bought it for \$163,888 – the seller was Chinese and had this thing about numbers. He paid her a \$500 deposit and he had in his contract a clause that said, "able to show the property to potential occupants during the settlement period". Now what that meant was that during that period he was able to bring other tenants through, other occupants through.

Now the selling party thought he was getting tenants through and that he was going to rent out the property. In reality what happened was, he on-sold the property to a third party because he knew that property was undervalue. This is what happened. He actually on-sold the property in two weeks for \$195,000 which incidentally was a little under market value as well because he wanted a quick sale. He made a profit of about \$25,000 in his pocket. He did a simultaneous settlement. He paid stamp duty when he bought the property and the new owner who paid \$195,000 also paid stamp duty when they bought the property. Had he bought the property under an option contract, he would have been able to sell his option contract and not paid stamp duty. So it depends on the contract and how it is worded as to whether double stamp duty kicks into place or not. Either way, he needed to be in a financially secure situation so that if anything went wrong, he was able to buy the property anyway, and then on-sell it at some point in time in the future.

How To Create Positive Cash flow From Real Estate Without Owning It With A Little-Known Sub-Lease Strategy

The reason I talk about leasing and sub-leasing is because you'll probably hear it from someone else so I may as well give you the whole story and not just the rose coloured glasses story. I have a business associate in America who has perfected this to the T - and on speaking to him, he was talking about how he started with no money. You can do this with no money, but believe me you need to be exceptionally gutsy. He signed a commercial lease on an ugly, vacant commercial building and he then went about sourcing tenants for his ugly, vacant commercial building. He had the gift of the gab. He knew his market, he was in the business of gaining tenants for properties anyway. He signed the master lease, and in the master lease, he had the ability to sublease. He signed it over a long period of time I might add, where he had the only option to renew, not the sub-leasees. He also physically improved the property through renovation to make the property more attractive than the current owner did.

One of the great things about the real estate market, is that it is imperfect. In an imperfect market place, you've got opportunities to make money because not everybody knows what you know. Not everybody is working from the same level playing field. The current owner of that property was probably not very good at managing his properties. The current owner of that property didn't realise with a few subtle changes the property would be more desirable to tenants. It was information he didn't have whereas this business associate of mine did. The sub-leasees paid him more than he had to pay on the master lease and he made himself a tidy passive cash flow. He went on to repeat this process many times.

He'd get an ugly building, normally vacant but not always, sign a long lease, and he'd sublease it at a margin to other tenants, so it didn't actually cost him any money. As he moved forward, he actually got a little smarter and took out options to purchase in a five year time span at an agreed value which meant that any time in that five year time span he was able to buy the property at an agreed value which meant if the market shifted and went up in value, he'd exercise his option at the lower value and buy that property.

He told me his income from his lease and sub-lease business, let alone his landlord business, was around about \$100,000 per month. He's been doing it a long time and when I say a long time, he's been in it for six years which really I guess is not a long time but he's now in a secure situation where he can afford to make a mistake.

But if you intend to implement this strategy up front, you can't afford to make a mistake on your first deal. So keep that in mind. Whilst it is a strategy that you can do without any money at all it can be risky if you are unable to lease out on sub-lease contract as you are still stuck with the responsibility of the master lease.

You know, in leasing an ugly, vacant building, generally speaking, you can get big periods of time rent-free, so long as you're prepared to sign a long lease. Well it's that period of time that he uses to actually get his tenants in and renovate the property if necessary. But I caution you, it's not for everybody.

More Strategies For Manufacturing Cash Cows

This is like the lady that I spoke about who puts in the washing machines and the driers. It's all a matter of analysing your property and working out how you can increase the value of this property. Just think what are some of the things that you might be able to do? And if your going to spend money on the property, then what's that going to mean to you on a cost benefit analysis? If you spend the money, what's your benefit and how much is it going to cost you?

