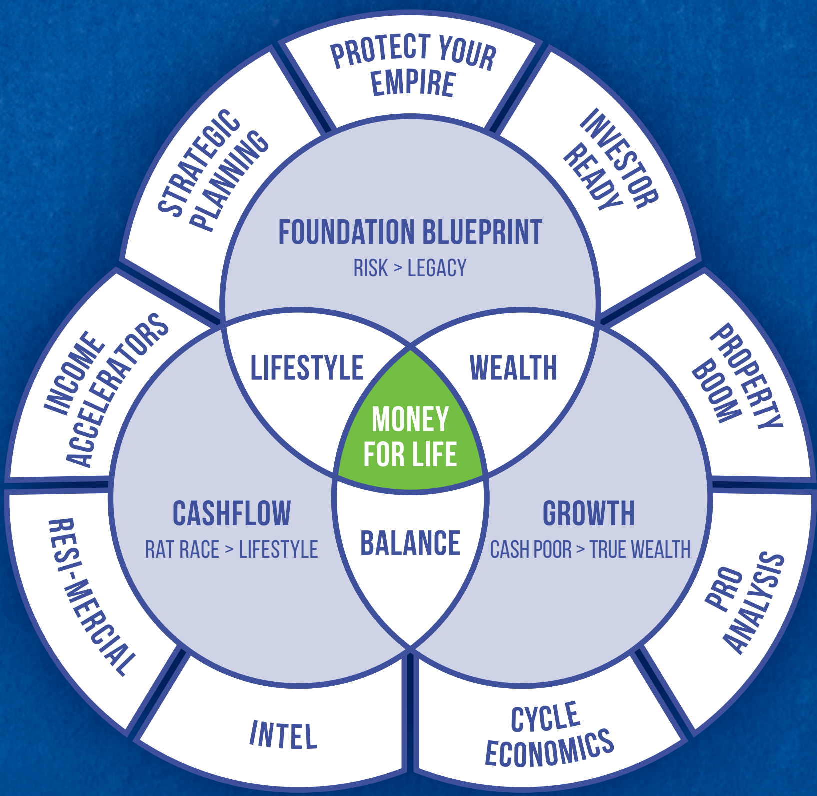
PROPERTY GENIUS BLUEPRINT

Discover The Exact 9 Areas You Must Master To Become Your Own Property Genius And Never Have To Worry About Money Again



DYMPHNA BOHOLT

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Table of CONTENTS

Introducing
THE PROPERTY GENIUS FORMULA

What you are holding in your hands now is the key to everything I know about real estate.

And if I can toot my own horn a little, everything I know about real estate, is a lot.

I've been in the game a long time now. I've trained tens of thousands of students. I've built a positive and thriving community – an amazing network of inspiring and supportive people, focused on helping each other get results.

That's what I do.

I'm also a massive nerd when it comes to property investing. I can't tell you how many hours I've spent figuring out ways to invest better – how to get more return, or how to sell for more, or how to leverage into a deal with very little of your own money down.

Every suburb is different. Every cycle is different. Every jurisdiction has different constraints and different opportunities.

And I've seen it all.

And if I tried to get it all down in a single book… well, I actually don't think I could. When you sign up to ILRE you get access to a sprawling database of strategies, case-studies and how-to guides… as well as access to some of the best coaches in the business.

It's too much for one book. It barely fits on a website.

But in this book here, I give you the key to all that knowledge. I give you a formula – *The Property Genius Formula* – that brings all of this knowledge together.

It is a framework for understanding where you are at in your journey as a property investor, and where you are going.

It is what the view from 40,000 ft. looks like.

Regardless of where you're at, this book is designed to help you see the bigger picture.

You will still have work to do. You will still have to figure out what strategies are suited to your strengths. You will still have to decide what market best matches your strategies and capacities. You will still have to get your taxes done.

But *The Property Genius Formula* will help you understand how it all fits together. And that's why I say it's the key to everything I know.

What you go and do with that key… well, that is up to you.

So, let's get into it.

HOW WE MAKE DECISIONS

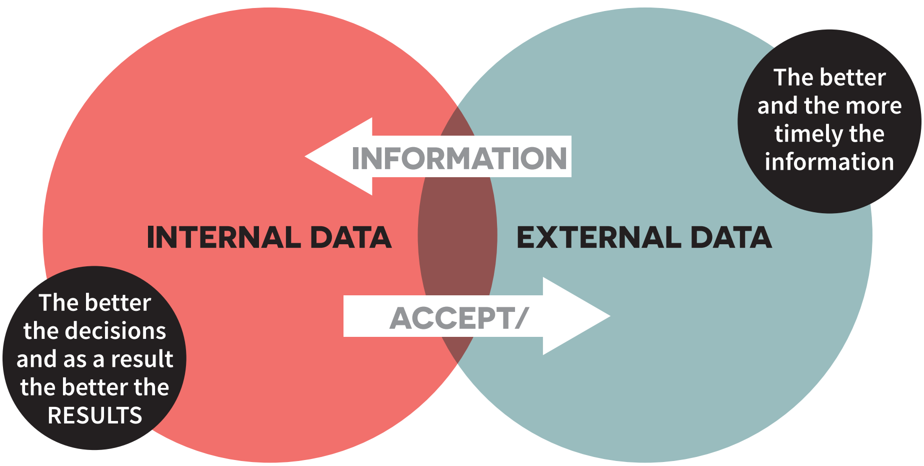
Before we get into the formula itself, I want to talk a little bit about the decision-making process.

Decisions come from one of two places.

We either make decisions on our internal data or external data. Internal data are the things we already know. When we're using internal data, we're not learning anything, we're not growing, we're not moving forward, we're not acting to any new data, and we're stagnant.

When you only make decisions based on your internal data, you are stuck. You will never get any further than where you are right now. You actually have to have external data to grow. You need new information, new things happening, new whatever. You need that in order to grow - in order to expand.

How We Make Decisions



Now obviously there's a flow of information from external through to internal. That information then can either be rejected or accepted because not all information is good.

If you read the papers or watch TV, then you're going to see a whole lot of stuff that's going to cause fear and anxiety. It might be a good idea to reject that particular information because it doesn't actually serve us.

It's all about being able to filter what information is important to us, and what information is going to benefit us into the future.

So when we look at how to start working with better information, it also needs to come in in a more timely fashion because the sooner we can get information in, the sooner we can react to it, and the sooner we can make better decisions and therefore get better results. And that's really what it's about; the better the decisions, the better the results and the quicker you can make that happen.

Remember, we're all making decisions every single day; every single second. It's always about decisions. And some of those decisions are going to be better than others. The main thing here is to have decisions that are predominantly good. You're never able to make decisions that are 100% fantastic every single time.

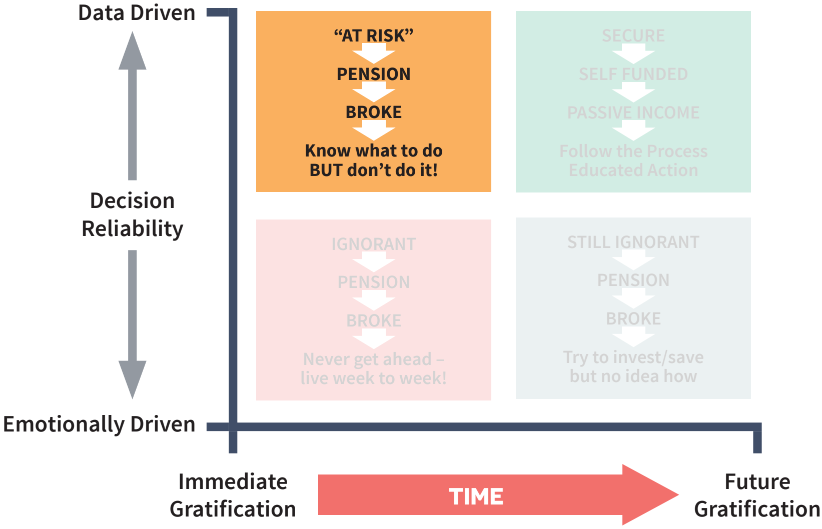
But it's about getting the percentages up. So the way you get your percentage is up is to have more timely and better data coming in.

WHAT TYPE OF DECISION MAKER ARE YOU?

Let's expand a bit on this decision-making process. The first question is what do you rely on? Your basic reliability may be either to data or to emotion. Do you make decisions on a gut feeling? Or are your decisions data driven? The second question then is are you motivated by immediate gratification or future gratification?

Now let's have a look at the four different options here.

Data Driven + Immediate Gratification

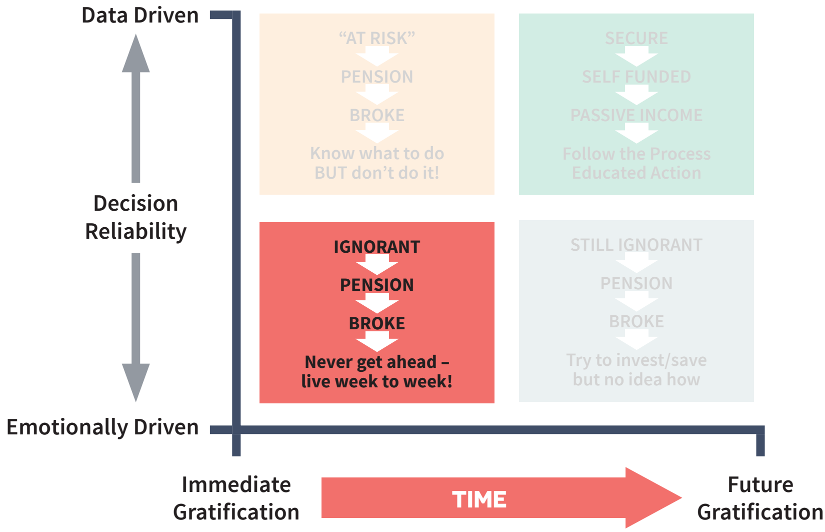


In the top left square, you are very much focused on the here and the now, on the plasma screen TV and the new car and the new things. It's having it now, now, now and basically bugger the consequences.

If this is how you make decisions, then you're still going to be at risk. You will still end up on the pension in the long term and broke in the short term. Because you're too focused on immediate gratification.

So here, you know what to do, but you don't do it. You are data driven, which means you're getting all the right information in, but for whatever reason you don't act on it. It still ends badly.

Emotionally Driven + Immediate Gratification



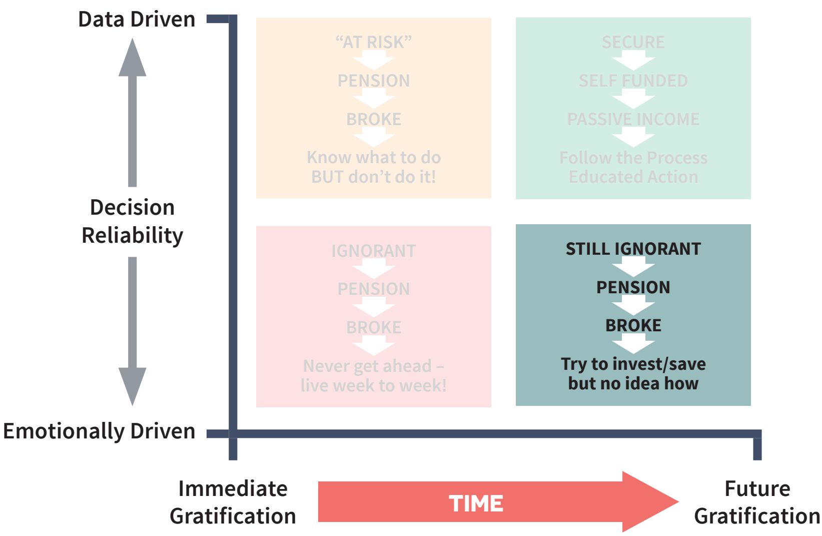
So then we go to the bottom left square. Here, your decisions are based on emotion rather than logic or sound data, and are fuelled by the need for immediate gratification.

This is probably the worst square really. Because you're acting out of ignorance. You will still end up on the pension and you're still broke.

This is where someone never really gets ahead.

They basically live week-to-week, paycheque to paycheque, so focused on the now that they can't look ahead to ask themselves, "Where else could I be?".

Emotionally Driven + Future Gratification

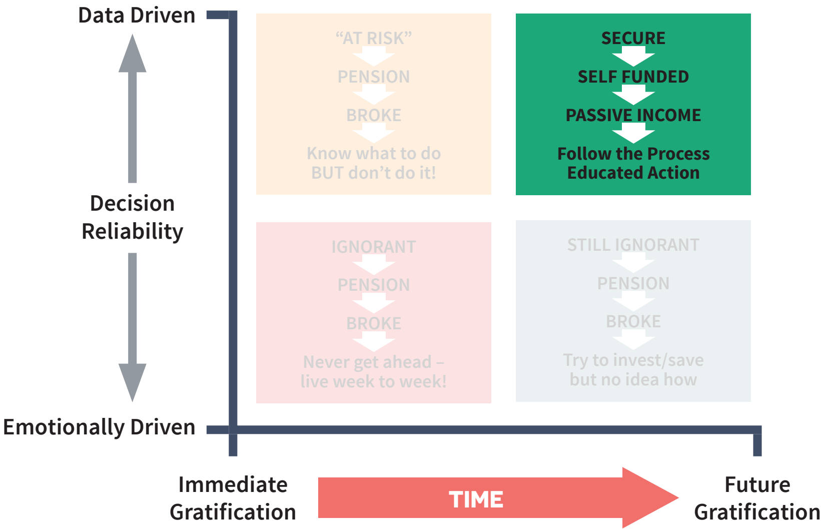


Next we go to the bottom right square. Here, you are again acting on your emotions, rather than on good data. So you're still ignorant. You will still end up on the pension and you're still broke.

But at least here people try to invest. They try to get ahead.

It's just that they have absolutely no idea how to do it, which means that there is no work or study happening and they still end up no better off.

Data Driven + Future Gratification



The top right square then is the only square that works.

Here, you are acting on good data to make decisions and you are focused on future gratification.

This is where you are secure. This is where you're self-funded. This is where you're actually creating passive income because you follow a process of educated action that actually works.

This process of educated action is the focus of this book.

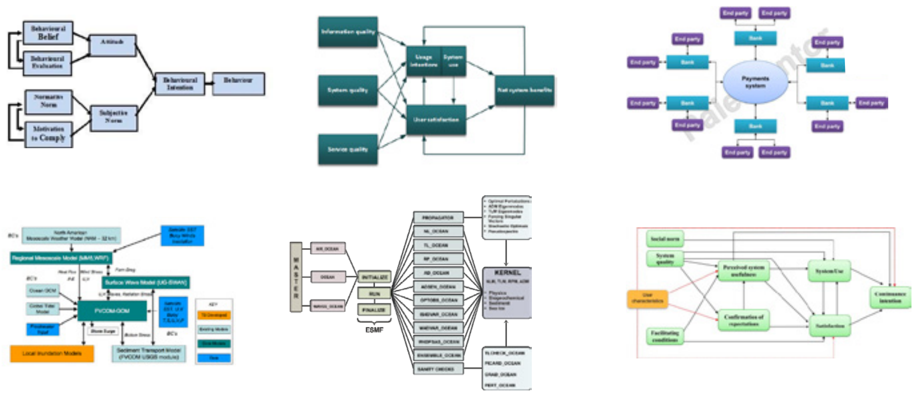
In the remaining pages I would like to take you through this process – what I call the *Property Genius Formula* – a process that solidifies a logical, logistical process that you can follow to get the results you want.

SYSTEMS = SUCCESS

The first thing to understand is that there are different types of systems, but basically systems equal success. Regardless of what the specific system actually is, systems equal success because they've been tried and tested and proven in the past. So it's really about simply following the system.

A system provides you with an inner guidance mechanism and equips you with the power of habit. When you make a system your habit, your results are guaranteed because of the system. And the more you can make it a habit, the better and quicker the results you will get.

Examples of Structures Systems



Success comes to those who follow a process.

One of the most successful businesses in the world is executed by 16 year olds and managed by 24 year olds. The secret is the consistent unfailing execution of a system. That company, of course, is McDonald's. And it's all about the system.

I mean, even though the food is revolting, they still make loads of money because they operate within a system, making it reliable - you know exactly what you're going to get no matter where you are around the world.

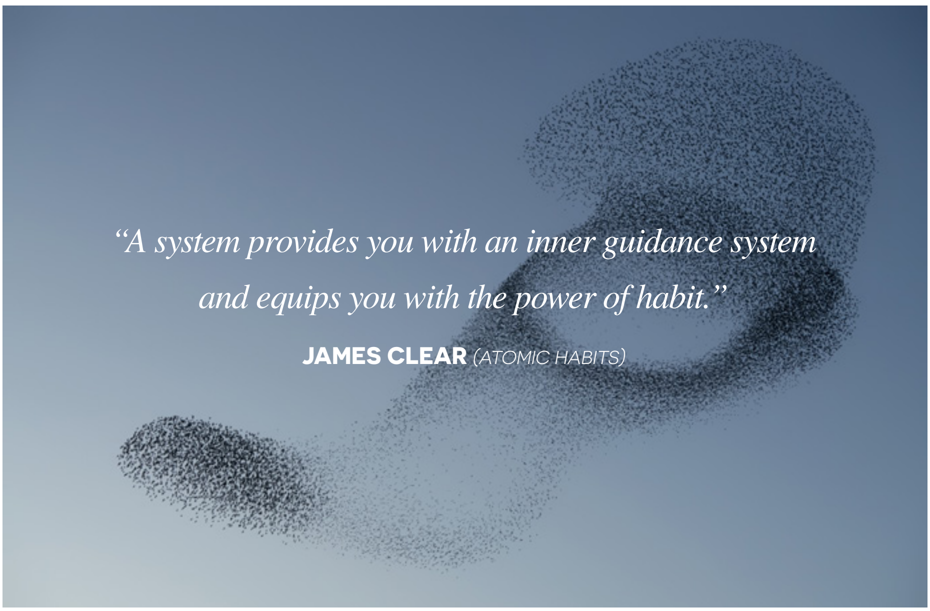
A system makes your goals real. It's concrete. It gets you moving. It helps you focus on long-term gains, instead of short-term wins. And it keeps you in that momentum. And the more you can make this a habit, the easier it becomes.

Focus on **incremental progress** and consistency to lay the foundation for getting things done. A **daily or weekly routine**, and **consistent application** of even **small habit** will transform your life more effectively than striving for an overwhelmingly large goal without a regular routine to achieve it.

We all get caught up in, "Oh, I want this or I want that, the Learjet or the whatever else." But unless you actually have a system and a process to achieve it, whatever it is, you're never going to get it.

So it's about breaking down these goals into a systematic process to achieve whatever it is. There is a system in everything, whether we're talking about the human body, or whether we're talking about nature.

Nature is built on systems



In all things, whether it's a flock of birds, an ecosystem, the solar system, or anything else- everything that is successful and is in a natural process, follows a system.

I want to stress this because this is what *The Property Genius Formula* is designed to do. It is there to give you a system to work with – a system that does the work for you! A good system puts success on auto-pilot.

Spelling Out the Power of Systems

I particularly like this one,
Save
Yourself,
Stress,
Time,
Energy, and
Money
= **S.Y.S.T.E.M.**

You can run around all over the place and look at this and look at that and try this and trial that. But if somebody has done it before you and it's worked before you and that's the result that you want, why wouldn't you implement that?

And that's exactly what we're doing here with *The Property Genius Formula*.

Success Leaves Clues

Success leaves clues. Look at all these gorgeous faces above. These are all from the 'Success Fest' that we run at the end of the year.

This is a super-conference where all of these people were on stage with me, told their story, and spoke about what they did and how they did it and what they did to get this or that result. But if you break down exactly what each of them did, you'll see they all followed a system.

A good system puts success on auto-pilot.

Life Changed: **Basia**

Basia didn't want to start small, but with the right guidance she was able to jump right into being a medium-sized, high-profit developer in the middle of a 'disaster market'!

Basia didn't want to start small, but with the right guidance she was able to jump right into being a medium-sized, high-profit developer in the middle of a 'disaster market'!

Back in 2015, Basia wasn't doing very well. She'd spent most her life in what she would call a 'supportive role'. As a dedicated and loving mother to her four children, and as an employee in her husband's training business, she was used to giving a lot.

With a lot of debt and a negatively-geared investment property also heavily drawing on the family's finances, Basia hit rock bottom 2015. She was exhausted and she knew something had to change.

Basia joined Dymphna Boholt's Platinum Program in 2016 out of gut instinct. She'd always had an interest in property and had a fire in her belly to launch into apartment development. When Dymphna heard that Basia was planning to develop apartments in Perth – what many economists at the time were calling a 'disaster market' – she knew that Basia needed support.

"We travelled a lot and you do whatever it takes to create a calm and loving home for your children, but you tend to do that at your own expense."

The program was the perfect fit for Basia. With the aid of all the resources and mentoring available, she built her first seven-unit apartment complex in early 2018, for a profit of just short of a million dollars. With two similar deals already in the works, Basia has become the empowered developer she knew she could be – and an inspiration to her family.

Throughout the Platinum Program, Basia found a supportive community that believed in her and encouraged her to dream big. And when she told people that she wanted to launch straight into apartment development, they didn't ridicule her or tell her she couldn't do it. "Of course you can do it," they said. "Let's just get you the help you need."

The Platinum Program gave Basia close mentoring supervision and a wealth of contacts and resources, while the I Love Real Estate community put her in touch with a builder who was willing to enter into a joint venture. Together, they put together Basia's first deal: a complex of seven two-bedroom apartments.

The deal was completed in April 2018 and would have given Basia a profit of $950,000 if she decided to sell. Basia decided to hang on to the apartments to improve her long term asset equity and cash flow. This was an impressive start and, at a time when there was a lot of negativity surrounding the Perth market, it proved that there's good money to be made in every market – if you know what you're doing. Becoming an area specialist and developing a phenomenal A-team were imperative factors to Basia's success.

Basia currently has two similar projects underway and several more on the horizon. Basia's financial and personal transformation has seen her fully step into her power. These are the deals that made that transformation possible.

Deal 1: The first development

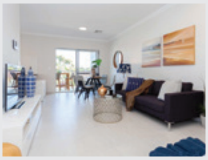
One of the first things Basia learnt with Dymphna was that if you're relying on natural growth, then you are putting your fortunes in the hands of the market. Holding her first negatively geared investment property through a soft patch in the Sydney market taught her that the hard way.

Basia wanted to take her fortune into her own hands. She started looking for land to develop apartments in 'poorer cousin' suburbs – those that hadn't seen the growth their 'richer cousins' had enjoyed. While many people tried to warn her about the Perth market, she believed the market would turn. In addition, Basia saw recent zoning changes in Perth made it an attractive city to develop in.

"Some days you just need someone, a mentor, who can really listen to you and push you when you need it – who says 'you can do this.'"

Basia found an old house on a large block of land in a suburb just 16km from the Perth's CBD. She purchased it for $870,000 and was able to build seven two-bedroom units on the land for a little over $1.5M.

With each apartment worth $530,000, there's over $130,000 worth of equity in each one, for a total equity gain of $956,000. Basia has decided to keep all seven units for equity and future cashflow.



DEAL 1: 7 APARTMENT DEVELOPMENT TO HOLD, PERTH WA

Purchase Price	$872,500
Purchase Costs	$40,000
Development Costs (DA, Build, Titling)	$1,573,500
Hold Costs	$180,000
Total Costs	**$2,666,000**
End Value 7 Apartments ($530k each)	$3,715,000
Sale Costs (If Sold)	$93,000
Profit (If Sold)	**$956,000**
Profit on Costs	**35%**

Deal 2: Do it again

Basia had such a successful experience with her first development that she decided to do it again. Keeping her focus on Perth, she has found a parcel of land on which to develop five three-bedroom and two-bedroom apartments, specifically tailored to the downsizer market.

She purchased the land in March 2018, and construction was due to commence in in January 2019. All told, the apartments will create $810,000 profit.

Deal 3: Neighbourhood opportunities

After being made an offer on the land above, Basia was approached by a neighbour who asked if she was interested in purchasing his property. Basia looked at the numbers and saw that if she purchased the land off market, she could do a cookie-cutter repeat.

Basia purchased the land just a month after the parcel above, and she expects it will also deliver a profit of $810,000.

Deal 4: A negotiator is born

With a string of successful deals, Basia renegotiated the lease on the commercial property housing of her husband's business with great results. She negotiated a 50 per cent reduction in the lease, saving them $38,000 a year. Not only that, but she scored another three car spaces for free!

A new adventure begins

Basia has come a long way from the dark days of 2015. She's stepped into her power as a mother, wife and a million-dollar property developer.

She credits ILRE & Platinum program with gaining the specific educational skills and personal development growth to achieve her goals. Basia has taken off pressure off her husband and the business as a sole income stream, created deals to pay off a negatively geared investment property and turned her interest in real estate into a profitable career.

Through her involvement with I Love Real Estate and the Platinum Program, Basia has also done extensive self-development work that has created a more balanced approach to her family, work and personal life, leading to a renewed belief in herself, her strengths and abilities.

"I'm grateful for the community and the friendships – for the people who pushed me and said, 'Why not you?' Through them I have really grown a lot."

Watch the full session of how Basia's financial and personal transformation has seen her fully step into her power by clicking the link below or going to https://youtu.be/Ljjt8NMDigY

PRE-DYMPHNA

Property	**Value**	**Equity**	**Cash Flow**
Investment - Sydney	$1,800,000	$150,000	-$55,000
Overseas Land	$400,000	$400,000	-$500
Overseas Unit	$200,000	$200,000	$0
PPR Home	$3,100,000	$2,100,000	-$22,000
TOTAL	**$5,500,000**	**$2,850,000**	**-$77,500**

POST-DYMPHNA

Property	**Value**	**Equity**	**Nett Cash Flow**
Investment Property	$3,100,000	$1,450,000	-$11,000
Overseas Land	$600,000	$600,000	-$500
Overseas Unit	$350,000	$350,000	-$3,000
Property PPR	$3,400,000	$2,400,000	$0
Deal#1	$3,700,000	$950,000	-$11,000
Deal#2	$3,100,000	$810,000	0
Deal#3	$3,100,000	$810,000	$0
Deal#4 Son's PPR	$1,200,000	$73,000	-$10,000
Deal#4 Son's PPR S/Div	(est. $450,000)		
Deal#5 Commercial Lease			+$38,000
TOTAL	**$18,550,000**	**$7,443,000**	**+$2,500**

DISCLAIMER: Individual positions may have changed since the time of writing. Real estate investing is a dynamic vehicle. Cash flow and equity positions can change on a daily basis.

The Property Genius Formula IN ACTION

Now if it's true that a good system puts success on auto-pilot, what does a good system look like in the context of property investing?

Glad you asked!

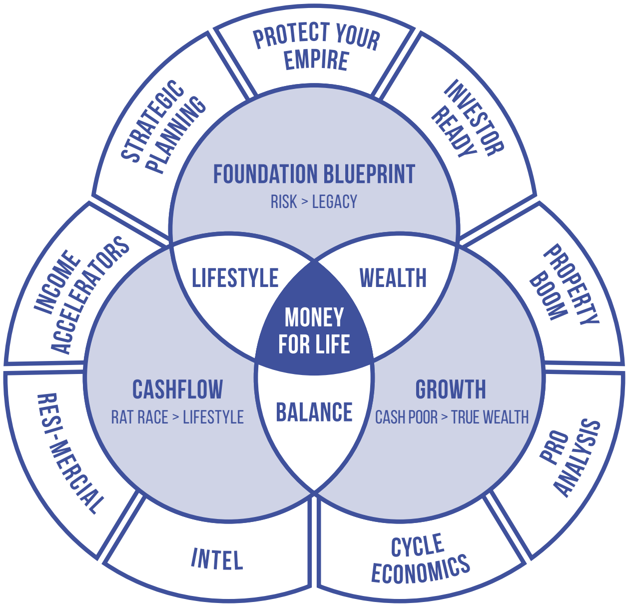
Introducing: The Property Genius Formula

The Property Genius Formula is the System that works for achieving Real Estate Success

I'm going to break this down into more detail to give you a step-by-step process to follow. And all of this, regardless of the step, is non-negotiable.

It's non-negotiable for you to be the biggest, best, most amazing property investor that you can possibly be.

A NON-NEGOTIABLE BLUEPRINT



The diagram above gives you a visual representation of how The Property Genius Formula fits together.

At the very core is our central aim: money for life.

That's why we want to be property investors – so we can have the financial resources we need to live the life we want. It is actually as simple as that.

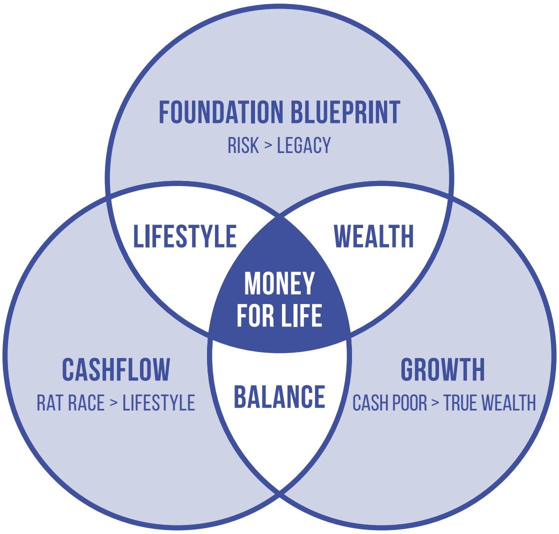
But how do we get there?

Our objective of having 'money for life' is supported by three core elements:

Foundations, Cashflow and Growth.

Money for life happens when you've got all of these things humming.

The Core Elements Supporting the Core Aim



Foundation Blueprint, Growth and Cashflow. Often people only have only one or two of these three core elements happening.

That gives us our peripheral states: **Lifestyle**, **Wealth**, and **Balance**.

For example, let's say you've got the foundations right and you've got the growth right. This means you may well create wealth in the long run. But the reality is, you're going to be working until the day you die, because you haven't got any cash flow.

You have assets, but you haven't got the lifestyle that you choose. You are missing a component. Consequently, you're going to be out of balance.

Similarly, if you have only the foundations and cashflow right, but you're not growing your asset base, you will inevitably reach a point where you will not be able to continue investing because you'll use up whatever savings or equity you have at that particular moment. And then that's it. There'll be nowhere to go.

You may end up with a protected short-term lifestyle but you won't be able to continue to develop your portfolio or to achieve greater goals. You'll be stuck.

Finally, let's say you have cashflow and growth, then yes, you'll have balance.

But somebody could come along tomorrow and take it all away from you because you haven't got the structures and the foundations in place to actually make it happen and to keep your wealth protected.

But when you have all three of these core elements, then you are protected.

The wealth you are building and the lifestyle you have created are protected so that no one can take them away from you.

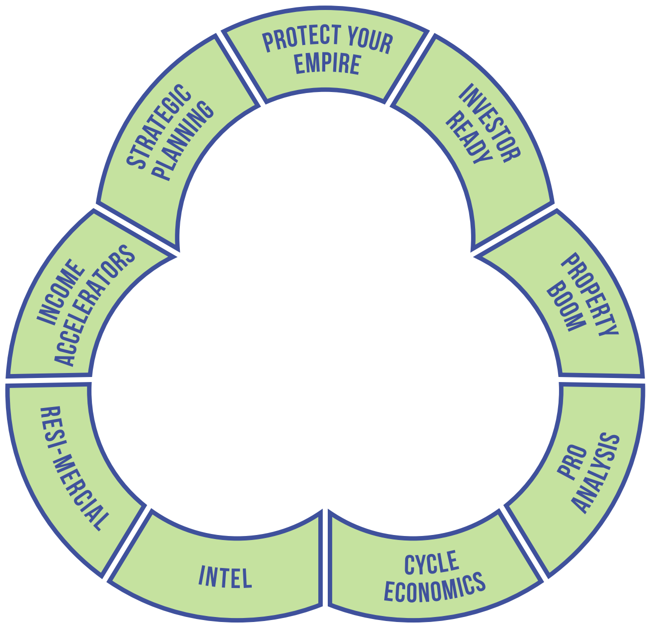
You've strategized against the banks, against creditors and against debt. And in that process, you've also created a cash flow formula to continue to grow your passive income and a growth formula that continues to build equity to both pay down debt and to build equity and the deposits you need to buy more property.

Are we all good so far?

The basic idea here is that our core aim – money for life – is only possible when we have three core elements in place: Cashflow, Growth and Foundations.

Now, we can actually take this further, because of each of these three core elements are supported by three 'accelerators', giving us nine accelerators in total.

THE NINE ACCELERATORS



These nine accelerators are what I would like to go through with you in the rest of this book.

I'm going to explain in detail what each of them are, and how you can use them – systematically – to drive the core elements, and achieve the core aim – money for life.

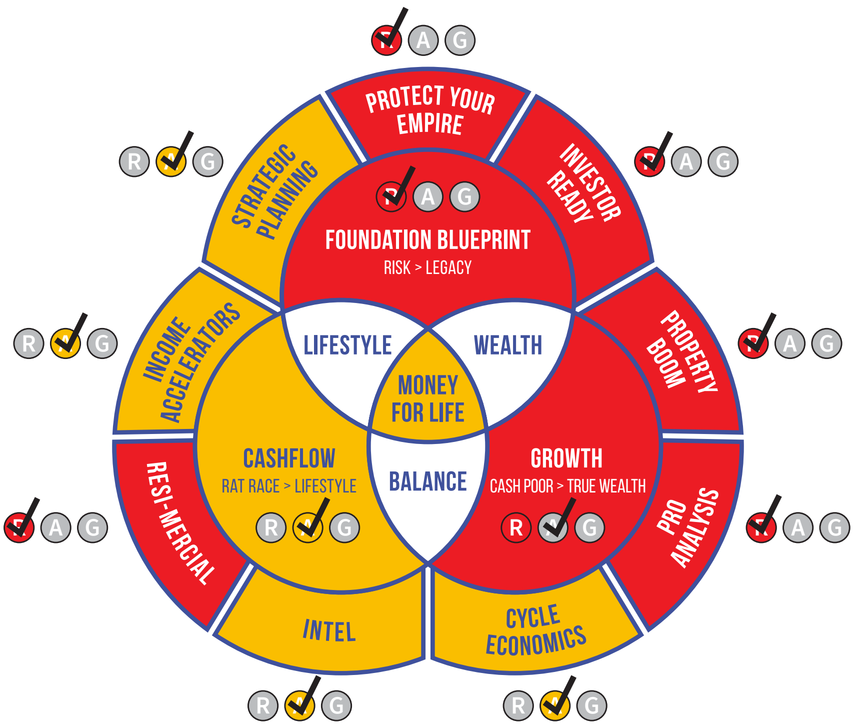
But if we colour-code each of the nine accelerators, we get a very quick and a very good representation of where we are at in our journey.

So let's say that red is a stop sign that says, "No, you haven't got it right. Proceed to base one." Let's say amber is, "Yeah, you've got a few things right."

Green is, "Yes, you're nailing it."

The starting point for most people who come to my introductory events looks something like this:

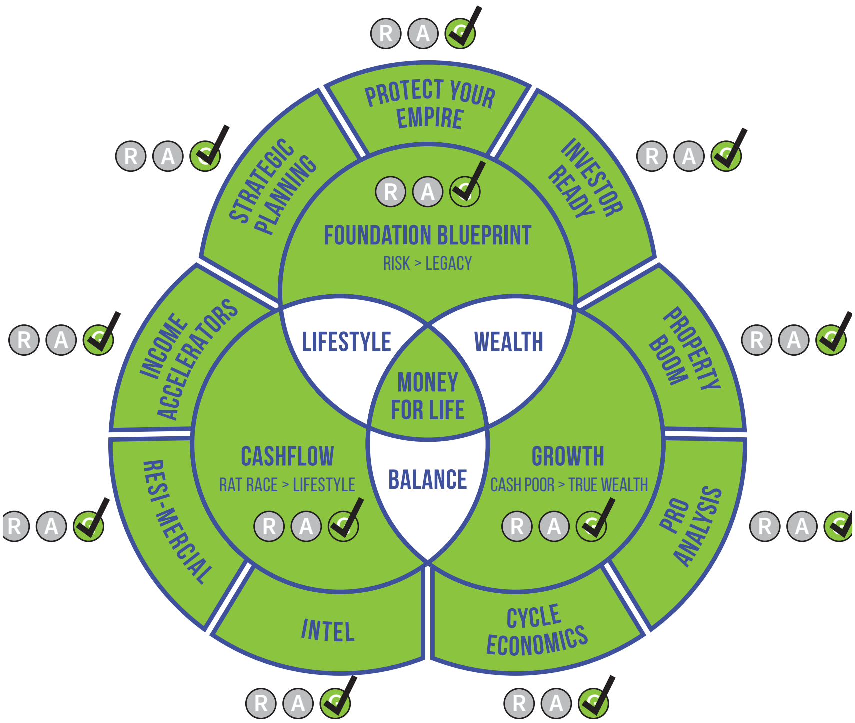
Where Most People Start



As you can see, there are mostly reds here, with a few ambers.

But of course, in order to succeed, your process has to look like this:

What We're Aiming For

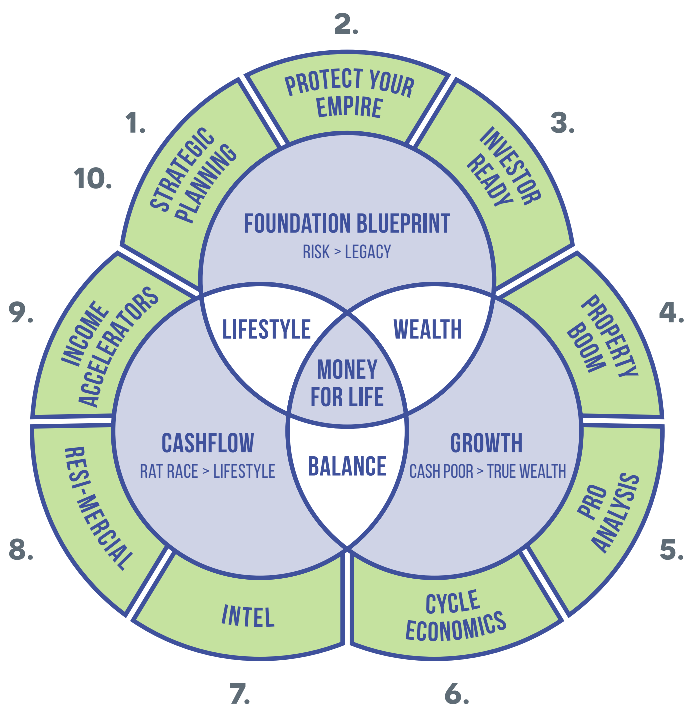


We've got to turn all these switches to green.

Every. Single. One.

Now, let me show you how we're going to use this framework to move through the rest of the book.

THE NINE ACCELERATORS – NUMBERED



Firstly, let’s number all the accelerators. **Number one will be Strategic Planning**.

Then we’ll go clockwise:

2 - Asset Protection

3 - Investor Ready

4 - Property Boom

5 - Pro Analysis

6 - Cycle Economics

7 - Intel

8 - Resi-Mercial

9 - Income Accelerators

Then we go back to Strategic Planning. And that actually becomes number 10.

Now there's a reason for that. It's like when you write a business plan. Initially, you write out an executive summary, which is basically your way of saying, "Okay, well, this is what I'm going to do and this is how I'm going to talk about it."

And then you start writing the guts of the business plan.

But by the time you're finished, the business plan has gone in so many different directions you need to go back.

After you've written your summary, you then go back and you rewrite your executive summary. And that's what happens here.

We're going to start with a conceptual idea of what your strategic plan is going to look like. But by the time we've worked through all of these accelerators, we need to come back and really nail down the specifics. "What does that really mean? What is my next two-year plan? What is that strategic plan?"