Maybe look at things like the sale of signage. I was speaking in Sydney a couple of weeks ago and a gentleman was telling me about a property in Melbourne where a telephone tower was stuck on the top of a commercial building which produced a ridiculous amount of \$28,000 a month additional income just for having a Telecommunications tower sitting on top. Those are the types of things that you need to be constantly thinking of.

I've got a block of units up in Rockhampton that's a block of five. It is property that, on its own, is a cash cow. It puts about \$6,000 or \$7,000 a year positive cash flow in my pocket. It's obviously gone up in value and I can re-borrow against it to go and do the next thing. But on its own, it put about \$6,000 or \$7,000 income in my pocket. But on top of that, the land is also big enough to build another four units on the back, possibly strata title and even sub-divide. You see you've got to constantly be active. Once you've got a property, you don't sit back and go "Oh phew, that was hard. Done it now, got my annuity". That might be the case, but the fact is there might be a whole lot more that you're missing out on if you're not active on the properties that you already have.

How To Buy Property At A Massive Discount That Very Few People Even Know About

The public trustees and the perpetual trustees are private and government organisations that sell off properties from deceased estates where either there isn't a will in place or that the deceased has elected to have a public authority settle their estate.

Now the public trustee sites are particularly interesting because they do it themselves. In Queensland for instance, they list every month the auctions that are coming up, which is similar to the process in all the other States except they are all autonomous and are different bodies in each State, but they all work pretty much the same. Now there's a gentleman in Brisbane who looks after all of Queensland, and it's the same in all the other States. One man can't possibly know what the current market value is on all of those properties all around the State that go up for auction.

Some of them are sold by auction on the site itself and others are just listed for sale. A little while ago I missed an absolute bargain and I was so annoyed. If you know the Sunshine Coast, there's a little area there before you get to Nambour and the land up there is relatively valuable. It has views and it's rural and it's beautiful. There was a ten acre property, which had an old house on it and the land had been subdivided into four blocks, about 2½ acre blocks. Now a 2½ acre block up there would sell

Creative Strategies For Accelerating Your Financial Freedom And Massively Grow Your Wealth

for around about \$400,000 / \$440,000 thereabouts. The whole parcel already subdivided, sold for \$550,000. Do the maths on that one, and I missed it. Never mind, there's more out there.

But that's the sort of thing, if you know your market, you can pick up deals significantly undervalue and I can give you countless cases of those types of situations. It's all about buying immediate equity. Sometimes you do have to do things to those properties to improve the value. Sometimes you don't. It really depends on the circumstance, so have a look at that sort of thing. Normal deceased estates, are dealt with by the executors of the estate. Now sometimes that's a solicitor or an accountant. They usually put the property through the real estate agents. Some of them don't. Some of them do it themselves.

How To Buy At A Discount With Deceased Estate Opportunities

Here's what to look for when you're looking at deceased estates.

The more beneficiaries there are, the more bargaining power you have - so you must always find out how many kids are involved. The bigger the number of kids, the less differential it's going to make per-child in a negotiation. Now what I mean by that is, if there's say ten kids and you're negotiating a \$20,000 discount on the property, that's only \$2,000 each. It's not so much. Oh, just get rid of the house, I'd rather have the money, it's only \$2,000 is the usual reaction per beneficiary. Don't worry about it. The greater the number of beneficiaries also means they are harder to deal with as everyone usually has to agree. So, make sure you understand all the background behind these properties when you're buying them but also understand if you buy at an auction, you're buying under auction conditions which means that it's a 30 day unconditional contract, you need 10% normally within 24 to 48 hours to be able to settle on the property. So if you're going in with limited funds, you need to make sure that you're able to settle.