Because upfront you can't do that. The only thing you can do upfront is get a conceptual idea as to what your strategic plan is going to be.

YOU NEED A JOURNAL!

Now one of the things that I think is very, very important through this process is to actually create a Property Genius Formula journal.

And when you do this – and I really think this is important – you might like to use a nice book for your journal. I have a little bit of a fetish for notebooks.

I have so many notebooks and they're all beautiful. I have ones that people have given me with beautiful coloured, handmade covers. I have leather-bound ones with crystals on the outside. I have all sorts, and I use them all.

I absolutely love my journals. And I would like for you to get a special journal too.

In this journal, you are going to work through your Property Genius Formula. I know it's the way I do things and that some of you who are engineers are going to say, "I'm going to do it on a computer and it's going to be a spreadsheet and it's going to be this and that".

And look, I'm okay with that. I like to hand-write it. I think there is a lot of power when you actually write something down.

In fact, there have been some studies that have shown that when you lower your eyes, like you do when you write something down, you actually tap into your subconscious. So you're actually working from your conscious and your subconscious at the same time.

That's why I like to have a journal. Now, if you're the engineering type and that's the way your brain works, look, I'm okay if you put it into a spreadsheet.

But whatever way you do this, I want you to connect to it because that's what's going to make the difference, when you actually connect and commit to the process.

Life Changed: **John**

This is an amazing story. John is soft spoken and humble. He never talks about his results with property, other than to say "I'm lucky enough to be earning six figures a year now".

When Dymphna Boholt asked him to share his remarkable story, he only agreed to open the books on the hope that it might inspire others.

John grew up in the Kensington housing commission flats in Melbourne. They weren't pretty when they were built and they haven't got any better. John's parents worked sewing clothes for minimum wage. As refugees from Vietnam with no English, it was all they could do.

Watching his parents work so hard for so little inspired John to apply himself. He studied hard and got good grades, eventually graduating with a pharmacy degree from university.

From there he got a "fairy-tale" job, working at a pharmacy just 100 metres from where he grew up. However the fairy tale soured when the pharmacy ran into hard times and he became redundant. He found himself living back at home, with just $3.67 in his bank account.

To make matters worse, with the wolf of depression lurking around his door, his girlfriend left him. He admits he wasn't fun to be around in those darker days.

However, it was all the wake-up call he needed. He never wanted to be so dependent on a single source of income again. After finding an ad for Dymphna's program in the newspaper, he sussed out the training on offer and he threw himself into his studies.

The Right Tools in the Right Hands

With John's work ethic and natural optimism, the strategies he learnt with Dymphna became a formidable weapon.

He started small, with a three townhouse subdivision, but from there, there was no looking back.

Over the next five years, through a clever use of subdivision and small-scale development, John built a massive real estate portfolio. When current developments are complete he is expecting to have 42 properties, $8M in equity and up to $300,000 a year in passive income!

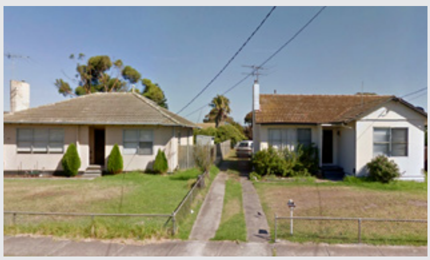
Deal 1: The Three Townhouse Appetiser

John's first deal took a while to land, but was relatively straight forward. He bought a property in regional Victoria for $480,000. He subdivided the property into two, renovated the front house and built two townhouses on the back. With an end value of $1.5M, and earning $1,300 a week, the property earns John $20,000 a year in passive income, and gave him $700,000 equity to work with. Remember, this is just the beginning!

"At the start it feels daunting and scary. You think, 'Why aren't I getting results?!' But you've got to keep your head up."

DEAL 1: 3 TOWNHOUSE SUBDIVISION

- Purchase Price: $480,000
- Strategy: Renovate front, build 2 at back
- End value: $1,500,000
- Rent: $1300 pw
- Cash flow: $20,000 pa
- Profit: $700,000



DEAL 2: DOUBLE BLOCK

- Purchase Price: $335,000
- Strategy: Demolish, build 20 apartments
- End value: $5,000,000
- Rent: $5200 pw
- Cash flow: $80,000 pa
- Profit: $2,050,000

DEAL 3: 3 TOWNHOUSE DEVELOPMENT

- Purchase Price: $400,000
- Strategy: Develop 3 townhouses to rent
- End value: $1,800,000
- Cash flow: $5,000 pa
- Profit: $650,000

DEAL 4: 5 TOWNHOUSES MELBOURNE

- Purchase Price: $1,350,000
- Strategy: long settlement, off-market, develop 5 townhouses
- End value: $3,250,000
- Profit: $750,000

DEAL 5: 10 TOWNHOUSES MELBOURNE JV

- Purchase Price: $2,650,000
- Strategy: Double block, JV develop 10 townhouses
- End value: $11,000,000
- Profit: $3,000,000

Deal 2: Right place, right time

In 2012, John got a call from the Ray White agency. He had once asked them about a rental valuation for a property he already had in the area. They were calling him to let him know the property next door was coming on to the market. It was going to auction the next day.

John knew that having a side-by-side deal would give him lots of potential and since he was market ready through Dymphna's training, he showed up to the auction and bought the property for $335,000.

Luck then smiled on John. Since the properties were close to a shopping centre, the council changed the zoning to high-density.

Where John had been talking to his architect about eight townhouses, the architect said he could fit a full 20 properties on the site!

That was exactly what John did, demolishing the property and building 20 units. With an end value of $5M, renting for $5,200 a week and providing $80,000 pa passive income, John has managed to keep all 20 properties for an equity lift of $2M.

Deal 3: John Comes to the City

With a war chest to work with, John then set his sights on metro Melbourne. He bought a large site for $400,000 that he felt had potential. All the architects he spoke to were telling him he couldn't get more than two townhouses on the lot.

However, John wouldn't settle for two. So he looked up the council plans and found the architect in the area that was building the kind of thing he wanted to build. John called the architect up, who straight off the bat said, "Yep, no worries. We can get three on there." Those three townhouses are now worth $1.8M, delivering an equity gain of $650,000.

Deal 4: Working like Clock-work Now

Staying in metro Melbourne, John's next deal was bought off-market from someone working fly-in fly-out, with a long settlement. This long settlement gave John space to get a large development going, building five townhouses on the block for an end valuation of $3.25M, and an equity gain of $750,000.

Deal 5: Why Not Ten?

John then found two neighbouring blocks for sale in Metro Melbourne, listed with two separate agents. He knew that there was enough room for ten townhouses on the blocks. So he purchased one but negotiated 30 days for due diligence in order to ensure that he could get the second.

He did and those ten townhouses are now worth $11M, delivering an equity gain of $3M.

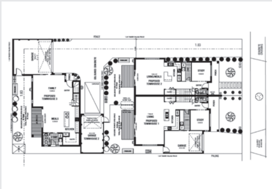
Deal 6: Why Not Another Ten?

John had found a development site off-market with enough room for another ten townhouses. On a purchase price of $1.4M, he negotiated a twelve month settlement.

However, CBA withdrew finance on him at the last minute, with just weeks left to settle. John called the owner immediately and apologised for the situation. She was OK with it, but needed $500,000 for the place she was moving into.

John offered to write her a cheque for $500,000 and settle the rest as soon as he could. He was getting the property 30 per cent under market so he didn't want to let it go. This sent his lawyer into conniptions, exchanging so much money without any security in return (and as Dymphna points out, there are other ways of doing these things).

However, John believes in the good in people and this deal worked out for the best. By best, we mean an end value of $4.2M on 10 townhouses and a $800,000 equity gain.



PHARMACY BUSINESS MELBOURNE

- Purchase Price: $1,200,000
- Strategy: vendor finance, below MV, indefinite lease, off-market buy
- End value: $2,200,000
- Cash flow: $300,000 pa
- Profit: $1,000,000

DEALS 6&7: 10 TOWNHOUSES MELBOURNE

- Purchase Cost: $1,060,000
- Strategy: Knockdown and build triplex
- Build Costs: $1,640,000
- End Value: $4,050,000
- Profit: $1,350,000

JOHN NGUYEN TRUST SCHOLARSHIP

John created his own scholarship fund to help disadvantaged kids at his old high school. Felix, the current scholarship winner, dreams of studying bio-medicine at University.

"You've got to speak to the Universe and make your intentions really clear."

Deal 7: The Power of Half An Hour

John then found out the neighbouring property was coming on the market. He was volunteering in Malaysia at the time, but he called his architect to see how many townhouses he could get on the lot. He said 10 and that would work. It was a five-minute call.

He then called his mortgage broker. Could he get finance? Yep. Another five-minute call.

He then called the real estate agent. Could he get a six-month settlement and a 5 per cent deposit? No worries.

Finally he called his parents and asked them to go to the auction on his behalf. They agreed.

In just half an hour he lined a great deal that will deliver the kind of results that John is used to.

A Believer in Education and Empowerment

John is now determined to give back to his community. He has created his own scholarship fund to help disadvantaged kids at his old high school. He is also the first Australian president of the International Pharmaceutical Federation.

John's results are truly an inspiration to people – no matter where they start. In just five years, John has built a 42 property portfolio. This provides him with an income of $300,000 a year.

To a large extent, John's easy going and optimistic nature has created his own luck. However, it was the skills and training he received from Dymphna Boholt and the ILRE community that meant that he was ready to strike when opportunity knocked.

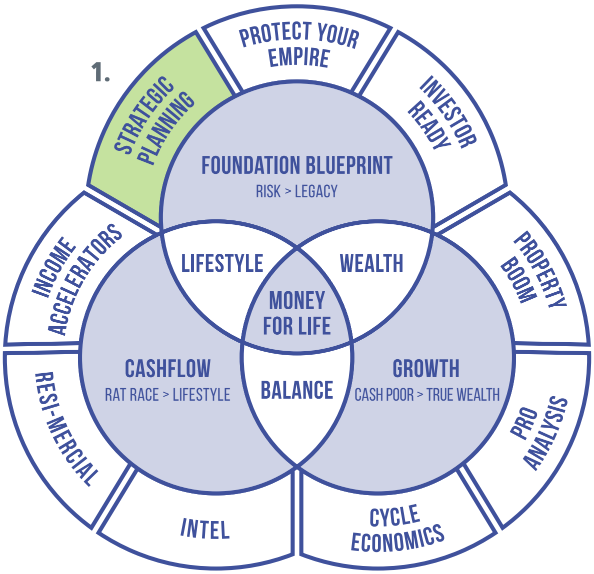
And as John's mentors can attest, it couldn't have happened to a nicer guy.

Watch the full session of how John built a $300,000 pa passive income stream in just five years by clicking the link below or going to https://youtu.be/N6Pr6uJWj6U

PRE-DYMPHNA		POST-DYMPHNA	
PROPERTIES	1	PROPERTIES	EXPECTED 42
EQUITY	$35,000	EQUITY	$8,000,000
CASH FLOW	$30,00PA	CASH FLOW	$300,000PA

Accelerator #1

STRATEGIC PLANNING



So we're going to start with Strategic Planning. But remember, this is level one strategic planning, as we're going to come back and do level ten at the end.

So in level one, what should we be doing?

The first thing is for you to have fun with this – this is where you get to do some cool stuff. All you are trying to do here is to get an understanding of what you want.

That's stage one of strategic planning. If you don't know what you want to do, you won't know what steps to take. If you don't know what direction you want to be going in, how do you know what decisions you need to make?

So we've got to get a clear understanding of the direction we want to be going in.

This is the time to start daydreaming. It's crazy, as children – I don't know about you – but I used to have it bashed out of me when I was daydreaming in Grade One. I can still remember being slapped by the teacher because I was off with the fairies thinking about something. This wouldn't happen today, but it did back then.

The reality is that daydreaming is actually very good because it's connecting into your subconscious and bypassing your ego. So when you daydream, particularly where it is in a semi-state of meditation, you bypass ego because ego is not going to win this battle.

Actually, let's talk about 'bypassing your ego' and what I mean by that.

So when I first do this goal-setting process with my students, you should hear the things that people say.

"I want to be a billionaire."
"I want three private jets and a helicopter."
"I want to own a castle in Scotland and an island in the Caribbean."

It gets pretty out there. But when you dig into these things, you realise that their heart isn't in it.

They want to be a billionaire with a capital 'B', but they've got no idea how much money a billion actually is.

They want three private jets, even though all of their family lives in Dubbo, and what do you need the second and third jet for anyway?

And they want to own a castle in Scotland, even though they've spent their whole life in Cairns and get panic attacks if the thermometer drops below 20 degrees.

You very quickly realise that these things aren't actually going to make them happy.

So where are they coming from?

Ego.

Now, ego is a complex psychological term that probably has very specific and very different meanings depending on the context, but what do I mean by it here?

In this case, what I'm talking about is the part of your mind that wants to present itself in a particular way in other people's eyes – the part of you that wants to control the story other people have about you.

And so its, "I want to be a billionaire so everyone will know that I've 'made it'."

Or, "I want three jets so I can park them out the front of my house and everyone can marvel at how rich I am."

Or, "I want a castle just so I can get a selfie out the front of it and post it to Facebook."

These goals are nothing but a tool for telling a story about yourself, and they're not going to make you happy.

And so they've got no place in your goal setting.

You've got to get out of your ego. Stop telling stories. Stop trying to impress people.

Ask yourself, what would I still want if I was the only person in the world that knew that I had it?

Do you really need a Scottish castle, or would you actually be happier with a small patch of acreage on the beautiful Sunshine Coast, where you love the weather and all the birds?

So watch out for this.

When you start naming your goals, it's very easy to start coming from your ego – from a desire to impress people and tell a story about yourself.

But you've got to come back to what you truly want.

Because once you connect to what you truly want – what truly makes you happy – then you're able to tap huge reserves of energy and motivation.

And then you're on your way.

So, let's assume we have tamed our outrageous egos. Where do we go from there?

I've got a 9-step process for you:

1. IDENTIFY MAJOR GOAL

Step one is to identify your major goal.

That is, are you predominantly chasing wealth? Or are you predominantly chasing income replacement?

Now I know most people are going to say they want both. But the reality is, you will be predominantly chasing one or the other.

And I think that's something that for those of you who would say, "Oh no, I want both" – you really need to sit down and settle with one, because what would you want first?

Long term, you are going to get both. Definitely. That's what it's about.

But in the short term, what would you want first? Would you want to have your income replaced?

So that when we have a recession it doesn't really matter as you're in a situation where you can choose what you do with your time, and it doesn't matter if you lose your job, if your business goes under because you've got the passive income to see you through?

Is that what's more important?

Or are you someone who absolutely loves what they do?
Are you going to continue to do it for the next 10, 20, 30 years?
Is it just that this is who you are, this is your career, and that's great?
And if that's the case, is it actually wealth that you want to build up?

Do you want to be in the situation where, if something were to go wrong, if you lost your job, if you were in a predicament where your business went bad or whatever else, then you'd still be okay? You've still got your bases covered? Because that's the benefit of having that backup plan of income replacement.

So that's the first thing you have to decide.

2. CREATE A FIVE-YEAR VISION BOARD

Once you've done that, then you're going to create a five-year vision board.

Now with this vision board, there is a balance between putting out there what you want and letting the ego take over, and dreaming about things that you have no intention of actually working towards. So when you do your vision board, it's very important to connect to it.

Now for all the computer nerds out there, you can do it electronically. You don't need to do it by cutting out bits of paper. In fact, there's some brilliant websites around where you can actually have pre-done photos and words and whatever that you can put on your vision boards.

But you know what? If you can also use PowerPoint, it's just as easy to do it there.

Do your Google searching, your data sampling as I call it, which is when you have a look at what else is around.

I was data sampling a particular house the other day. I was looking at this particular style of housing that I liked. And there was one for sale here in Sunshine Coast.

I had no intention of buying the property, but what I did was I actually created a whole PowerPoint presentation of all the pictures in this property because there were so many features that I liked. Am I going to build it exactly? No. But I'll have a bit of this and I'll have a bit of that and a bit of something else.

And that's really what life's about. It's about data sampling. It's about deciding what you want in your life. Because you're never going to be exactly the same and want exactly the same things as everybody else. You'll have a bit of this and a bit of that and a bit of something else. And you start to bring in what you want in your life.

But as I say, there's a balance. There's a balance between being silly in a five-year vision board, putting in things that really, when it comes down to it, are not what you want. These are things that are perhaps what you think other people think that you want or what you always thought you wanted, but really would you go about getting them?

I'll give you an example.

For many years I had a Tesla on my vision board and this is a prime example of what not to do, right? And then one of my Platinum students challenged me about this vision board when we were overseas at a Platinum Conference.

We had a party where we all dressed up as the person we were going to be in five years. (And oh my God, it's so amazing how many people have achieved all that they said they would in five years' time. But anyway, that's beside the point).

We had to guess who each of the vision boards belonged to. As I said, I had a Tesla on mine. One of the Platinums challenged me and they said, "If you want a Tesla, just go and buy one."

And I replied, "Yeah. I can go and buy a Tesla tomorrow. Why aren't I doing that?".

And then I thought about it, "Well, I like the idea of a Tesla as in the electricity and all the rest of it, but I think they're butt-ugly and I actually don't really want one right now. I might in the future. I like the concept of it. But do I want one right now? No, I don't."

So it was one of those things that, "Oh, yeah, I want a Tesla." And it went on my vision board.

But when it comes to the crunch – do you really want it or not? And for me it was a no. I have no intention of buying a Tesla. So it had to come off my vision board.

These are the things that I really want you to question yourself on.

So when you're putting things on your vision board, make sure they're things that you really, really want and that you're prepared to, when the opportunity comes, commit to.

3. PUT SOME HARD NUMBERS ON IT

Now that we've dreamt into it a little, let's put some hard numbers on this picture.

So first, imagine a day five years from now. Now we have to keep this picture realistic. This is just the five-year milestone. Save the Lear-jet and the Scottish castle for ten or fifteen years down the road.

Now in a notebook somewhere, answer the following questions. Be specific and detailed.

Where am I living? What city? What suburb? Is it acreage somewhere? Is it a fancy unit on the waterfront? Is it somewhere with room for the kids and their motorbikes.

Now describe your bedroom. What does it look like? Is there an ensuite? Have you gone for a modern or a vintage feel?

Go to the Kitchen. What's in the fridge? What brand appliances do you have? What about the benchtops?

Go to the entertaining area. Do you have one? Is it indoor or outdoor? Is there a pool? Do you have guests over regularly, or do you meet out?

Now go into the garage. What cars are there? Which one's yours? What other toys have you got? Boat? Jetski? Harley?

Now, what's on your agenda today? What does your day look like? How do you spend the morning? Are you working? Full time or part time? Are you retired? What do you do for lunch? What do you do in the afternoon and evening?

Ok, now that we've got a bit of a picture, let's put some price tags on it.

That house you saw, how much is it worth? What about the cars, the boat, the kitchen appliances, the caravan? Go through everything you've identified and put a price tag on it.
Now, if you add all of that up, what's it worth? This is the asset value we need. This is our wealth. Put a big box around this number, or run a highlighter through it. This is our first number.

Second, let's calculate our income figure. Take stock of your lifestyle in this picture. How much do you need for the most basic version of it? Do you have kids and private school fees? How much do you spend on food each year? What's the average annual petrol bill? Get as clear a picture as you can on how much you need to get by.

Now, importantly, imagine we're debt free here. You've got no mortgage, no car loans, no credit card debts. Once you take away these debts, you'll be surprised at how little income you can actually get by on.

But, add another 20% to this figure, for a bit of quality of life. Something to give us a few nights out every now and then, some presents for friends and family etc.

Now add the cost of two holidays a year. This is not your 'bucket-list' holidays where you're spending six months in Europe. It's just whatever you need for a break. It could be camping. It could be going to stay with family.

But factor in giving yourself a regular break.

Now if you add all of this up, what do you get?

What you get is your income figure. This is the income you need to be creating out of your investments (and work if you're still working) to live the life you want to be living.