I remember a case, it was a property that a young guy was looking at down the Gold Coast and he found out all the information behind the unit sale and why the seller was selling. In this particular unit, it was an old guy who owned it. He was moving into a nursing home so the young guy asked, "Since you are moving into a smaller unit, do you need all the money now?" And he said, "Well, I probably don't but you know, why are you asking?" He said, "Look, I'm only young, I haven't got a lot of money. Why don't you leave some of your money in the property Why don't you leave in, say 30%, I can borrow the rest from the bank, I can improve the property and I can pay you a good interest rate on the money you leave in. At the bank, you're only going to get 5% at best. I'll pay you 8%." A relationship was born. That young student bought his first house. He was able to improve the property, renovate it and revalue the property, and he's off. I think he's got about four others since then. But the old guy still keeps his money in the property because the young guy goes to see him all the time. He takes him his cheque for the interest and he buys him his smokes and whatever else he wants and they're mates now. They've helped each other out. The old guy's getting more than he would have at the bank anyway. So don't be afraid to ask. The "no" you've already got. Whereas if you ask, you might just get a "yes". You never know.

There's lots of those kinds of circumstances where you can turn things around and by being a little bit creative, particularly now the market has changed, there's a lot of deals out there that can be bought on terms rather than dollars. Things are starting to get a little bit harder to sell, particularly when you're dealing with the bigger people. The end of the line of an estate, the industrial stuff, the commercial stuff, the ugly stuff. The ones that have been on the market for a little bit of time. I know of a property in Brisbane that was on the market initially for over a million dollars. It had been on the market and nobody even bid on it. I know for a fact that a contract went on that property for \$354,000 because the seller was desperate - but who would normally even think to offer such a low amount on a property that was initially listed for over one million dollars.

I've got a mate who religiously offers 70-80% of list price, doesn't matter what it is, doesn't care whether he buys it or not. It's called the scatter technique. 70-80% of list price, buy it or not. You would be surprised how many times he gets laughed out of real estate agents offices only to be called back the next day. He says he can't believe it. They accepted. Never hurts to ask.

Where To Find Real Estate At 50-75% Discounts With Little Known Rate-Default Auctions

A rates defaulter is basically when somebody can't afford to pay their rates on a property. The Council, normally after three years, sells up the property for whatever they can get for it. The council usually advertises the property about three months prior to coming up to auction, and you have to be there on the day, with your money, to buy the property, normally 10%, settles in 30 days.

In some States they are called Sheriff Auctions or Bailiff Auctions. Then in other States, particularly in New South Wales, you can actually get what's coming up in a few months off the State Government web-site, where properties are listed and then cleared every Friday, so you have to be quick. In Queensland, you can't do that. You've actually got to talk to the local Councils or search through the newspapers.

On a particular property that a girlfriend of mine bought in Caboolture. She really didn't intend to buy it. She actually just wanted to go to the auction to see what happened but she couldn't believe how much it was going for. She bought the property for \$52,000. Now if you know the Caboolture market, that is exceptionally cheap, no matter how bad it is. She didn't get inside, there was no inspection on this property. It was a drive past, like it or not. So she bought it for \$52,000.

Out of her own money it cost her \$8,000. This was the deposit she put in and she borrowed the rest. Normally speaking, when you buy a rates default auction, you are buying someone else's problem. They are either in jail, they are mentally insane, they are dead (which is the best option), there can be squatters in the property which was sort of the case with my girl friends property. Well he actually owned the property but he had a mental condition. and didn't understand the auction process. The plumber that came in to fix the toilet said that particular room had not been used for about five years, so you could imagine what happened in there. It was disgusting.

Creative Strategies For Accelerating Your Financial Freedom And Massively Grow Your Wealth

However, she did the right thing because he was still living there and he did have a problem. She went to him and said, "Look you understand that I've bought this property now and you can't stay here." And he sort of said yes. She said, "What I'm going to do is I'm going to find you another place to live" which is what she was most concerned about. She had contacted the Salvation Army and he moved into their hostel and he now has a bath every day, he now gets three meals a day, he now gets the pension that he didn't know he was entitled to. And he's as happy as Larry. This is the best thing that could have ever happened to him. She on the other hand, got industrial cleaners in, painters, scrapers, put in a new kitchen, bathroom, not an expensive one though, it cost her \$12,000 all up and she revalued the property.

The property revalue for \$115,000. This property is obviously worth a lot more than that now but she rented it out then at \$165 a week and she put about \$36,000 tax free in her pocket. The property is still positive geared by \$2 a week and she's got \$36,000 a year, thank you very much, plus the potential growth on the property into the future. That's how rates defaulters work.

Some people say that these properties no longer exist. Well, one of my mentoring students found out that there was one in Ipswich coming up and I suggested attend it. So I said, well go out and see what happens. It's a good experience for you, so she went out there and when she came back she said, it was good. It was a vacant block of land. I said, "So, did it sell?"

"Yeah, yeah, it sold."

I said, "What did it go for?"

"Five thousand dollars."

I said, "So, did you buy it?"

She replied, "You didn't tell me I had to buy it!"

You have got to be kidding!

Five thousand dollars for a block of land in Ipswich. Now admittedly it did have its problems. It was beside the cemetery but it was still only \$5,000.

Another mentoring student bought a unit on the Gold Coast for \$42,000 through a rates default auction.

Another student of mine missed out on an auction because she didn't think she was in a position to buy it. The reality was, she was. This particular property was worth about \$140,000. At auction it sold for \$65,000. However she redeemed herself because she got the next one that came up and she bought it for \$65,000 too and she's now living in that as her principal place of residence. It needed renovation but she made good money on it. It's now worth about \$175,000 with the renovation in place.

Another client of mine bought a vacant block of land out at Roma. Now you all know where Roma is, west of Brisbane, about 8-10 hours, for \$600. Now, you laugh but vacant blocks in Roma at the time of this purchase were really only worth about \$20,000. Did he want a vacant block of land in Roma? No. What he wanted was to buy a place in Maroochydore but he didn't have the money to do it, he didn't have the deposit.

So he bought this place out at Roma and he waltzed up to the bank after he found his place at Maroochydore. He said,

"OK, I want to buy this place in Maroochydore".

And they said, "Ooh, what have you got for security?"

He said, "Well, I haven't got much saved but what I have got is this block of land, it's a house block out at Roma that I could put up as security".

They said, "Is there any mortgage on it?"

"No, no, I own it outright". He paid cash at the auction. So because he owned the block of land out there and he uses that as his deposit for his place in Maroochydore, he got a \$20,000 benefit for a \$600 outlay.

But please make sure if you're going to go down this track, that you ring up the rates department of the Council on the Friday afternoon and make sure that that property or properties are going to auction the next day. They're normally on a Saturday and if they are, then sometimes you have to jump in the car or take a plane to go to wherever it is to attend the auction and see. It's only Johnny on the spot that ever gets the opportunity to buy these things so if it's your daughter's wedding or Great Aunt Bertha's birthday party that's on at the same time, you have to make a decision as to which is more important to you.

Get Instant Capital Growth With Cheap Renovation Strategies

Renovating is an excellent way to accelerate growth. But let me tell you this, renovating is a business. Regardless of whether it's an investment property or even your principal place of residence, you could be caught for capital gains tax and/or income tax depending on how long you hold that property in the renovation process.

I won't go through this in this report, but I do have a lot of clients who specialise in renovations and some earn a very tidy income as well as accumulate a significant wealth portfolio in the process.

The advent of shows such as Ground Force and Location Location and Auction Squad, have meant that the renovating industry has become a \$3.6 billion industry in this country. That is huge, and it's something that you certainly can make some money out of. Be careful with the GST issues and the capital gains tax issues though as there are a few traps and remember with capital gains tax, if you're buying and selling a property, it goes from contract date to contract date, not settlement date to settlement date.



Here's a couple of properties that we did. This property had a 12' carpet snake in the ceiling, it had lantana growing over

Creative Strategies For Accelerating Your Financial Freedom And Massively Grow Your Wealth

it. I can't understand how people can actually live in these conditions.



That's what it looked like when it was finished. It was about a \$100,000 renovation profit on that one.

\$1,200 Spend Creates A Huge \$68,000 Return...

A mentoring student from Western Australia bought a waterfront property in Port Hedland. She bought it for around \$220,000 and rented it out for \$300 a week. It's not positive cash flow but the renovation on the property is what made her the money. The renovation only cost her \$1,200 and a lot of hard work.