Draw a big box around this number or run a highlighter through it. This is your second number.

So now you've got two figures telling you what you need. You've got your asset figure and your income figure, or your wealth figure and cashflow figure.

This is your goal. This is what you're aiming for.

The next step is to identify where you're at right now.

What's your equity position right now? (Remember to include credit card debts as a negative here!) What about your income from work and investments?

What's the difference?

This tells you what you've got to create. The difference in wealth tells you how much equity growth you've got to manufacture through your investments, and the difference in income tells you how much passive income you need to generate through your investments.

These are the numbers that will guide your journey as an investor.

Pull these numbers out and stick them to your fridge.

Now you know where the goal posts are. These are the concrete figures that you can chart your journey by.

Now we know what we're working with.

4.CLEARLY SET OUT STARTING FINANCIAL POSITION (INCOME & AWE)

Clearly set out at your starting financial position, which is your current income and your AWE. Your AWE is your Available Working Equity.

You can't change this. It is where you are starting from. This defines the kinds of investments you can get into on day one.

Make a note of this and we'll come back to it later.

5. IDENTIFY STRENGTHS AND WEAKNESSES AS AN INVESTOR

The next thing is to identify your strengths and your weaknesses as an investor.

You might have a really good job, in which case income serviceability is going to be one of your strengths.

You might have no money. So one of your weaknesses might be, "I've got no equity. I've got no money. I've got no collateral to go into a deal".

You might be really handy, in which case that's going to be a strength for you.

You might not be able to organize yourself out of a paper bag. Well, that's going to be something that is a weakness for you.

And here again, I want you to be honest, to be very clear and to neither put yourself down nor to put on rose-coloured glasses. Make sure that you really know because you don't want to be doing a deal that relies on a weakness.

You want to be doing deals that really emphasize your strengths. So as we start selecting deals and where to go and what your plan needs to be, your strengths and weaknesses will come into that.

So be honest with this process.

6. IDENTIFY YOUR RISK PROFILE

Now, some of you are going to be low risk, some of you are going to be medium risk, some of you are going to be high risk.

Thinking about your current situation, age, dependents, those sorts of things will give you an idea about what your risk profile is going to be. Because once again, that will affect the kind of deals you will end up doing.

7. ALLOCATE AN ACHIEVABLE TIME COMMITMENT (WEEKLY)

Create an achievable time commitment. This is about how much time you are prepared to put in to make that vision board your reality in five years' time.

You need to commit time to this. It doesn't happen without time.

Now, I said many, many times, my minimum requirement is two and a half hours a week. But I really would like five hours, and I'd like ten even more.

You need to look at your time schedule and decide, “How much time every week, not once in a blue moon, but every week, can I put into this business?”, and actually write down timeframes and block them out in your diary.

Because when you do that, it becomes your priority. This needs to be your priority.

Your achievement of this thing needs to be a priority in your life. So that when other things come in and this pops up, and that pops up, or your mother comes to visit or whatever else, you have to say, “I’m at work. I’ve actually got to get this done. How about you go and sit in the garden and have a look at my flowers. I’ll be with you in an hour.”

Whatever it takes. Because that is your time, you can’t diddle yourself out of this.

8. WRITE OUT YOUR PERSONAL STRATEGY, STRENGTHS AND WEAKNESSES

As in: you’re a good organiser, you’re handy or you’re not, you have time availability or not. Start to write out from a strategy perspective what you could add to a deal, whether it’s with another party or on your own.

What are those strengths that you’re bringing to the party. And set this aside now until we do all of the other accelerators and then come back and complete it, because we’re going to come back to this.

9. SET ASIDE UNTIL ALL OTHER ACCELERATORS ARE COMPLETED

So the first stage is a higher-level strategic planning. It’s about getting conceptually where you want to go.

It’s about understanding you and your starting position and all of those things.

But for now, we need to set that aside, because you don’t know enough to be able to complete this process. So now it is time to look at the rest of the accelerators.

Life Changed: **Foong & Paul**

How Foong turned her back on the traditional wisdom of property investing and 'good jobs' to earn $490,000 in a single year.

Foong did all the right things. She worked hard and on her accountant's advice, bought as many negatively geared properties as she could. But it left her $70,000 in the red each year, and she was working so hard that she couldn't care for her infant sons. Thankfully, her introduction to the world of profitable, cash-flow positive properties has been a game-changer.

After Foong's father passed away, her family sent her from Malaysia to Australia to seek her fortunes. Her family wanted her to become a doctor, and she effectively had two years to learn English and top the state in her HSC exams.

Although this was a practically impossible task, Foong gave it everything she had, scoring an almost miraculous 94%. However, this was still 2% short of what was required to enter medicine so, again, following her family's wishes, Foong studied pharmacy.

"Those properties were blood-suckers. They were like leeches. And when my mum got sick, we just couldn't do it anymore."

As a graduate pharmacist, Foong worked long and hard hours to gather money for her family, taking on the graveyard shifts that no other pharmacist wanted. This hard work allowed her to earn more than six figures a year and, at this point, her accountant's advice was that she should start buying negatively geared investment properties.

(Because, supposedly, the point of property investing is to minimise tax, not build wealth.)

Acting on good 'advice'

Believing that her accountant knew what he was talking about, Foong did just that: steadily amassing a large, entirely negatively geared investment portfolio.

And when she got together with her husband, Paul, she insisted that he too start buying negatively geared investment properties, because that's just what you did and it was important that they were on the same page financially.

Over the next seven years, Foong and Paul built a portfolio of 14 investment properties, all of them negatively geared. It was a portfolio that was costing them an eye-watering $70,000 a year.

The only way to pay for this portfolio was to keep working, so Foong continued to pour herself into her career. She was working so much that she even had to send her boys, both under three, to stay with her auntie through the week, seeing them only briefly on weekends.

It starts to come apart

Things were starting to take their toll, but it reached a crisis point when Foong's mother was diagnosed with cancer. Foong and Paul had to come up with $80,000 to cover her medical expenses, and it almost broke them – mentally and financially.

Finally, Foong was ready to start considering whether the traditional approach to property investing was the right way to do things. She found Dymphna Boholt, and even though Dymphna's strategies went against everything she knew, she could finally see that there was a better way.

Breaking with tradition

Foong culled the deadwood from her portfolio, jettisoning nine properties that she couldn't do much with.

She tweaked the others to improve their rental yield, and in a few years her portfolio had become positively geared to the tune of $20,000 a year – a $90,000 turnaround.

She also became an active, rather than a passive (buy-and-hope) property investor. Her strategy of choice is joint-venture renovation and development deals, mostly around South Australia. She likes joint ventures because she likes working with people, and she has a natural affinity for renovations and the creativity of interior design.

"We bought our first positively geared property, and every month I could actually see the money coming in. I was like, 'Wow'… I had to take a Valium."

And as much as she enjoys it, this has also become a very profitable niche for Foong. In the past 12 months for instance, she has completed five renovation deals, for a combined profit of $490,000.

MILE END, SA (JV DEAL) Off market renovation

Purchased Oct 2019	$524,000
Renovation cost	$147,000
Sale price	**$895,000**

TUSMORE, SA (JV DEAL)

Purchased Dec 2018	$895,000
Renovation cost	$198,000
Sale price	**$1.4M**

Even when she was throwing herself completely into her pharmacy work, she was lucky to earn $110,000 a year. Now, she earns four times that, and has a lot more fun doing so.

Her own boss now

With a thumping investment income coming in, Foong has cut back to working as a pharmacist just five hours each fortnight. She wants to keep her hand in the game, but she knows that her future is in property, not pharmacy.

> *"I work five hours a fortnight now, and I pick and choose my jobs. I'm the boss now."*

For her family, this has been is a challenging career move. The traditional approach says that you should get a "good job" and just work hard. But this is classic "poor dad" thinking and Foong wants more out of life.

And as Foong's story shows us, sometimes you have to break the mould to find the life that is truly yours.

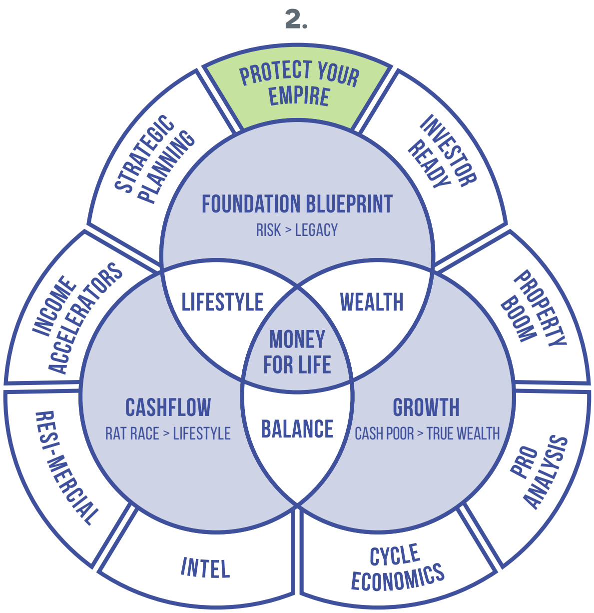
Watch the full session of how Foong turned her back on the traditional wisdom of property investing and 'good jobs' to earn $490,000 in a single year by clicking the link below or going to https://youtu.be/tYi6ts8J3Uw

PRE-DYMPHNA PROPERTY	VALUE	EQUITY	CASH FLOW
MARDEN PPR	$950,000	$340,000	-
INVESTMENT PROPERTIES (14)	$4,700,000	$800,000	-$70,000 PA

POST-DYMPHNA PROPERTY	PURCHASE	RENO/DEV COSTS	NET PROFIT
TUSMORE SA	$895,000	$198,000	$200,000
SEATON SA	$409,000	$32,000	$35,000
MILE END SA	$524,000	$147,000	$135,000
WOODVILLE STH SA	$537,000	$53,000	$70,000
CARRAMAR NSW	$200,000 SHARE	MONEY PARTNER	$50,000

Accelerator #2

PROTECT YOUR EMPIRE



The next accelerator is Protect Your Empire. This about asset protection.

Now, some people might wonder why I'm talking about asset protection – insurance and debt structures etc. here. Why is it accelerator number two.

The simple reason is that it is much easier to get this stuff in place at the beginning of the journey, than it is way down the road when you realise that you've set everything up wrong.

It's easier, and you're going to save yourself a tonne of money in the long-run.

So I know this isn't the sexiest chapter in the book, but this is about getting your foundations right, and it's not something you should skip.

In many ways, you've just got to think of it of it as just a cost of doing business. If you're in the wealth business you need asset protection, just as someone in the baking business needs to buy flour. It's just a cost you've got to work with.

Some people think that they'll take the gamble. They'll take a punt that they'll get through life without major disaster. If they will, they'll have saved a bit of money.

But if they lose that gamble, they could lose everything.

So first, you probably know how I feel about gambling. I'm not a fan. I'm a big believer in control, and if the small price of insurance gives you control, it's money well spent.

Second, if you're ducking that small cost of business, just so you can save a few bucks, check-in with your mentality. Are you thinking like a wealthy person – as someone who believes that they have more than enough and that the small price of insurance is worth the control it delivers?

No?

And if you're not thinking like a wealthy person, are you ever going to be one?

(Who knew insurance was a window into the soul?)

FIVE WAYS TO PROTECT YOURSELF

Ok, so now that I've made the point that I'm in favour of insurance in general, let's look at the five ways you should be looking to protect yourself and protect your wealth.

They are:

- **Income Protection**
- **Life Insurance**
- **Health Insurance**
- **Home and Car Insurance**
- **Litigation Protection**

Let's go through them one by one.

1. INCOME PROTECTION

I wanted to start with income protection because I think this one is the most over-looked and under-valued forms of asset protection.

The general rule of thumb here is that if you have major debts (like a mortgage), you need income protection.

If your entire portfolio falls apart if you stop earning money, then that's a mission-critical risk you need to deal with.

So you need income protection. This normally comes in two forms. There's short-term (usually out to 5 years) income protection, which can include cover for involuntary unemployment. This is what's typically called income protection.

Then there's longer-term income protection, which is usually called Total Disability Insurance. This is generally bundled in with your life insurance.

Get both.

2. LIFE INSURANCE

Life insurance is really just an extension of income protection really, only you're no longer in the picture at all. It's about protecting your wealth for the benefit of your loved ones.

Again, it's just a cost of doing business.

The point I would make about life insurance is make sure you get it for every person in your household, regardless of whether they're currently earning an income or not.

It is one of the more annoying quirks of society that we do a really poor job of valuing the unpaid work that goes into keeping a family on the rails. And I've seen households where the mother was disabled or tragically passes away, and the husband suddenly realises that he has to hire a small team to cover the things his wife used to do.

If you're a household, you're a team. Make sure every team member is insured.

3. HEALTH INSURANCE

Unexpected health expenses can ruin you. Don't take the risk. Get health insurance.

In a lot of countries, and in the US in particular, you really don't have a choice. Without universal health care, if you break an arm and leg, it's going to cost you an arm and a leg, so you need to protect yourself.

In other countries, like Australia, we have an awesome public health system, so there's not such an imperative. No medical emergency is ever going to bankrupt you, and that really is awesome.

Aussie, Aussie, Aussie!

However, after you earn a certain amount, (currently $90,000 a year, per person in the household), you'll get hit with the Medicare Levy Surcharge, so you may as well just go out and get private health insurance, since things like private hospital cover can be worth the expense.

The one thing I would say about health insurance is skip the bells and whistles. Don't go for extras and combined cover. If you want the aroma-therapy massage, just pay for it out of pocket.

4. HOME AND CAR INSURANCE

Our homes and our cars are often the most expensive things we own, and if we lost them, it would really set our wealth creation back drastically. So get them covered.

My one recommendation is that after you've got your Cavalry Account sorted, increase your excess to the maximum you're allowed, or feel comfortable with.

So if you have a $500 excess on your car insurance and you have a bingle, you'll pay the first $500 and the insurer will pick up the tab for everything else after that.

But if you have a $2,000 excess, you'll have to pay more if something happens, but your premiums will come down.

The key thing to remember here is that with home and car insurance, we're not looking to protect ourselves against little bingles. We're looking to protect ourselves against losing a crap-can of money.

So increase your excess and pay less on your premiums.

5. LITIGATION PROTECTION

Unfortunately, Australia, like most Western countries around the world are becoming more litigious. The rise of no-win-no-fee lawyer services has also meant that more and more claims are ending up in court.

This is a threat that you need to be aware of. If something happens to an asset you control – like an accident on your investment property – or you make a simple mistake – like hitting someone with a golf ball on the 18th hole – you can suddenly find that everything is on the line.

And if those no-win-no-fee lawyers realise that you have money and it's not protected, they'll take a shot.

Lock it down. Get it protected.

I actually wrote the book on this topic. No, literally. It's called "Asset Protection Secrets of a Real Estate Millionaire." That's got a lot more info, and I'd definitely recommend reading it once you have enough money to make you a target.

But the short version is there are three ways to protect yourself from litigation and catastrophic loss:

- **Structure**
- **Debt**
- **Insurance**

5.1 Structure

You can use ownership structures to protect your assets. If you own everything as an individual (i.e. It's in your own name) or in a partnership, then you have practically no protection whatsoever. What's worse, in a partnership, you're liable for the actions of your partner too!

The basic idea is that you want to set up a vehicle that controls your assets, and then puts you at arms length.

In Australia, the best vehicle is generally a ‘discretionary trust’, with a company acting as a corporate trustee. (You’ll definitely need to talk to a lawyer about this one.)

But basically, if a litigant or a creditor has a claim on you as an individual, it doesn’t extend to include assets you own in the trust. In that way, those assets are protected from anything that you do or that happens to you.

We’re just scratching the surface here. Check out the book for a fuller discussion.

5.2 Debt

Debt might sound like a funny way to protect your wealth, since it is most often debt that destroys wealth. But used in the right way debt can ring fence your assets.

For example, you have $300,000 to purchase a property that costs $600,000. Rather than borrowing half from the bank and having $300,000 worth of equity exposed, you could set up a family trust, gift them the $300,000, and have them lend it back to you with a second mortgage, which puts them in front of any creditors.

This is a maybe strategy for advanced players, but with the right help, it could be useful to people in many different situations.

5.3 Insurance

Insurance is the most straight-forward way to protect your assets, and most people in business have professional indemnity insurance or other business-specific insurance.

The point I would make here is that as soon as you are controlling an asset, you become responsible for everything connected with that asset.

So if you're building a house by yourself, and a tradie gets injured, you could be liable (depending on the situation of course).

Or if you own an investment property and something happens to a tenant, they could come back and try to pin it on you. Or if you have a part share in a business and something happens with that business, you could be on the hook.

Talk to an insurance broker about how to insulate yourself from anything that occurs through your assets.

THE HARD PART

The saying goes that making a million dollars is easy. It's keeping it that is the hard part. So just don't risk it. Trust me, for what you might save, it's just not worth it.

Because the only thing worse than losing your fortune, is knowing that you could have protected your fortune for a few measly dollars a week.

(Oh, and then everyone is telling you, "You didn't have insurance? You should have had insurance. Why didn't you have insurance?") It's a bitter insult to add to injury.

JOURNAL ACTIONS TAKEN

While you're doing all this, put every action you take down in your journal. This means that in your book that you're keeping through all of this, you're journaling off everything that you're doing. You're even journaling in your thought processes throughout the process.

By the end of the process, you will have actually written an operations manual for yourself. You could give it to a child, you could give it to a friend and say, "yeah, follow my operations manual." That's why it's important that it is that detailed. And while these are the points to go through, this is the system that you are implementing for yourself.

Life Changed: **Neil**

Neil had a substantial property portfolio but, like many Australians who had fallen into the negative gearing trap, it was costing him $20,000 a year to hold on to it. When he was sued and almost lost everything, he realised there had to a better way. In just two years, he has made his portfolio and wealth 'bulletproof', while completely turning his portfolio around.

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In 2008, Neil and his family were sued. Neil had rented one of his investment properties to three women with disabilities and they had a carer who visited occasionally. One day, as the carer negotiated a situation with two of the tenants, she fell off the back steps and hurt her back. As an 'uninvited guest' in the eyes of the law, she decided to take Neil to court, engaging the services of a no win – no fee lawyer.

The case took a strain on Neil's family and was a constant source of stress. Neil and his wife, Anthea, had their personal belongings packed up in boxes because they thought they were about to lose it all.

It came down to the crunch at a compulsory mediation, which included the government agency that the carer worked for. In a safety assessment that had been undertaken on the stairs, it was found that a handrail needed to be put in place.

At the time of the accident, the stairs had a handrail. The lawyers argued that the assessment called for a second hand rail. However, Neil was able to present a receipt that showed that he had put in the existing handrail after the safety assessment had been done. The government still tried to pressure him to contribute to the settlement, but Neil held his ground. In the end, he didn't need to contribute anything to the settlement, although the process cost him around $10,000.

"I think that lawyer looked me up and took one look at my portfolio and said, 'Yep, there's money here. Let's go for it'."

This was a wake-up call that Neil needed. With his portfolio costing him money each year, he knew there had to be a better way of doing things.

When a friend introduced Neil to Dymphna Boholt, it lit a fire in him and Neil threw himself into education. He attended 43 events in just over two years – and his commitment has paid off. Neil has restructured his portfolio, increased his equity by more than a million dollars and has created an expected $63,000 a year in passive income.

This is Neil's story.

Securing asset protection

Like many investors, Neil made the mistake of putting the properties in his portfolio under his name. This meant that all of the properties would be at risk if he was to be sued. In fact, as Neil found out, without the proper defences in place, he was an attractive target for litigation.

Neil was relieved to find that Dymphna Boholt is one of Australia's leading experts on asset protection. He used the templates and legal support on offer through the I Love Real Estate community to restructure his portfolio into trusts and created a defensive wall around his assets.

After the stress of being sued and the prospect of losing everything, Neil and his family have found peace of mind.

"You think, 'Oh, that won't happen to me.' But it does. You really have to protect yourself."