Well that's what she told me on the phone. However when I went across to Port Hedland to check out what she'd actually done on this property, she'd only painted the front of the house, not all the way around.

"We don't do that in Port Hedland, you only paint the front." was her retort.

Uh huh. But she did have it revalued after her \$1,200 and hard work and it was still valued at \$300,000 so she made \$68,800 on the property in a short space of time.

So, it can be done. It's something anyone can do. Obviously for a lot of you, if you're just starting out, maybe this is what you're going to have to do, and you might have to do it yourself. As you move forward and you find it's something you absolutely love, then you might get to a stage where you're actually using contractors to do all the work. Just one word of advice with contractors, now I shouldn't have to say this but I feel I do, be nice to your tradesmen. You get far better results, it is much nicer, they like working for you, they will come back and work for you again especially if you bring them a case of beer on a Friday afternoon.

And the other thing is, things that contractors generally hate is paperwork so if you can make their job easier, you're going to get a better deal. Identify the job, write it out, detail out exactly what you want done because that's half their quote done. All they've got to do is fill in a figure. Whereas if you leave it up to them to write it out, that's paperwork. Nobody likes doing paperwork. Not even accountants like doing paperwork so the more you can do for them, the better the results you're actually going to get.

How You Can Make Big, Big Profits In Real Estate With Just A

Bit Of Paper Work

I love this strategy. It's the fastest way to create instant capital growth without getting your hands dirty. It's called, Strata Titling. This is the process of taking a property on one title and applying to the local council to have it broken down into individual titles so can either sell them off individually or have them revalued at a higher price because they are individually titled. So if you buy a six pack and you break it down into individual titles, it means from a banking perspective, that the property is a lower risk property to the bank when it is on individual titles as they can sell the property more easily and to more people than if the property was all on one title. When the property is on one title the only buyer is an investor, where as on individual titles anyone could buy the individual units separately, even owner occupiers.

So the banks market for on-selling the property is limited when the property is on one title and because they've got the additional risk, in their opinion, then they don't lend you as much on that property, generally speaking. They might only lend you 70% or maybe 65% whereas if it's a single block, they're more inclined to lend you more even 90% or 95% if you pay mortgage insurance. By applying to the Council to have that property broken down into individual titles (and that cost varies depending on your local council and your State – some States are horrendous), then the value of that property goes up in value, simply because you've used your knowledge and your pen to create some growth on that property.

This is called manufacturing growth. This is where you buy a property and you do your due-diligence on it. You can cost out the whole feasibility study on the property even before you sign the contract. I don't like to rely on external growth. Growth is something that happens in the market place that you have no control over, whilst I can show you how to do due-diligence and how you can look for transition zones and how you can look at market trends and the economy and supply and demand, and all these other things that give you better odds, it's still gambling, in my opinion.

I like to have certainty in what I do. So if I'm going to have a growth component in my portfolio, I will try and look for something where my odds are exceptionally good or they're guaranteed. Now when you look for results where your growth is guaranteed, strata titling would have to be right up there on the list. You can do all that due-diligence before you ever buy it. You know what that property would be worth in today's market, not relying on any increase in the value of the property through market trends. How much that property would be worth if it sat there today and it had individual titles on it as opposed to one title. How much you could sell each one of those individually AND you've got the ability to borrow more on it which means you've got more available equity to borrow and invest somewhere else, in perhaps a cash cow that's going to produce you more income.

You see, it's this balancing act. I'm all about balance. I'm all about diversification. I'm all about knowing what your

Creative Strategies For Accelerating Your Financial Freedom And Massively Grow Your Wealth

business plan should be for you, and being able to take into account your risk profile and what that means to you, and how much you need in a safety buffer in case interest rates rise, or in case this happens or that happens.