Deal 1: Create four blocks out of one

While inspecting his portfolio with the ILRE mentors, Neil realised that one of his properties in the Brisbane suburb of Salisbury had serious potential. As a large block with a single Queenslander, it could be subdivided into four separate blocks.

As a large sloping block, Neil realised that he could get more for each block if he put in a retaining wall and levelled the blocks out. He's always looking for a way to save money, so he decided to build the wall himself – all 100 metres of it! He even roped his wife and kids into helping him lift in 100 concrete sleepers – at 80 kilograms each.

Neil also decided to do the perimeter fences himself, which stretch 200 metres and comprise of 50 posts and thousands of palings. However, his mentors have encouraged him to outsource and leverage, especially when there's a huge profit in the deal already.

All done, the blocks are worth more than $400,000 each and with his costs – including the original purchase and subdivision which were around $800,000 – it leaves Neil with a tidy profit of $811,000.

Deal 2: Refreshing a rental property

While the profit on his first deal was fantastic, Neil still hadn't sorted out his cashflow situation. Luckily, his education had given him fresh ways of looking at property, so he went back to a four-bedroom rental that he owned and decided to turn it into a five-bedroom rooming house.

The property had a large lounge room which he converted this into two bedrooms and turned one of the other bedrooms into a lounge. He then put code-locks on the doors instead of keys, and put televisions in every room.

These changes cost Neil $22,000 and after expenses, this property now makes him more than $25,000 a year in passive income.

Deal 3: The old PPR becomes a cash cow

Following the success of his previous rooming house deal, Neil decided to revisit his old home, which had become a five-bedroom rental. The bedrooms in this property were very large, and Neil has decided to add ensuites to each of the rooms to increase their earning potential.

This project is nearing completion and has cost Neil $145,000. However, it will become a tidy little earner, pulling in more than $75,000 a year, creating almost $40,000 a year in positive cash flow.

No price on peace of mind

Neil and Anthea feel much more confident about their financial situation. They can sleep with peace of mind knowing that their portfolio, their wealth and their family's future can no longer be taken away from them.

Neil has also found a new sense of purpose. He loves the community he has found through ILRE and the Platinum Program and he's excited to start working on deals with other people.

"In the beginning, it's all about the money but after a while, you realise what's important: the giving [and] the sharing. Together, we can do so much more than we can as individuals."

Watch the full session of how Neil found a new sense of purpose and community through ILRE and the Platinum Program by going to https://youtu.be/agNVWn4Fk0c

PRE-DYMPHNA

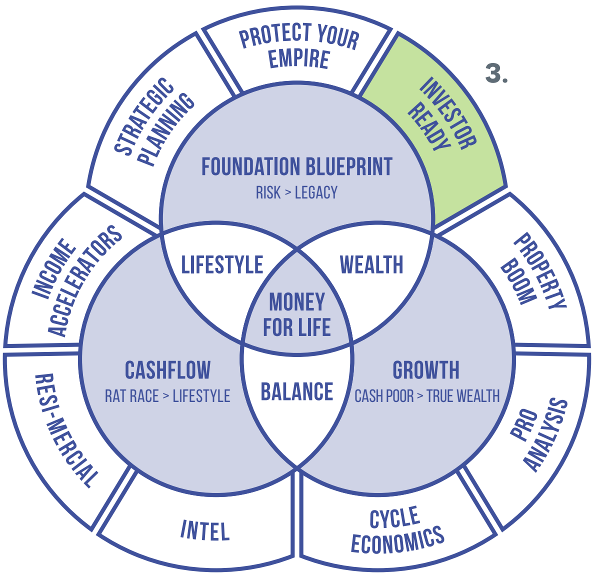
Property	Value	Equity	Cash Flow
House 1 (PPR)	$1,000,000	$1,000,000	$0
House 2 (GD)	$900,000	$500,000	-$9,040
House 3 Subdivision	$1,000,000	$571,000	-$6,620
House 4 (40 H)	$650,000	$480,000	-$1,500
House 5 (42 H)	$500,000	$346,000	-$3,420
Total	**$4,050,000**	**$2,897,000**	**-$20,580**

POST-DYMPHNA *Projects in Progress

Property	Value	Equity	Nett Cash Flow
House 1 (PPR)	$1,000,000	$1,000,000	$0
House 2 (GD)*	$900,000	$500,000	+$39,440*
House 3 Subdivision	$0	$1,240,000	$0
House 4 (40 H)*	$650,000	$480,000	+$27,000*
House 5 (42 H)	$500,000	$346,000	-$3,420
Total	**$3,050,000**	**$3,566,000**	**+$63,020***

Accelerator #3

INVESTOR READY



The next accelerator is about being Investor Ready.

This step is crucial to your movement forward. It is an absolute must. It's worth the time to really get this part right. Because this is your springboard.

This is your trampoline into the strategies – into actually making it happen. So you need to get this part right, and as effective as it can possibly be for you.

Let's go through the step-by-step process now.

1. SET UP APPOINTMENT WITH A FINANCE STRATEGIST

The first thing you need to do is set up an appointment with a finance strategist.

At ILRE we have specialists on hand who know all the ins-and-outs of my systems, but even if you're not using them, it is a good idea to see someone who can help you see the bigger picture.

The finance strategist is going to go through and identify just what you are currently capable of. They will identify issues in your current situation. They can't fix everything, but they'll certainly act as a director, "Talk to this person, that person, we can fix that, whatever."

They'll look at tax, they'll look at insurances, they'll look at superannuation, they'll look at your loans, they'll look at cross-securitisation, they'll look at buffers, and split facilities and all of those things.

A bit of professional help here goes a long way.

2. REVIEW CROSS-SECURITISATION, INTEREST RATES, BUFFERS & SPLIT FACILITY POSSIBILITIES AND TAKE ACTION AS NECESSARY

And you need to review all of those things there in the title because that's part of the process. Now do it with your strategists.

Are you cross-securitised?

Can you get out of cross-securitisation?

Is it the right time to get out of it?

Should you be fixing interest rates?

Should you be going back and asking for a cheaper rate with your existing and re-pricing at the moment?

Should you be having a loan holiday?

What are your buffers?

How much should you have as a private buffer and an investment buffer?

Have you got split facilities in place?

Go through all of these possibilities and the action that you need to take if necessary or as necessary.

3. GET A COPY OF YOUR CREDIT SCORE

Get a copy of your credit score.

You can go on to www.mycreditscore.com and get it for free for yourself, but it normally takes a couple of weeks to come out to you. Or I think you can pay about $25 and you can get it immediately. But you need to understand it.

So it's a good idea to go through your credit report with your strategists.

Then, actually get an alert on your credit score, on your credit report. Because if anything then goes on it, you will be notified immediately.

And it's important to make sure, particularly the way we are going now from a financing perspective, that your credit score is as good as it can be.

We used to be on negative reporting where only the bad stuff went on our credit score or credit report. That's not the case anymore. And banks share information.

If you pay late an interest bill or a credit card or a rent statement or any of those things, it actually affects your credit score.

Things like how many loans you apply for in a period of time affect your credit score. There's a whole raft of stuff. And again, sit down and go through this with your strategist, what all that means on your credit score and what you can do to improve it.

And actually get some alerts on there for the future.

4. CALCULATE YOUR AWE (AVAILABLE WORKING EQUITY)

The next step is to calculate your AWE – your available working equity, so you know much you've got to invest and play with.

You also have to put facilities in place on any thing you already own so that you've got access to the equity that is sitting in your properties.

If you don't have any yet, well then this step isn't for you. You skip this step, but you need to work out what your starting position is. So that's your Available Working Equity.

We've got to access that, so that we're ready to go and buy the next deal.

What If I don't have any AWE?

Now if you just tried to calculate your AWE and realised that you don't actually have any, don't give up!

Just because you don't have x equity to work with – or any money at all – it doesn't mean that you can't become a property investor.

Over the years, I've seen people go from dead-broke to sorted, creating deals for themselves without any of their own money down.

Now, obviously you need to know what you're doing here. In fact, that's often the point. If you're don't have money to leverage, you can leverage off your skills and knowledge, or your time.

In any deal, there are generally four key elements: finding the deal, managing the deal, providing equity, providing serviceability.

Now, if you don't have the income for serviceability, or the equity for putting cash in the deal, you can still create value by either finding a deal or using your knowledge to pull a successful deal together.

This is something I've seen my students do over and over again.

They find deals for other investors and score a ‘spotter’s fee.’ Or they enter into a “joint venture” agreement with other investors who maybe have the money, but don’t have the time or knowledge.

Doing the leg-work can set you up for 20-50% of the profits.

Essentially, it’s about coming back to your strengths. If you don’t have money, what do you have? Time? Knowledge? Creativity?

There’s a lot that goes into a successful deal, and there’s a lot of ways you can create value…

… if you know what you’re doing!

5. DETERMINE TAXATION STRUCTURING REQUIREMENTS AND DO TAXATION PRE YEAR-END REVIEWS

It's too late to go and set up a bucket company for tax purposes once we go past 30 June. If you've got a bit of a tax issue this year, we need to know about it nice and early, so that if you do need to set up something like a bucket company, it can be done within the year.

You also need to work out where money needs to go.

As an example, recently I sat down with my accountant and we worked out what we're going to do for superannuation. What money needs to go in for this financial year and all the rest of it. That has to be done before the end of the financial year.

It's just a systematic process that you work yourself through.

6. REVIEW REQUIREMENTS FOR JOINT VENTURE AGREEMENTS – LIST POTENTIAL PARTNERS IF NECESSARY

If as part of your interview with your strategist, it comes out that joint ventures are going to be on your agenda, then you need to start thinking about that.

You need to start looking at how your Joint Venture Agreement needs to be written and what it needs to be included in it with your lawyers. You also need to be looking at who might be your potential partners, what they might look like, who is the ideal partner for you?

If you've got great income and no money, your ideal partner is your exact opposite. Somebody who does not have a lot of income, but a great amount of equity. That would make you ideal partners. And then you start thinking about, well, what kind of deals would suit us if we went together and who might that person be?

Some of them might be in your immediate circle and some might be further afield. Because if there is money in the deal, there's always someone to find that you can do the deal with.

7. REVIEW REQUIREMENTS FOR OPTION AGREEMENTS

Review the requirements for option agreements as well. Now this is really a bit of a learning curve here because you need to be on top of how they work. Because when you're in the midst of a negotiation, an option agreement is so flexible.

It's one of those things that you can make fit to incorporate all sorts of ideas about term deals, or the ways of doing things, or nominate causes, or all this kind of stuff that can go into your option agreement, which sometimes can't fit into a normal contract.

I really want you to get up to speed on how this works and how useful it is. Particularly in times like this, when we might be coming into a period of time where it could turn into a buyer's market.

In a buyer's market, it's much easier to negotiate an option agreement than it is in a seller's market.

8. DRAW UP A WILL

Finally, it's important that you have a legal Will in place and that you've given some thought to estate-planning. What we're doing here is taking the first steps towards building as asset-base, and it's vitally important that's its clear who ultimately controls that asset-base, particularly if you are taken out of the picture.

At any rate, it's not a big job. See a professional and get it done. Just tick the box.

9. JOURNAL ACTIONS TAKEN

And of course, through all of this, you are journaling your actions. We've only got through the first three accelerators, but that's some of the stuff that you need to get your head around in order to be able to move forward.

Life Changed: **Jenny**

The baby didn't stop her: How one woman made a million dollars in four years, all while having her first child.

Jenny's story is proof that passion, persistence and hard work always pay off. Over the last four years, Jenny has thrown herself into the education and resources available in the I Love Real Estate (ILRE) community and has achieved some truly inspirational results.

Jenny increased her personal equity by close to a million dollars and built a passive yearly income stream of $63,000 – all while welcoming her first child into the world. This is her story.

Starting out like most 'novice' investors, Jenny had purchased a negatively geared investment property. When she joined Dymphna Boholt's program, she had $180,000 worth of equity in her principal place of residence and a single investment property.

After joining ILRE, Jenny became incredibly inspired and started to 'live and breathe Dymphna', watching the DVDs on repeat and placing sticky notes all over her house.

"The equity didn't come from the market, but by saving what we could and not having avocado on toast."

Next, Jenny arranged meetings with everyone she knew who was involved in the property business: builders, town planners, civil engineers, finance specialists and other investors.

Two years into her journey, Jenny became a mother for the first time. This gave her even more motivation to gain financial independence. With utter determination, she attended the Platinum Program with her baby daughter strapped to her chest.

Over the last four years, Jenny has negotiated seven deals and created almost a million dollars worth of equity and over $60,000 worth of passive cash flow. Here is how she did it.

Deal 1: A comfortable renovation

Jenny's first deal was a relatively small renovation on her existing investment property. She spent $40,000 on a renovation, which lifted the property's value by $155,000. This made the property cash flow positive to the tune of $7,500 a year.

RENOVATION OF PROPERTY 1	
Property Value	$300k
Renovation	$40k
End Value	**$495k**
Uplift	**$155k**
Cashflow	**$7,500**

Deal 2: A second comfortable renovation

Next, Jenny set her sights on putting her PPR to work. Learning from her first deal, Jen was able to keep the renovation costs low at $50,000, which clocked in an impressive $250,000 worth of extra value.

RENOVATION OF PROPERTY 2	
Property Value	$450k
Renovation	$50k
End Value	**$750k**
Uplift	**$250k**
Cashflow	**PPR**

Deal 3: A little love for big returns

Jenny then purchased her first deal: a stylish house in the holiday town of Mooloolaba, QLD. Honing her renovator's skill set and the knowledge gained in the Quantum Program, she spent just $5,000 on renovations and $1,000 on furniture.

This was enough to increase the property's value by $109,000, and it now puts $10,000 a year in her pocket.

HIGH-YIELD FURNISHED MOOLOOLABA

Purchase Price	$280k
Renovation & Furniture	$6k
End Value	**$395k**
Uplift	**$109k**
Cashflow	**$10k**

Deal 4: A first build and a baby bump

Jenny soon set her sights on something a little more 'complex' – a construction project in Kuluin, QLD. Jenny had a dual-occupancy title and wanted to add a new house next to the existing house.

During this time, Jenny found out she was pregnant with her first child, but that didn't slow her down. The construction was expected to take four months but it ended up taking just seven weeks. This landed the deal ahead of schedule, right as Jenny was going into labour.

This deal created a profit of $120,000, which was double what Jenny had projected.

Deal 5: Delivering strata

Jenny's next deal was a duplex with strata title, which proved to be a massive learning curve. The deal gave Jenny an equity gain of $150,000, which she remembers as 'a pretty good baby bonus'. A healthy passive income of $26,000 was also perfectly timed for her growing family.

Deal 6: Divide and conquer

After gaining momentum and increasing confidence, Jenny's next move was to subdivide a larger block of four units with strata title. To do this, Jenny channelled a piece of advice she heard at one of Dymphna's boot camps: "If you really want to get a good deal, you've got to start talking to people and you've got to start knocking on their doors".

And that's exactly what she did. The first person Jenny asked was willing to sell his property. Jenny walked away with a $350,000 increase in equity and $10,000 in cash flow.

Deal 7: Airbnb bonus

For her next deal, Jenny suggested placing her friend's vacant holiday home on Airbnb. In exchange for her work, she would take a 25 per cent return on the income generated by holiday letting, which won Jenny an extra $10,000 a year.

The sky's the limit

Jenny's newfound expertise, network and passion haven't gone unnoticed. She was recently invited to be part of a development collective. As part of this collective, Jenny is in the early stages of multiple projects on the Sunshine Coast, QLD.

One of these projects is a 65-lot subdivision with an estimated profit of $1.96M. This is in the advanced planning stages and the group have their sights on an 85-unit residential apartment block with five commercial shops – with a projected profit of $10M!

Aside from her newfound skill set and financial freedom, one of the highlights for Jenny and her husband has been paying it forward. In 2018, they advertised their beachside property for free to farmers who'd had a tough time during a recent drought.

For this young family, their success has been made sweeter through their willingness to share it with others.

PRE-DYMPHNA

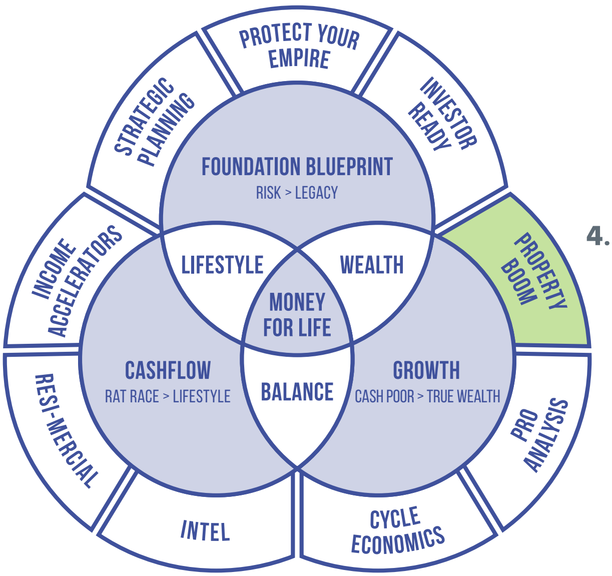
Property	**Value**	**Equity**	**Nett Cash Flow**
Property 1	$300,000	$100,000	Negative
Deal 2 Reno PPR	$450,000	$80,000	Negative
TOTAL	**$750,000**	**$180,000**	**$0**

POST-DYMPHNA (* Expected on completion)

Property	**Value**	**Equity**	**Nett Cash Flow**
Deal 1 Reno Prop 1	$155,000	$155,000	$7,500
Deal 2 Reno PPR	$250,000	$250,000	-
Deal 3 Reno & Style	$109,000	$109,000	$10,000
Deal 4 Reno&Const	$120,000	$120,000	-
Deal 5 Reno&Const	$150,000*	$150,000*	$26,000*
Deal 6 Sub/Strata	$570,000*	$350,000*	$10,000*
Deal 7 Airbnb Management	-	-	$10,000
Total	**$1,354,000**	**$1,134,000**	**$63,500**

Accelerator #4

PROPERTY BOOM



The fourth accelerator is about creating your own Property Boom.

This is obviously all about capital growth. Most people think that capital growth is something that just happens. You get in the right place at the right time, and the market takes care of the rest.

That is one way that it works, but if you're not a fan of gambling (and I'm definitely NOT!), then you want to look at ways that you can create your own capital growth.

You want to look at ways you can control the outcome, and know with a fair degree of certainty what kind of profit you're going to make on a deal.

This is what separates the serious investors from the amateurs.

So let's look at how you can create your own property boom. First, we'll go through the different ways you can make money as a property investor, and then we'll look at how you can put that knowledge into action.

1. HOW TO MAKE MONEY IN PROPERTY

Now, there's a lot of ways we can manufacture our own growth. I've identified 9 ways here, but really, there are so many ways you can cut it up, especially once you start combining or 'stacking' strategies.

Manufactured Growth Strategies

- Developments
- DA Uplifts
- Renovation
- Re-Zoning
- Under-market Deals
- Option Flips
- Commercial Uplifts
- All the Quirky Strategies
- Strata
- Subdivisions
- Natural Drivers

However, this is really just an introduction. We're barely scratching the surface. I run masterclasses on each of these with my students, and we spend hours going through it all. So keep that in mind. You're not going to be an expert investor at the end of this chapter.

However, you are going to have a very good sense about how serious investors can create their own property booms, and that's going to put you miles ahead of the herd.

1.1. Local Area Expertise and Natural Drivers

There's something that underpins many of the strategies I'm going to go through here, and that is something I call Local Area Expertise.

Every suburb in Australia is different. Every street in every suburb is different. Don't think you can watch the headline numbers reported on the news and have any idea about how a particular property is going to perform.

The thing I say to my students is that they should become local area experts in two, maybe three areas. Most new investors jump on realestate.com and flit about all over the place, from Launceston to Broome.

But if you want to buy well, and position yourself for natural market-driven growth, then you really need to become a local area expert.

You need to understand the drivers of the economy and population growth. You need to understand the demographics, and whether the place is popular with young families or retirees.

And you need to know what developments are getting through. You need to know local government requirements, from street-frontage, to height restrictions to side-access requirements.