You know if you need \$5,000 sitting in a bank or if it needs to be \$100,000. Is it a year's income, sitting there just in case things go against you, or is three months sufficient? I can't answer what that safety buffer is because it's going to be different for every one of you. But strategies such as this for those of you who are a little bit more faint hearted when it comes to investing in the property market, where the results are a little more guaranteed because you know at the outset, how much you're going to make on the property are certainly worth the effort of learning. Barring the market crashing, you'll know your minimum profit. So basically, with strata titling, the result is your property will be worth more, you will have more equity to borrow against, and potentially you get a tax-free growth profit. If you don't sell it, it's tax-free profit. You don't pay tax on that money until you sell it.

Here's one that one of my mentoring students bought in Mt Isa. It was a sweet little block of four for \$275,000, it's rented out at \$600 a week. On this particular block the units were all on separate meters, they all had separate water meters and electrical meters so none of that had to be changed.

The firewalls in between each of the units went right up to the ceiling. These are all the things that you need to know and understand if you're going to go down this track. But it's not that hard. On this deal strata titling only cost \$10,000 and that was for a consultant to do it for her.

That included all of her council fees and everything else. She didn't actually even have to do any of the paper work and post strata titling each individual unit was worth \$95,000 each. That's \$380,000 for the block which is a manufactured growth of \$95,000. Now, is it a cash cow? Yes, it is. She paid \$275,000 for it and she had \$600 a week rent. Is it a manufactured growth deal? Yes it is. She made \$95,000 profit for signing a few papers.

It's all about knowledge. You don't know what you don't know till you know what you didn't know.

That is so, so true.

You're One Deal Away From Making An Absolute Killing...

Amazing True Story Of How One Of My Clients Turned \$25,000 In To \$15 Million

I had a guy come to me who was a new Australian, he's from Germany and he was in property back in Germany and he told me about a deal he was doing where he was investing in a business. He was buying a quarry. It just so happened that this particular quarry was on waterfront land. It happened to sit on a piece of land 160 acres that happened to run onto the beach. But the owners were so fixated that they were selling their quarry. They had figures on how much ore body was there and this machine had this much capacity and the productivity of the employees was this, that and everything else.

So he went along with them, he put down an option fee. Now I love options, it's how you can get a Development Approval (DA) and a Building Approval (BA) without actually spending much money. He put down an option fee for the right to buy the property any time in the next 6 months and in that 6-month period he could buy that property at an agreed price. He did his due-diligence. He also applied to the council to have the 160 acres broken down into 250 land lots. He was knocked back. They only granted him 200. That property was then immediately worth a whole lot more than he was paying for it. His option was for \$1.4 million.

He said, "OK, I can't do this development alone, I need someone to help me out because I don't have that amount of money." He opened up the financial review, and decided to talk to Lend Lease. He sold half of the development which was a \$250 million development in the end, for \$15 million. He put down a \$25,000 option fee for a \$15 million return on half the project. That's how land subdivisions can work. It might be a small one. It might be breaking a property in half. There are lots of client situations where I can they have used these strategies that I teach and how the figures panned out, but I'm afraid this report is too short for that.

Putting Investing into Perspective

Regardless of any strategy you undertake, here's the process that I and all the students I mentor go through to see whether a particular investment strategy will work. I believe individual investors need to base their decisions on my test and measure formula called The P.I.T.A Test. This formula puts into perspective the way an investment should be analysed.

- **The 'P' stands for Personality.** Any investment must first suit the investor's personality. Many strategies work well for certain people but not necessarily for others. It's a matter of finding a strategy that suits you.
- **'I' stands for Investment.** If you are buying a piece of real estate it needs to be a good investment. Does the investment make sense? Do the numbers stack up? Does the due diligence indicate that it is a good investment?
- **'T' stands for Taxation** – I don't believe an investment should be bought purely for taxation reasons. Taxation and the most tax effective way to buy something only becomes important after the investment has first passed the test of suiting your personality and being a good investment.
- **Finally, 'A' stands for Asset Protection** which is something I am really big on. It is no good building up a substantial amount of assets, only to have them taken away through frivolous law suits – something I have sadly seen happen many times over. When buying an investment asset protection is just something you do. It's like brushing your teeth. It should be a part of astute investing.