And all these means you've got to put in the time – you can't rush this process.

Life Changed: **Manny & Sarah**

Manny and Sarah needed help to get their investment strategy on the right track. A three-day boot camp with Dymphna Boholt tipped them off to a coming real estate boom, and they used it to launch a brand new life.

Sydney's recent property boom has gifted Manny and Sarah with huge capital growth over the past four years. For a long time, though, their portfolio was going nowhere.

They had purchased four off-plan units in 2003. They eventually sold one at a loss, one to break even and one for a modest gain, but between the costs and the time spent, they considered their investments to be losses overall.

At the end of 2010, between their PPR and the remaining investment property, they found themselves with $440K in equity and no strategy for moving forward; however, at an Ultimate boot camp in Noosa, Dymphna showed them piles of data indicating an upcoming boom in Sydney.

All they needed to do was maximise their starting funds and buy in the right areas, then watch their capital grow. With attention to detail and some smart decisions, they managed to land three great deals and increase their equity position by $2.1M in four years.

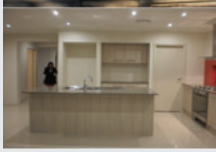
Manufacturing growth

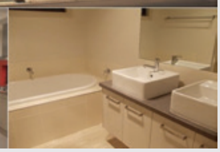
The first step was to gain as much equity as they could in their existing properties to maximize their purchasing power. They did some cosmetic renovations to their PPR and their one investment property, then drew down their equity to make the next purchase.

Deal 1: Build your own and build fast

To get the most out of their money, Manny and Sarah bought unregistered land in the Ponds from a developer and constructed a four-bedroom house on it for immediate capital gain instead of buying off-plan.

Because they had done their research and were paying close attention to market details, they were able to take advantage of an offer to waive stamp duty by beginning construction within 26 weeks of the purchase. The land and construction cost $676K, and the property is now worth $1.2M, equating to $174K a year for three years!





PROPERTY 1

Total Cost :	$676,000.00
Current Loan :	$688,000.00
Current Value :	**$ 1,200,000.00**

Capital Growth of $524,000.00 in 3 years!

Deal 2: The extra $100

Manny and Sarah worked with Investor Legal Network to tap their self-managed super fund for the next deal. They found a house in Winston Hills, but the buyers market was very competitive. They needed an edge to make sure their offer was accepted.

The seller's agent asked for offers in writing at 3pm and would accept the highest bid. Manny had done careful research on RP Data and was prepared to spend $646,000 on the house. But instead of bidding the exact amount, he bid $646,100.

Manny's intuition was right. The next highest bidder had offered exactly $646,000, and they won the deal.

The sale closed in October, 2013. Since then, the property has appreciated in value to $840K, for a gain of nearly $200K in a year and a half.

Deal 3: An easy conversion

By early 2014, Manny and Sarah were able to draw down the equity from their first deal to help with a new purchase. In Blacktown, they came across an excellent property with a unique feature.

The house had been built for dual occupancy but was now occupied by a large family who had converted it into a single-family home. This presented a perfect opportunity for them to restore it to two units with relatively low expense and no challenges in council.

PROPERTY 2

Purchase Price:	$646,100
Stamp Duty :	$24,584
SMSF Structure & Legal Cost :	$8000
Repair & Renovation:	$15,000
Total Cost :	**$693,684**

Capital Growth of more than $145,000.00 in 20 months!

After spending a total of $730K on the purchase, fees and renovation, they were able to immediately rent both units for neutral cash-flow, and the property has now been revalued at $850K, a gain of $120K in one year.

"You've got to be selective. Listen to people who have done it themselves. We're riding on this property boom because we listened to Dymphna in 2010."

What next?

Keeping well-informed has enabled Manny and Sarah to stay ahead of a favourable market, putting them in a strong position. With $2.5M in equity at their disposal, they could draw funds from some properties to pay off others and create as much as $50,000 in passive income if they decided to retire. Instead, they've got their eye on larger deals for even greater growth moving forward.

PROPERTY 3

Purchase Price:	$665,100
Stamp Duty :	$25,420
Trust Structure & Legal Cost :	$6000
Repair & Renovation :	$35,000
Total Cost :	**$731,520.00**

Capital Growth of $120,000.00 in 12 months!

They have also seen the value of having a strong financial position in recent times. Sarah's mother passed away not long ago, and her brother is being treated for cancer, so Manny and Sarah have provided financial support to their family. They are also providing aid to friends in their homeland, the Philippines, who were affected by the recent typhoon.

Manny says that following Dymphna's investing strategy has really improved their mindset and their lifestyle. They pay more attention to education, spend more quality time with family and friends, and are now teaching their two daughters the same values.

POST-DYMPHNA	
Properties:	**5 incl PPR**
Total Value:	**$5.35m**
Net Equity:	**$2.58m**

You've got to go to open homes. You've got to go to auctions. You've got to follow up on listings, and see how long they took to sell and the price it eventually went for.

You've got to build up relationships with real estate agents. It's probably going to take you weeks.

But once you've got this knowledge, then you can very quickly identify opportunities when they come about. You can recognise when something is under-priced or when something has huge potential.

You can see market trends emerge in their early stages, when there's still opportunity to act and capitalise.

It is knowledge that gives you the ability to master market forces and capitalise on natural drivers of growth.

1.2. Rezoning

The value of a property is tied to what you can do with it. When that changes, the value of the property changes.

And the most common way that it can change is through rezoning.

So, for example, council changes the zoning on an area that opens the way for higher-density developments.

That means that on each parcel of land, where you could previously only have a freestanding house, you can now have a duplex, or maybe even a block of flats or something like that.

Because the potential of the land has changed, the value of the land underneath each property goes up.

That creates an opportunity for investors who can buy into an area before a rezoning takes place.

Again, that's going to require local area expertise. You'll need to have some idea of where a council is looking to increase density, or what they're identifying future growth areas.

You'll need to know what the longer-term vision is, and what the local geographical constraints are – flood zones etc.

In some ways, this is a bit speculative in nature, and it often relies on a political process, which throws in a whole lot of randomness. So I don't generally recommend this as a pure play, but it can create some great upside potential.

So if you find a great property, and you think that the area might be up for rezoning in a couple of years, that can really put the icing on the cake.

1.3. DA Uplift

As the nature of a property changes, there's opportunity to add and capture value at each stage of the process.

The development application is one such stage.

When you want to do something significant to a property – do a major renovation, or add a granny flat, or knock it down and put up a block of flats – you'll need to get a development application (DA) through the local council.

Now the thing to note here is that just because you get plans approved for a granny flat, you have to go through and actually build the granny flat.

The DA is transferrable with the property. That means you can sell the property, with plans already approved.

This can be attractive to a lot of people. For example, some builders and developers don't want to go through the hassle of getting something through council, or have that money tied up in a property while it's happening.

But they are more than willing to pay good money for something that just allows them to get on with the job of building.

The opportunity here then is for someone to get the plans approved and then sell the property on at a higher price. This is what we call DA uplift.

The thing here though is that you need to be really confident in your numbers.

Developers will want at a least a 20% margin, so they'll have a very clear idea about what they're willing to pay for a property. You need to know that you're not putting too much time and money into a DA that you're going to price yourself out of the market.

Again, the key here is local area expertise.

1.4. Options

A property option gives you control over a property, without having to actually own it.

The way it works is that you go to someone looking to sell their home. You say to them, I want a legal right to buy your property at a particular price, at a particular time.

It might be something like 18-months down the track, at a price that's $200K above their current asking price if they have one.

They agree to sell you that right, at a certain price. It might be a "peppercorn" price – like $1 – or it might be something more substantial – like $10,000. There's a lot of room to manoeuvre here.

Once you've secured the option, you then employ one of the other manufactured growth strategies – it might be a subdivision. It might be DA uplift. Whatever.

You put the time and money into it, and if you can pull it off, you then 'exercise' the option, and purchase the property.

If you've done your numbers right, the price you originally agreed to is worth less than the property is now worth, and you make a profit.

Sometimes, you don't even need to bother buying the property. So you might get a DA through, and then sell the option straight on to a developer, taking a cut for yourself.

The key here is that an option buys you time, and gives you the ability to explore other options.

Now obviously, there's a bit of technical detail to this, and again, we're just scratching the surface. You'll have to check out one of our master-classes for the full wrap.

1.5. Subdivision and Strata

A subdivision and a strata title development are different legal things, but I'm lumping them together here because the basic idea is the same – you're taking a single property and turning it into two or more distinct, legally separate properties.

So you might find a large block of land and subdivide it into two separate blocks. Or you might find a block of four units under a single title, and strata-title it into four separate units under four separate titles.

I generally say that subdivision is a great starter strategy. It gives you the most bang for you buck (return for money down), and it's generally easier because you shouldn't be doing much of the actual work – town planners and engineers etc. should be doing all that stuff for you.

It's also a good strategic moves, because there are often a number of ways to move forward after a subdivision.

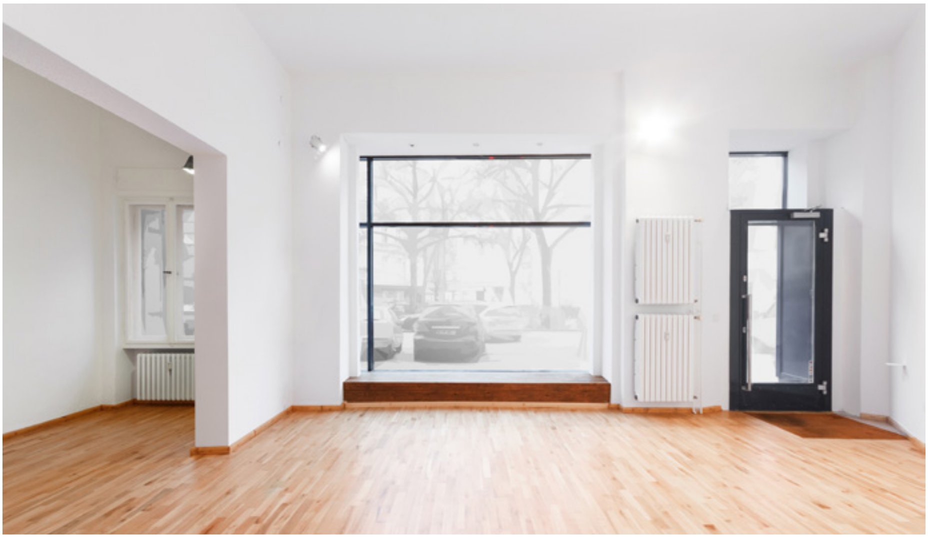
For example, you might subdivide a property with a large block and a single dwelling.

You could then sell off the second block, pay down debt, and keep the block with the house on it for rental income. Or you could sell the old house and build a duplex on the vacant block.

You've got options and options are valuable.

Again, you've got to have a pretty good idea of local conditions, and what the local planning environment is like. It also differs substantially state to state. Subdivisions tend pretty quick in Queensland, for example, but they cost you a lot of money. They are much cheaper in Victoria, but they can take ages.

Is there a theme emerging here? Knowledge is power.



1.6. Renovation

Renovations – you either love 'em or you hate 'em. Most people think that renovations are easy, but it's actually one of the hardest strategies to do well, and profitably.

I think people watch all those Reno T.V shows and think, "Oh, I can do that." And it's true. You can. But how much work do you have to put into it?

Many people buy a fixer-upper, do all the work themselves, and sell it a short while later for a fair sum more than they bought it for. It was technically a profitable deal.

But then they go back and do the numbers and realise they were paying themselves $4 an hour to pull up carpets!

This is often why people with trades tend to go ok with renovation strategies – they at least have a sense of the time and effort involved in something.

If you're not doing it yourself, then that means that you have to manage the tradies yourself – and that's not always the easiest thing to do. With a major renovation, there's a lot of moving parts. You've got to get the plumber in before you can get the cabinet-maker in before you can get the painter in before you can get the landscaper in etc.

With each moving part comes another degree of complexity, and unless you've got good systems in place and a good network of people you can rely on, this can very quickly become a major headache. And since every since every week a project goes over deadline is another week that you're paying the mortgage out of your own pocket, it can very quickly become an expensive headache.

So this is why renos are hard. The work is often back-breaking or difficult to coordinate. And this is why a lot of people jump into a major reno and about halfway through swear that they're never investing in property again!

That said, there are many students in my network who know how to do the work, have good systems in place for project management, and are making very good money. Two students I can think of – a couple – are turning around completed renovations every 8 to 12 weeks, and pocketing $40, $60 even $100K on each one!

The other thing I'd say about renovations is that while they might not give you the biggest bang for your buck, they do give you the most peace of mind.

Once you've got your systems in place, you should have a pretty good idea of how much something is going to cost and how long its going to take you. And if you're not planning on holding it for a long time, you should also have a very good idea of the eventual sales price, since markets don't move that quickly.

So in that sense, there's not a lot of uncertainty and risk… if you know what you're doing!

Life Changed: **Shiral**

Let's take a break to discover how this young man from Sri Lanka turned $40,000 into $32 million of property deals – in just five years.

Born into a humble household in Sri Lanka, Shiral never had much money growing up. He remembers at one stage his father didn't have enough to pay for his karate uniforms, and he had to quit.

When he was 17, Shiral's father suddenly passed away. This taught Shiral that are no certainties in life so he became driven to work hard and become financially secure.

Shiral and his teenage sweetheart, Chani, worked incredibly hard to set themselves up. They studied very hard and came to Australia to work as nurses, both going on to do post-graduate study.

They both then got 'good jobs'; Shiral became a Clinical Nurse Specialist and worked in management positions. To save for a house they both worked long shifts, often leaving at 6:30 in the morning and coming home at 11:30 at night.

"A lot of people at work said, "Oh you're going to go broke. You're not going to make it." I didn't argue but I didn't let it stop me either. Don't listen to people who have never done anything."

But Shiral felt that there must be more. He wasn't there when his sons first started to speak, or when they first started to crawl. He was living to work.

To make matters worse, Shiral couldn't see a way out. Robert Kiyosaki, the author of Rich Dad, Poor Dad, says that a job is a short-term solution to a long-term problem, and Shiral knew that as long as he was trading time for money, they'd never be able to live the life they dreamed of.

One day, one of his colleagues invited him to a one-day event Dymphna Boholt was running, and this gave Shiral the hope he was looking for. He threw himself into the study materials, watching the training videos over and over.

"I've done very well, but I didn't come up with any of this. I learnt these systems from Dymphna. I just made them happen."

In the meantime, Chani was jealous. Shiral was spending more time with Dymphna than with her. But the study paid off. Shiral and Chani had just $40,000 to work with, but Shiral identified some strategies that could get them moving forward, and in his first deal Shiral turned that $40,000 into $150,000.

That gave Shiral and Chani the start they needed, and after another couple of similar deals, Shiral moved into larger development deals. His first was a 26-lot subdivision, which created over $2 million in profit for Shiral and his investors.

From there, Shiral and Chani were on their way. They have now organised two more deals, each one bigger than the last, and they have almost $32 million worth of property completed or in progress. More importantly, Shiral and Chani now earn almost $100,000 a year from their investments. This has enabled Shiral to quit his nursing work and stop trading time for money.

And, they were able to do all this in less than five years. This is how they made it happen.

Deals 1 & 2: Starting with nothing

Through all of his study, Shiral learnt about property options. An option is the right, but not the obligation, to purchase a property. That gave Shiral the ability to complete the deal before he was required to pay for it.

He found three vacant lots in north-west Sydney, engaged a builder, and sold them on as house and land packages. The option fee and the legal cost Shiral $40,000, but he created a profit of $150,000 on the deal in a matter of months.

This worked so well that Shiral did it again, turning a quick profit of $75,000 on another three-lot deal.

Deal 3: Bigger This Time

Dymphna had taught Shiral that it's best to become an expert in a small number of strategies, rather than running around and trying lots of different things. So Shiral went for another option deal, only this time on a parcel of 11 lots.

Using the same builder, Shiral created half a million dollars in profit, of which his share was $400,000.

"Successful completion of projects not only benefitted myself but also the people that trusted in me – thanks to Dymphna's Education."

DEAL 1: RIVERSTONE NORTH WEST SYDNEY
3 Lots sold as House & Land

DEAL 3: RIVERSTONE NORTH WEST SYDNEY
11 Lots sold as House & Land

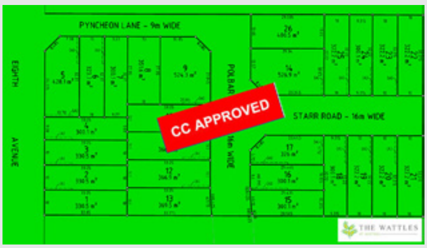
Deal 4: Into the big league

At this point, north-west Sydney was becoming too expensive, so Shiral went looking for deals in south-west Sydney. He did a letter-box drop himself, walking door to door on foot, dropping off bright pink envelopes with offers to buy.

This turned up a large three-acre property that Shiral engineered into a 26-lot house and land project. That deal alone has created over $2 million in profit.

Deal 5: A system that works

Shiral now has a system he knows and loves, and he has secured another 26-lot project in Sydney's south-west. The DA is with the council now, and it should also create several million dollars in profit.



DEAL 5: AUSTRAL SOUTH WEST SYDNEY
26 Lots Land Subdivision

Dreaming big, remaining humble

In just five years Shiral has created a personal fortune of over $4 million and has created an income stream of over $100,000 a year. He has quit his day job and finally has the time he wanted to spend with his family.

However, Shiral and Chani remain humble, and they currently sponsor five children in Sri Lanka through school and university. They want them to have the start in life that they had to fight so hard to achieve themselves.

Watch the full session of how Shiral and Chani turned $40,000 into $32 million of property deals in just five years by clicking the link below or going to https://youtu.be/CgnspXk6_6Y

PRE-DYMPHNA PROPERTY	VALUE	EQUITY	DEBT
PPR	$650,000	$200,000	$450,000
CREDIT CARD	-	-	$20,000
POST-DYMPHNA PROPERTY	**VALUE**	**EQUITY**	**CASHFLOW**
DEALS & DEVELOPMENT	$4,300,000	$3,020,000	$100,000

1.7. Construction

People don't always think about construction being part of the property investment family, but it's actually one of the most important pieces of the puzzle.

People also tend to think that construction is something best left to the big boys – old men with a fleet of excavators and a $100 million line of credit.

Look, if you want to build 200 storeys in the middle of the CBD, then yes, that's not a mum and dad type project.

But smaller scale construction projects are much more accessible than most people think. I've got students building new house, new townhouses, new apartment blocks – last year one student did a 65 lot house and land development project, by herself!

The one piece of advice I'd offer here is that you have to start small. Start with a knock down and rebuild, or a duplex. Don't launch into a 16-lot townhouse development as your first project.

There is just a lot to learn and you've got to get your project management skills up to speed. And if you make a mistake on a small development, you can bounce back from that. But if you mess up a big project, it can actually ruin you.

Construction is another strategy where local area expertise really comes into play.

You've got to know what parcels of land are going to be appropriate for each strategy, and how much you're willing to pay. You've got to know how to do Grid Variance Analysis (I'll explain more about that in the next section) and a feasibility study.

You've also got to know your builders – who's got a got a good reputation in the area? Who builds at the best price per metre? Who comes in under budget? Who goes over time?

It's not just about going with the first name that comes up on a Google search.

But if you can get on top of your systems – and it's something we can coach people through – then it really is a strategy that anyone can do.

1.8. Commercial

I'll just touch on commercial here, because we'll pick up on it again in the Resi-mercial Accelerator.

I actually think Australian property investors are too focused on residential, and are under-invested in commercial real estate.

That said, I generally recommend that students start with residential investment first because it is generally a more stable and safer context to be cutting your teeth.

Commercial property – and we're talking about anything here where people work – could be industrial factories to high-rise offices to small-scale retail – generally offers higher returns, but like everything in finance, that's to compensate investors for higher risks, and if you don't know how to properly manage those risks, then you can get yourself into trouble.

Now, if we're talking about how to manufacture capital gain, a lot of the same rules apply. As a general rule of thumb, the commercial cycle follows the residential cycle by 18-24 months, but it's not hard and fast. And since the commercial space is so diverse, you can have pockets of the market performing completely differently.

At the time of writing, we're still in the COVID cycle, and that's had different impact on the different commercial sectors.

Industrial has held up fairly well, because you can't take your car to Google for a service. Retail has been mixed – somethings still need person-to-person contact – you can't (or shouldn't!) go for DIY tattoos. Other retail – cafes, gift-shops etc – have been hammered. The office sector has been pummelled, but even there, there have been pockets of strength – like co-working spaces.

At any rate, the point is the commercial is a diverse space with a diverse range of opportunities, and with a bit of knowledge, many of the manufactured growth strategies you learn in residential can be successfully brought over into the commercial space.

1.9. Quirky Strategies

Ok, so ‘quirky strategies’ isn’t an official title, but I just wanted to point to the idea that there are a million ways to come at property investing. I’m sure there are still ways out there that even I don’t know about. There are still ways that haven’t been invented yet.

And this is what I love about property investing – It’s something you can get active with. With stocks, for example, there’s nothing you can do once you own the stock. You can’t influence what the company does. You can’t influence what the market does. You just hope you’ve bought well and see where it goes.

But with property, there’s always something you can do. That’s what I love about it. I like the control it gives me.

But just to flag a few of the quirky strategies that are out there, we’ve got vendor financing – where the seller helps you with the deposit, and you pay it off once you’ve improved the capital value or pulled together the money yourself.

There’s also rent-to-own deals, where someone pays the rent and a little extra to start pulling together a deposit, with an option to buy the property at a particular price down the road.

There’s also Seller-JVs. This is actually a great option for people who have more time for money. In this instance, you do a joint-venture with someone who already owns the property, to increase the value of the property somehow, and split the profits.

At the time of writing, we’re in the middle of the Covid pandemic and people are hurting. They’re sitting on all these large blocks, and they don’t want to sell them, they don’t want to move.

You could go in and negotiate and say, “Well, look, I’ll pay for the subdivision. I’ll pay for the fence or whatever we need. I know what to do. We’ll get an evaluation on your property now and we get an evaluation when it’s subdivided. Whatever you lose in that, you get paid that make up bit. I get paid back my subdivision cost, and whatever we make over and on top of that, let’s split it. 50/50.”

Do you know how many people would jump at that right now?

People who are sitting there on their properties going, “I don’t want to sell, but I’ve lost my job. I need money.” If you can’t do one of those deals now, you’re not trying. There are plenty of them around.

But look, at the end of the day, the only thing limiting you as a property investor is your imagination.

(… and the law. There’s also the law. Don’t forget that.)

2. SUMMARISE EACH STRATEGY

Now what I say to my students is that after you’ve understood the key elements of each is go and get your notebook or your journal, and write out a summary for each one.

Basically here, we’re just trying to understand the journey each strategy requires, and what each strategy requires of us.

So map out the key stages between conception and execution and exit. Get a sense for how long each stage is going to take.

Then write down what each one requires from you – is it time or money or both? How much equity would I need in order to do this strategy? How much time, skill-level, experience, and serviceability do I need to do it? And what kind of person do I need to be to do it?

Am I the type of person that’s happy to do this type of strategy?

Or do I need a more hands-off strategy?

Renovation takes a fair bit of work, whereas a subdivision’s not that hard.

A construction's not that hard. You're not doing the work. You're organizing. You're getting professionals to do the work, but you're not physically doing it. Whereas in a renovation, no matter how hard you try, you end up getting roped into doing something. It's always the hardest strategy.

So money, suitability, price point, time requirements, skill-level – all these are a part of the process of ascertaining if a strategy is right for you.

Then write down what each strategy gives you – is it a cashflow positive property to hold, or is it a cash pay-out?

Once we've done all this, then we'll have a better idea if a particular strategy is a good fit for us, and for our goals and objectives.

Only then are we able to actually get our hands dirty and get in the market.

3. TAKE YOUR TIME!

Okay. Now I really want to stress this. Take your time. Don't rush this process because time spent in the planning and understanding phase will not only save you money in the long term, it will also make you money. So don't rush this. Don't try and skip ahead just because it's not exciting.

Too bad – do the work.

Life Changed: **Sanders**

With the correct education and support you can take control of your financial future, like Sanders, who with 14 properties in six years turned dream and drive into millions.

Leaving his family behind in Zimbabwe to come to Australia was the hardest thing Sanders ever had to do. But it was a gamble that paid off, and Sanders has used a phenomenal run in property investing to set his family up for a life they never dreamed was possible.

Sanders flew into Sydney airport with $50 in his pocket. He sold everything he had to come to Australia, and it broke his heart to think of his wife and three children he had left behind.

However, he was doing this for his family, and he worked three jobs until he had enough money to fly them all over to join him. From that point on, he and his wife, Khumbu, worked tirelessly. As registered nurses, they worked multiple jobs at various hospitals across Sydney, often barely seeing each other between shifts.

In a few years, they had saved enough to buy their own place, and Sanders was committed to giving his kids a stable place to call home. A few years after that, they had saved enough to buy their first investment property – negatively geared and a bit of a dud in hindsight.

"I had to sell everything we had just to afford the flights. Not only did I leave my family behind, I left them with nothing."

However, it was the beginning of a journey with real estate, and in 2013 Sanders saw Dymphna Boholt talk at a one-day event, and was immediately impressed with her down-to-earth approach to property investing.

Using the strategies on offer through ILRE, Sanders was able to begin an incredible run of deals. In six years, he has bought 14 properties, delivered almost $1 million dollars in profit, and created $60,000 a year in passive income.

Not only that, with other members of the ILRE community noticing his amazing results, Sanders was able to earn $120,000 as a buyer's agent last year alone.

Looking back, Sanders is incredibly grateful for the opportunities he has received, and for the life that property investing has made possible.

This is how his dream became a reality.

Deal 1: New build, new beginnings

Having thrown himself into the education modules, Sanders was keen to gain experience with building and development, and his first deal was a new-build property in Western Sydney. Picking the land up for a bargain and building cheaply, Sanders was able to sell this one for a profit of $265,000 … which made the small cost of the ILRE training seem like a real bargain!

Deals 2 & 3: Off-the-plan, off the beaten track

With the confidence to invest outside of their own back yard, Sanders bought off-the-plan townhouses in Townsville and Newcastle. While this is a little outside Dymphna's playbook, these have been solid investments and gave Sanders useful experience in assessing development potential.

"When I came to Australia I was worth $50. Today I am worth $1.5m. It's been an amazing journey."

Deal 4: Stack 'em up

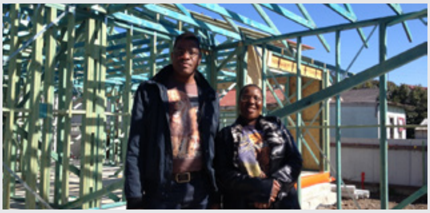
Sanders' training had shown him that there was often value in stacking different strategies together, and so for his next deal Sanders bought a run-down block on a large piece of land. Doing a cosmetic renovation on the house and adding a separate downstairs flat, Sanders was able to quickly flip the property on for a profit of $143,000.

Deal 5: Falling in love

It was Sanders' next deal that gave him a taste for what was to become his favourite investing strategy – finding large blocks in infill development areas, and adding multiple townhouses.

Finding a large block on Sydney's south coast, he purchased the property for $425,000, spent $900,000 on building three units on the site, and sold them all for $1.8 million, or a profit of $500,000.

It's easy to see why Sanders came to love deals like this so much.



DEVELOPMENT INFILL SITE – SOUTH COAST – MULTIPLE STRATEGIES

Purchase Price	$425,000
Total Building Costs	$1,300,000
Sale Price	**$1,800,000**
Profit / Equity	**$500,000**

BRISBANE INFILL SITE – MULTIPLE STRATEGIES

Purchase Price	$795,000
Sold 1 house	**$875,000**
Keep 1 House Rent Room by Room	**$1080/week**
Positive Cashflow	**$24,000pa**

Deal 6: Accumulation phase

Sanders then bought a property for $265,000 and spent $10,000 on a quick renovation. When done he had the property valued at $400,000, delivering some very handy equity to work with.

Deal 7: Take it across the border

Sanders then decided to take his strategies to Queensland, dividing a large block in two and putting a five-bedroom house on each block. He sold one house for $875,000, and rents the other one out as a boarding house for a positive cash flow return of $24,000 a year.

Deal 8: Another keeper

Sanders has another development deal in the pipeline, building a four-bedroom duplex in Albion Park, Sydney. This will deliver $250,000 in profit if he decided to sell, but since it will be positively geared to the tune of $15,000 a year, Sanders will hang on to this one.

Deals 9 & 10: Joint ventures

Members of the ILRE community were so impressed with the deals that Sanders was pulling together, that they approached him to go into joint ventures with them.

Coming on board as money-partners, where they provide all of the finance, the first deal will give Sanders a 50% share in a $280,000 profit, and the second a 50% share in a $320,000 profit.

The start of a legacy

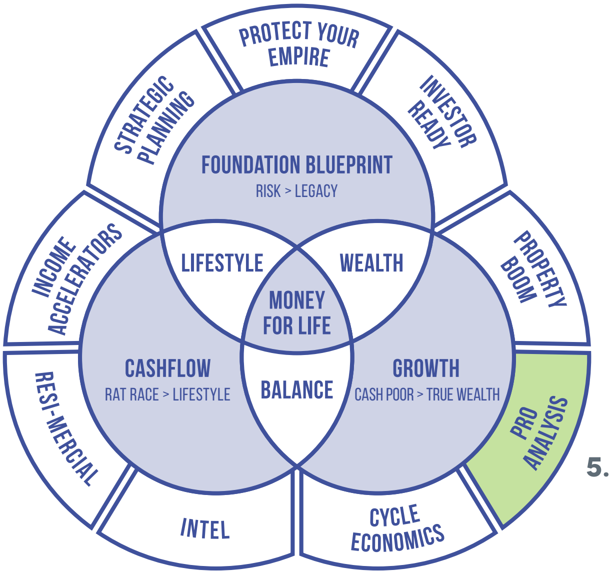
Sanders has now gone from working three jobs to working just three days a week, with plans to phase out working altogether in 2020. Sanders also knows that he and his family's future in Australia is now secure, and they finally have the freedom to live the life they were always dreaming of.

Watch the full session of how Sanders did 14 properties in six years – turning dream and drive into millions by clicking the link below or going to https://youtu.be/jpyUZHuOUtI

POST-DYMPHNA RESULTS	VALUE	DEBT	EQUITY	SOLD	CASHFLOW
GLENWOOOD – PPR	$1.25M	$750K	$500K	KEEP	$0
GRANNY FLAT	$120K	$100K	$20K	KEEP	$12K
GOROKAN	$400K	$180K	$220K	KEEP	$5.7K
CAMP HILL	$875K	$620K	$255K	KEEP	$24K
TULLIMBAR	$1.05M	$800K	$250K	KEEP	$15K
TOWNSVILLE	$465K	$260K	$205K	KEEP	$2.7K
JORDAN SPRINGS	–	–	–	$715K	–
JESMOND	–	–	–	$357K	–
MARKS POINT	–	–	–	$718K	–
ALBION PARK RAIL	–	–	–	$1.8M	–
TOTAL	**$4.16M**	**$2.71M**	**$1.45M**	–	**$60K**

Accelerator #5

PRO-ANALYSIS TOOLS



We're now going to move to the next accelerator, which is Pro-Analysis.

Here I'm talking about skilling up in the technical tools that professional investors use. This is about being efficient and effective in your property investment. It's about having the right tools for the job.

A lot of investors – even investors who have been in the game a long time – they don't realise that there are a lot of tools out there now that help you crunch the numbers and take the guess work out of investing.

Obviously I can't go into the tools in detail – they all have manuals of their own. But I'll give you a quick overview here of what I think should be in every investor's tool-kit.

1. GRID VARIANCE ANALYSIS

Grid Variance Analysis (GVA) is a tool I've developed myself (patent pending!) and brings together everything I've learnt over the years about analysing market data.

GVA is a tool to help you identify which suburbs are prime investment targets – where you'll be able to manufacture growth. It works in any property market – from New York to London to Caboolture.

And the great thing about it is that it helps you cut through the emotion. You're not investing in areas because they're "pretty" or "have lovely cafes" or whatever. You're basing your decision on actual data.

At any rate, this is the first tool I tell my students to get a hold of. Download the tool and start getting data-driven with your investment decisions.

2. FEASIBILITY STUDIES

Once you have used GVA to discover prime investment areas, a feasibility study (or what we affectionately call 'a feaso') will help you identify which strategy to deploy, and which exact property to invest in.

Very basically, a feasibility study crunches all the numbers in a deal and tells you if it's going to make you money. If it's not, then it's just not a feasible investment.

However, it can take investors some time to learn what data they need exactly to plug into a complete feasibility study. It's not just a matter of purchase price and sales price. You've got to look at your holding costs, your rates, renovation and maintenance costs etc.

Again, this isn't somewhere you want to be using guesswork. You need to get specific.

I've developed a software package for my students that will run a complete feasibility study for you. It also allows you to do "reverse feasos" where you can look at a recent sale, and work backwards to determine what purchase costs or interest rates needed to be to make the deal work.

There are different packages available, but I can definitely stand by the one we've developed. I know that it works, and many professional, full-time investors are using it.

3. GET DIRTY IN THE DATA

Since these tools make it so easy to crunch the deals on a market or a deal, I recommend that my students just go out and do dozens of them.

Take a look at a bunch of properties for sale and crunch the numbers to see what you would need to make that deal fly. Or find existing sales or developments, and do a reverse feaso to figure out what the developer or investor needed to have paid to turn a profit.

The trial a few different strategies on the same property, to see which strategies have legs and which ones don't.

Then do it all again, 20 times each!

I'm serious.

It's just a matter of punching in the numbers. It's not hard.

But once you've done a hundred or so feasibility studies across a range of markets, you start to get a very good idea of how the different variable – the purchase price, the LVR, the mortgage costs, the development costs etc. start to influence the final result.

This is the fastest way I know to develop the experience and 'intuition' of a seasoned property investor.

4. RETURN ON EQUITY ANALYSIS AND OPPORTUNITY COST ANALYSIS

One of the things you will understand as you develop a property portfolio is that it is no longer enough to find a 'profitable' deal. You want to find the 'most profitable' deal.

You also want to be able to look at properties in your existing portfolio and see if there might be better things you could be doing with that money.

Return on Equity Analysis and Opportunity Cost Analysis are tools that help you do that. They help you balance the figures against each other, and help you effectively compare apples and oranges.

So, they help you answer a complex question like, should you hold on to this little cash-cow you have with a solid bank of equity, or should you sell it and put the money into a joint-venture duplex development with an 18-month project timeline?

That's a complex question. There's a lot of moving parts there, and the ROE Analysis tool and the Opportunity Cost Analysis tool that I provide my students with helps you do it in a matter of minutes.

Again, you should be using these tools and crunching numbers on potential deals just for fun. You should run through different scenarios and start to get a feel for how all the pieces fit together, and where the best place for your money actually is.

5. SENSITIVITY ANALYSIS

While every deal is different, every investor is different too. Every investor is going to have a different approach to investing, and a different appetite for risk.

For example, if you're a young single at the start of your working career, you're going to have a much higher risk tolerance than a older couple a the edge of retirement, determined to protect their nest-egg.

Sensitivity Analysis helps you get a better feel for the risks involved, and gives you another way to compare deals.

For example, you might actually prefer a deal that delivers a projected $90,000 profit, with a worst-case scenario of a $60,000 profit, to a deal that delivers a projected $150,000 profit, with a worst-case scenario of -$20,000.

I actually follow a 'Three Door Philosophy' with my students.

So basically, with any deal, you imagine three doors.

With the first door, everything goes according to plan, and you imagine what that money is going to set you up to do.

With the second door, you imagine the worst-case scenario. What if interest rates spike? What if rents fall? What if your JV partner dies? What if your plans get tied up in council? Be realistic – there's no point running projections on an apocalyptic asteroid strike. But identify the risks and the downsides.

Once you've done that, ask yourself, can you survive? If everything goes wrong, is it going to break you? Is it going to send you bankrupt? And if it's going to break you, then just don't do it.

With the third door, imagine you do nothing. Nothing changes. You don't learn anything. You don't grow. There's no profit and no progress.

If you find yourself taking this door, deal-after-deal, then it's likely that you've got something else going on. Maybe it's about self-worth. Maybe it's about money blockages.

But you're probably going to have to work on your mindset.

At any rate, the sensitivity analysis tools I've developed can help you peak behind each of these doors, and pull out deals that match your risk profile.

What If I'm Having Trouble?!? I'm going to be pretty hard on you now.

If you are having trouble finding the right strategy, if you are having trouble finding the right deal, if you are having trouble deciding on an area to invest in, if you are feeling confused about what to do next, there is one simple answer.

You simply haven't done enough work and you're not following the system.

DO THE WORK. & FOLLOW THE SYSTEM.

Do the work. Follow the system. Because the system will actually guide you through the process to achieve your desired outcome.

If you're finding yourself frustrated because you can't find a deal, you haven't done the work. That's what it comes down to.

You haven't done enough reverse feasos. You haven't done enough grid variance analysis. You haven't done enough work to put yourself in a position to be able to go, "That's the deal I want, and this is why".

Life Changed: **Desley**

It's not all bad news, here's the true story of a farmer who'd never paid an electricity bill herself who with the right education, set her family up with a tax-free income of $160,000 a year!

Desley had spent her adult life on a farm. Her family had been through it all: droughts, floods – you name it. Though her husband was a fourth generation farmer, Desley could see that the stress was taking its toll. In 2015, they decided to sell up, which gave them something of a war chest to work with, but they needed to create income – and quickly.

Desley, her husband, Murray, and their four kids left their farm in Queensland with nothing. Their furniture was 30 years old, so they put it all in a pile and set fire to it. Shortly after arriving in the Sunshine Coast, they started burning through their savings. They desperately needed a source of income but as they'd been farmers all of their lives, they didn't know where to turn.

At the time, their investment advisor recommended managed funds but Desley and Murray wanted something that 'they could touch'. When Desley stumbled across an ad for Dymphna Boholt's one-day seminars, she was keen to learn more.

"As soon as Dymphna started talking about asset protection Murray was hooked. We'd come close to losing our farm a couple of times."

Murray had always taken on the responsibility of the farm, so Desley wanted to give him a break and was adamant about doing the course herself.

Joining Dymphna's Ultimate Program and then Platinum Program was a steep learning curve. Desley had never done anything more than buy the family's food and clothes. In fact, she'd never even filled out a tax return.

However, the Platinum Program gave her access to some of the leading property experts in the country who helped her pull off the deals that she made later on.

Desley and the team knew that commercial real estate was the best way for them to generate income quickly. They were at a stage in their life where using a self-managed super fund made sense and they purchased a set of storage sheds for $450,000 and then followed that up with a $2.3M retail complex.

These two deals were enough to create a yearly passive income of $160,000. Furthermore, since Desley and Murray are pensioners, this money is tax-free! This is how

Desley did it.

Deal 1: The Low-Ball Offer

Desley and Murray used the money from the farm sale to purchase their new home on the Sunshine Coast outright, which gave them some stability. However, they were burning through their savings and needed some money coming in.

Desley looked at half a dozen deals before landing on one. Each time she went through the feasibility studies, the contracts and the negotiations, she learnt a little bit more. Finally, she came across a set of 31 storage sheds in Townsville. The vendors were a couple in the middle of a messy break-up and, with Townsville in a bit of a soft patch, they wanted to get out.

The sellers had an asking price of $800,000, but Desley decided to throw them a low-ball offer of $455,000. Murray worried that it might be insulting, but the vendors went for it!

The complex earns $42,000 a year, which puts $33,000 a year into their pockets after costs. Better yet, some of the sheds are still available for rent which means even more income.