Too many investors get hung up on all the wrong things and in the wrong order. For instance, they invest purely for tax purposes when the investment they are going into is questionable. Or they get hung up on the asset protection issues and fail to look at the big picture of whether the investment really suits their

Creative Strategies For Accelerating Your Financial Freedom And Massively Grow Your Wealth

portfolio. It's so important for investors to never lose sight of the big picture.

Why Some Students Succeed and Produce Incredible Results and Others Fail Miserably...

I have spent quite a lot of time considering this question, talking to seminar attendees, those that buy my home study courses and those that I have mentored and spent time with, even those that I have worked with for a matter of weeks.

What I have found is that although attending a fantastic seminar or purchasing a home-study package and thoroughly going through all the materials may leave you feeling completely hyped up and motivated, the fact is many people soon go back to sitting on the comfy couch watching the idiot box (i.e. the TV), doing their weekly groceries, paying their monthly bills, getting up and working from 9am until 5pm (or more) and gradually they are lulled back into inaction mode.

The weeks, then the months, then the years pass and suddenly they realise that they are 10 years older and still in exactly the same position they were 10 years ago because they are doing the same things they were doing 10 years before, except now they are 10 years older!

What I wish is that people could decide to take action on their own accord without having to have a major life event or life trigger shock them into taking action. I wish more people would stop and really think about what it is they really want and commit to making a change and not get caught up in the busyness of everyday life.

A Magic Formula That Works

In my experience, those that actively seek out education to provide them with the momentum and strategies to kick start their wealth creation journey are half way there. However what is even more interesting is that those who attend seminars tend to have lower success rates than those who have engaged in longer term mentoring support programs. I've experienced this first-hand.

On average only 5-10% of the people who attend seminars actually take action from what they have learned.

You have to be steely determined to walk out the doors of the seminar venue and start making changes on your own accord. Even if you have got what it takes to do this, you may find that you have a few wobbly moments when you find yourself doubting your abilities, questioning yourself when the good old fear monster starts to creep into play or the nagging voice of your husband, wife friends or family gets the better of you.

By engaging in a longer term mentoring program, you are immediately increasing your chances of succeeding. Straight away you are surrounding yourself with like-minded positive people who are out there achieving the things that you are doing. Sharing information with your mentor and others helps you to put into perspective what you are doing, stay focused and achieve what you really want.

Mentors of course can also offer you advice and be your voice of reason as you make decisions along the way.

The great thing about mentoring programs is that they also usually utilize a range of learning methods. So if you know you're not the type to soak up information in a classroom environment, being part of a mentoring program offers you the opportunity to learn via the written word, audios, tele-classes, doing exercises, question and answer AND seminars.

As an educator and a speaker I know I can teach people a lot more when I have them with me over a longer period of time because they have the ability to absorb information, process the information, act on the information and then come back with questions based on real life experiences rather than just accept what is said from stage when they're in a false environment of excitement and motivation.

Real life doesn't happen in a staged environment.

The fantastic thing about STAGED learning is that results are shared, analysed and processed, improved upon, practiced and ultimately magnified by joining together in a staged learning experience over a period of time.

What I've put together here is a report that is giving you multiple ways which you can use to get started in the real estate market right now. At the moment, we're at the accumulation stage of the cycle. What I mean by this, is that now is the time to start to build a portfolio, just before the next cycle kicks in.

How do I know this?

I'm out there every day, looking at real estate and I get lots of people offering me stock. Vendors are nervous, they're not quite sure what's going to happen in the next 12 - 24 months. Wherever there is fear, you can profit. There are plenty of deals right now that were not around 2 years ago, with large developers holding off on putting new stock on the market and rentals increasing, there will be a point in time where novice investors will start entering the market again.

You need to get ahead of the pack and start right now. You'll thank me in the long-term.

Good luck guys. I'm sure it's all going to be a breeze for you, but please, please take action next week because that means I've done my job.

Sincerely Yours,



Dymphna Boholt
My real Estate System