DEAL 1: 31 STORAGE SHEDS	
Asking Price	$800,000
Purchase Price	$455,000
Gross Cashflow	$42,000 PA
Net Cashflow	**$33,000 PA**

Deal 2: Knock Half A Million Off

Although the success of her first deal gave Desley some confidence, her next deal really pushed her out of her comfort zone.

A friend of Desley's had recently put an offer of $2.8M for a shopping centre at Yeppoon, which full capacity of seven tenants. The vendor's asking price was $2.88M but when Desley and her team crunched the numbers, they realised they could only make it work if they got it for less than $2.4M. She put in an offer of $2.325M, which the vendor accepted with one condition: they needed to close the deal within the week.

"Seriously, without ILRE, without Platinum and the whole team, I would still be chasing my tail, with no idea what I was doing. I couldn't have done this alone."

DEAL 2: SHOPPING CENTRE

Asking Price	$2,880,000
Purchase Price	$2,325,000
Net Cashflow	**$130,000 pa**

With her team and the guys at Pacific Law working over time to get the right structures in place, Desley and Murray drove seven and a half hours up to Townsville to inspect the property and close the deal. They signed the contract in a service station in Rockhampton, and the vendors signed the next day.

All told, the complex will pay Desley and Murray a passive yearly income of $130,000.

Off-Farm Income, Off-Farm Lifestyle

Desley has achieved what she set out to do; she has taken the financial burden off her husband's shoulders and set her family up with stable, tax-free income.

She has also found the strength and stability that comes with having multiple sources of income.

Now, Desley is passionate about sharing her newfound knowledge with rural communities across Australia. Many farmers struggle with the intense financial pressures of farm life and Desley believes that our tragically high rural suicide rates reflect this. However, if we can set farmers up with sources of off-farm income, then she believes that this will alleviate some of that pressure.

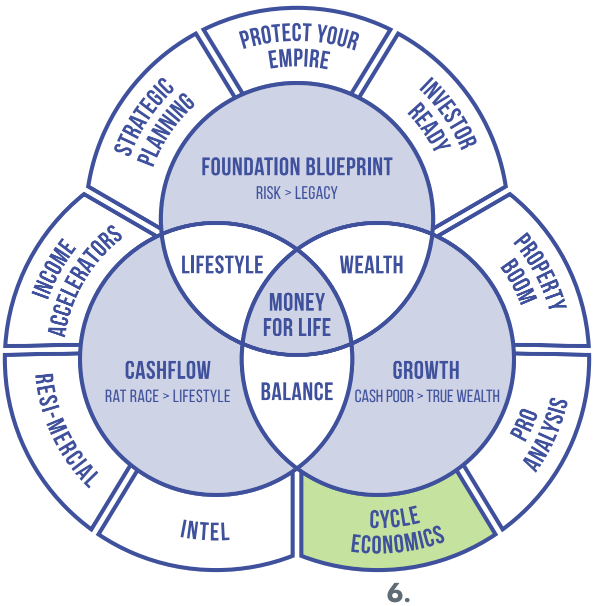
It's a worthwhile cause that Dymphna Boholt has signed up to. It looks like there's no stopping Desley and we wish her the very best of luck.

Watch the full session of how Desley set her family up with a tax-free income of $160,000 a year by clicking the link below or going to https://youtu.be/IGXDbdmPUug

PRE-DYMPHNA			
Property	**Value**	**Equity**	**Nett Cash Flow**
PPR $920K	$920K	$0	
SMSF	$1.8M	$1.8M	$0
Cash $300k	$300k	$0	
Total $3.020M	**$3.020M**	**$0**	

POST-DYMPHNA			
Property	**Value**	**Equity**	**Nett Cash Flow**
PPR $1M	$1M	$0	
Storage Sheds	$445K	$445K	$33K
Shopping Centre	$2.88M	$1.88M	$130K
Total $4.325M	**$3.325M**	**$163K**	

Accelerator #6
CYCLE ECONOMICS



Let's now move on to Cycle Economics.

Cycle Economics is another accelerator and some of you are going to get very excited about it and others are going to simply roll your eyes and groan, "Ooh, I hate this".

Either way, a broad understanding of how markets work and of what stage of the cycle we are in is essential to making good and profitable decisions in the property investing space.

In fact, it's an absolute must. How do we do that?

Well, within I Love Real Estate, you are actually very lucky because I spend a lot of time on this. I do webinars on it, I write a lot of blogs. There's a lot available to you if you're part of the community.

1. STAY UP TO DATE WITH WEBINARS AND FACEBOOK POSTS ON THE MARKET

The first thing is, we need to stay up-to-date with the webinars and Facebook posts.

Even if you're not part of the closed Facebook group we have, you can follow me or subscribe to my blog, and you'll get a lot of value out of that.

I generally do at least two economic deeps dives every year. But in times like this, I can't even fathom how many I've done in the last six months because things are constantly changing. Everything's in such a state of flux. But I'm always on top of what's happening there, and explaining why the market's moving in a certain way and where the opportunities are.

Just stay on top of that stuff. So stay connected to I Love Real Estate.

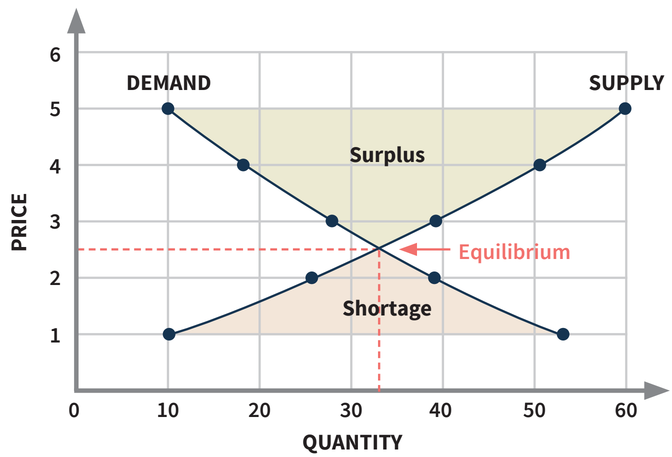
2. MAKE SURE THAT YOU ARE ACROSS THE DEMAND AND SUPPLY CONVERSATION FOR MARKETS AROUND THE COUNTRY

You have to make sure that you are across the demand and supply conversations for markets around the country, and the underlying fundamentals that affect the demand and supply curves for any given area.

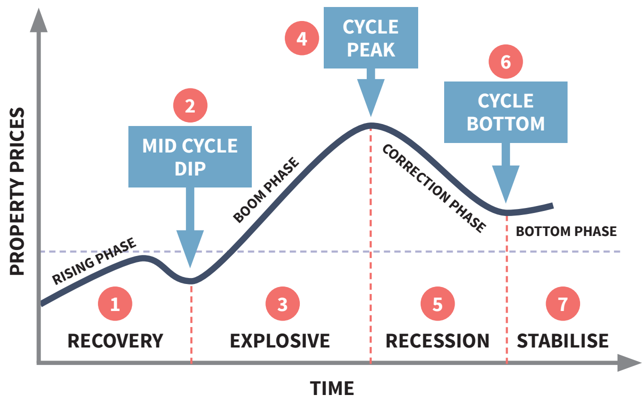
The Essential Demand-Supply Framework

Now, when you understand these, on a suburb-by suburb, town-by-town, and state-by-state basis, you can start to identify where the opportunities are going to be most likely. You'll need to review the training on fundamentals, as well as the difference between the fundamental economist and the chartist.

3. REVIEW THE TRAINING ON FUNDAMENTALS AND WELL AS THE CHARTISTS CYCLES



Above is the fundamentalist view, where you're looking at all the fundamentals like population, interest rates, inflation, unemployment, industries and infrastructure that affect the demand and supply curve and where the economic equilibrium is.



Above is a typical market cycle.

Now, right now, at the time of writing, we're at number two. We are at the mid-cycle slowdown in our classic 18-year cycle. That's where we're at.

From peak to peak, over the last hundred, odd, years in Australia, the cycle has been roughly 18 years in length.

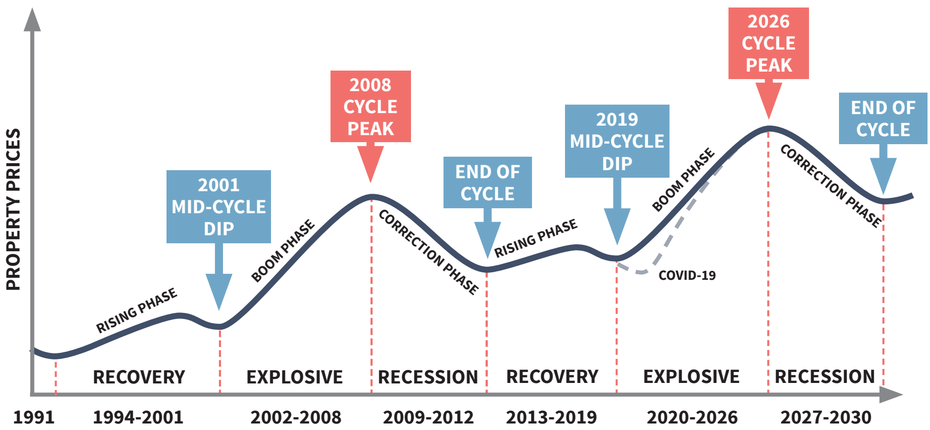
With one exception, being the end of World War II, where it was actually 25 years before the next cycle started again.

That was mainly due to people coming back from the war, and the government throwing massive amounts of money at the economy, which artificially prolonged that particular cycle.

But other than that, the 18-year cycle has been pretty consistent.

In America, if you average it over the last 238 years, the average comes in at 18.16 years. They're pretty regular in this process. It is also similar in the UK.

As I said earlier, stay on top of this stuff, because I do go through this on a regular basis.



If we accept that we are at the mid-cycle slowdown of our classic 18-year cycle and we extend that cycle out to 2030, you see we are likely about to start the boom phase of the cycle. Peaking in 2026-27.

You cannot afford to miss this second half of the cycle. We won't see an opportunity like this again for over a decade!

FREE GIFT - BRAND NEW ONLINE MASTERCLASS

Discover How To Fast-Track Your Real Estate Success in 2021

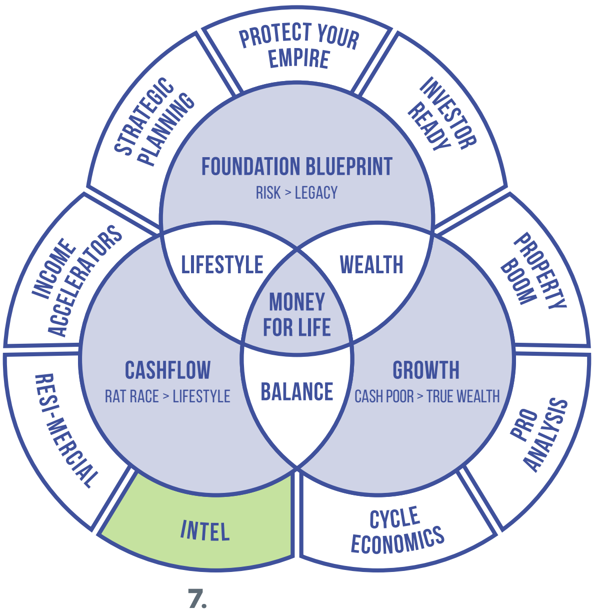
7 Reasons You Must Attend This Brand New Online Class

- **Find Out Exactly Where House Prices Are Heading –** This little known 18 year property super-cycle has accurately predicted price movements for over 150 years. And it's doing it again.
- **Create Your Own Property Boom** – Don't wait for the market to move. Discover how investors have created capital gains of $30,000 in 4 weeks … $40,000 in 8 weeks … and even $120,000 in 7 weeks.
- **Positive Cashflow Strategies** – How to enjoy lucrative returns from your properties and put money in your pocket every month.
- **Tax Secrets Of The Rich** – Discover how the wealthy pay far less tax, and how you can potentially slash your taxes by thousands of dollars a year just like them – completely legally.
- **Real Case Studies** – Case studies of ordinary Aussies just like you who replaced their income quickly. What they did, how they did it and how you could do it too.
- **Protect Your Wealth** – Australia is the second most litigious country in the world. Don't lose your wealth to a lawsuit. Do this and make yourself virtually bullet-proof and give yourself total control over your assets.
- **Quit Work Sooner** – Discover how you could potentially replace your income and retire in as little as 3 – 5 years from today.

TO SECURE YOUR SPOT CLICK THIS LINK

Accelerator #7

PROPERTY INTEL



Let's talk about Intel, in particular, Property Intel.

Property Intel is about understanding the fundamentals of property investing: before and after tax, positive and negative gearing etc.

It is also about understanding the characteristics of different styles of positive income properties.

It's really also about being able to convert negatively-geared investment properties into positively-geared investment properties, blowing off the negative and going into the positive, which is really where you need to be.

1. IDENTIFY YOUR WEAKNESS

The first thing we have to do is figure out where our weaknesses are in terms of our financial situation.

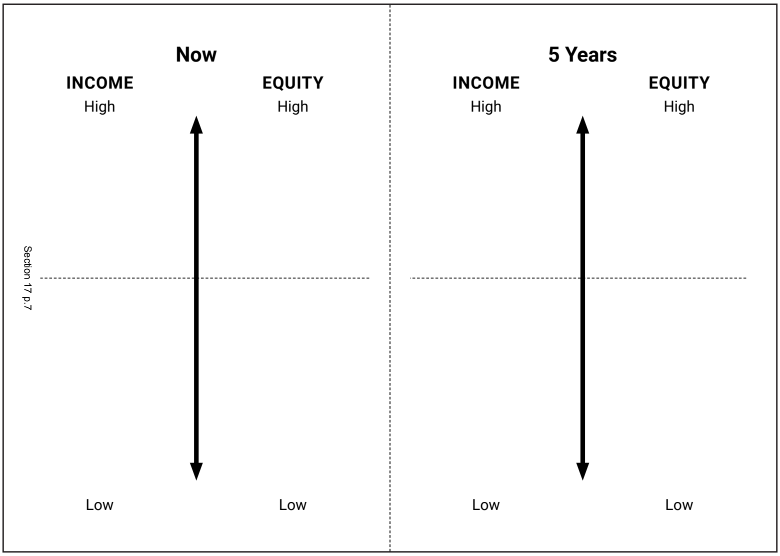
Remember, the idea is the core elements of wealth and cashflow are balanced. If you build wealth without cashflow, you'll be rich on paper, but you'll still be slaving away in your day-job to pay the bills.

On the other hand, if you build cashflow without equity, then at some point the banks are going to pull you up and you'll be stuck.

So the ideal and ultimate portfolio balances wealth and cashflow, but it is also a useful ideal to hold at every stage of the journey.

Even if we're at the very beginning, bringing these elements into balance will put us in a stronger position, and power us to keep moving forward.

There's a simple exercise I do with my students. I get them to do up the following chart on a piece of paper.



Here we're looking at our income on one side and our equity and wealth on the other, and then rating them as high, low or average. I don't need you to compare your income to the exact median Australian Full-time wage earner or whatever. It's about what you think.
Once you've done that, put a blob or a mark for each one, then draw a line between the two.

Now, the slope of the line is going to tell you what you need to focus on. If you're income is low, but your equity is high – so you might be a retiree for example – then that tells us that we need to focus on an income deal.

On the other hand, if you're income is high but your equity is low – maybe you're a young fellah working on the mines for example – then we need to do a chunk deal to build up your equity.

If you're line is flat, but low, then I have a basic rule of thumb: if your available working equity (AWE) is less than $200,000, then you need to do a chunk deal first.

You've got to do a deal that starts giving you something to work with.

And if you line is flat, but high – which is to say that your income is high and your equity is high – then you can do whatever you bloody well like!

2. UNDERSTAND THE DIFFERENCE BETWEEN NEGATIVE GEARING AND POSITIVE GEARING

There's a lot that's been written about this – I've done a number of master-classes on it if you're part of my network – so I wont' go into it again. But get your head around how gearing works.

3. ASSESS ALL CURRENT PROPERTIES FOR POTENTIAL TO TURN INTO POSITIVE CASH FLOW

Assess all the properties you currently own for potential to turn into positive cash flow. We'll talk more about strategies for doing this in the "Income Accelerators" section.

4. UNDERSTAND THE PURCHASING SPIRAL

It's important to understand the calculations of the negative gearing purchasing spiral versus the positive purchasing spiral.

When you are negative gearing, it hurts. It costs you money.

Every property is basically a mini- losing business. Every property you have puts you in a worse position to go out and buy the next one. The banks don't like you as much. They won't lend you as much money, which means you've got less money to put into the next investment.

You may get a pay raise or great-aunt Bertha dies or your property goes up in value – whatever. You may get to a point where you can afford another investment, and maybe even another one, but eventually you'll invest yourself into a corner where you simply can't move forward.

Conversely, when we look at the positive purchasing spiral, every single property puts you in a better position than you were in before you bought it because you've got more money.

The banks like you more. They want to lend you more. And because you continue to do what you're doing, and because you're getting more and more profitable, the positive gearing spiral really starts to exponentially accelerate your movement forward.

If you're too heavily focused on negative gearing or even on keeping properties that are just mediocre, you can get stuck from a financing perspective.

5. CALCULATE THE REAL POSITIVE OR NEGATIVE CASH FLOW ON EXISTING PROPERTIES

I want you to calculate the real positive or negative cash flow on your existing properties. Now, that is, without the depreciation, without tax and all the rest of it. Are you actually making or losing money?

A lot of people wouldn't know the answer to this question. They know there's a mortgage and that there are a few costs, but when they actually add it up, it really solidifies whether they're positively or negatively geared.

6. CALCULATE THE PASSIVE INCOME YOU NEED TO REPLACE YOUR INCOME TODAY

After this, I want you to calculate what amount of passive income you need – and I've underlined need, because it's not about what income you want but what you actually need – to replace your income today.

It's not about what lifestyle you'd like to become accustomed to living on. This is about – if you were to get the sack tomorrow – what could you minimally live on?

That is a figure you need to know.

The reason for this is because I believe your first peg in the sand goal is to actually replace that amount of income, as it recession-proofs you.

It gives you a position of security because no matter what goes on out there in the big wide world, you've got a safety net. You've got security around you. I think that's very important.

7. ESTIMATE HOW MANY PROPERTIES YOU BELIEVE THAT WOULD EQUATE TO

Then, I want you to estimate how many properties you believe you're going to need to make that happen. How many properties do you need to replace your need income?

Work that one out. It's going to be a bit of a guess, but it'll really make you think through what strategy you need, how much passive income does this kind of strategy create, et cetera, et cetera.

8. CALCULATE THE DIFFERENCE BETWEEN POSITIVE GEARING AND USING THE MONEY TO PAY DOWN DEBT VERSUS NEGATIVE GEAR AFTER THE TAX SAVING.

Calculate the difference between positive gearing and using the money to pay down debt, in particular on your home. Whatever extra income you receive and use to pay down debt, this is negative gearing after the tax saving.

Make sure you calculate right to the end where you hypothetically sell the property and have to pay capital gains tax at your higher marginal tax rate.

Also take into account that in order to get the negative gearing benefit, your investment property and probably your home would be exposed with no asset protection.

9. JOURNAL YOUR THOUGHTS AND CALCULATIONS

Make sure you journal your thoughts and your calculations on this.

Now, there's a very good stage presentation that I've done looking at how all this plays out on two similar properties.

They were real people and it was their real circumstance. They kept the property for seven years and then they sold it. I worked out the difference between if they'd bought it in a trust and had asset protection, versus just paying that money down off their principal place of residence.

This is buying the same property, not being able to claim the negative gearing and just accumulating the profits, accumulating the losses, and then selling both properties.

They were streets ahead by having the property in a protected structure over all of those years and not having to pay the high capital gains tax, than having it in their own names and having the benefits of negative gearing through the process, but having the asset exposed and having to pay capital gains tax at the higher marginal tax rate at the end.

It'll absolutely shock you.

Income	$0-$18,200	$18,201-$37,000	$37,001-$90,000	$90,001-$180,000	$180,001+
Tax Rate	0	19c	32.5c	37c	45c

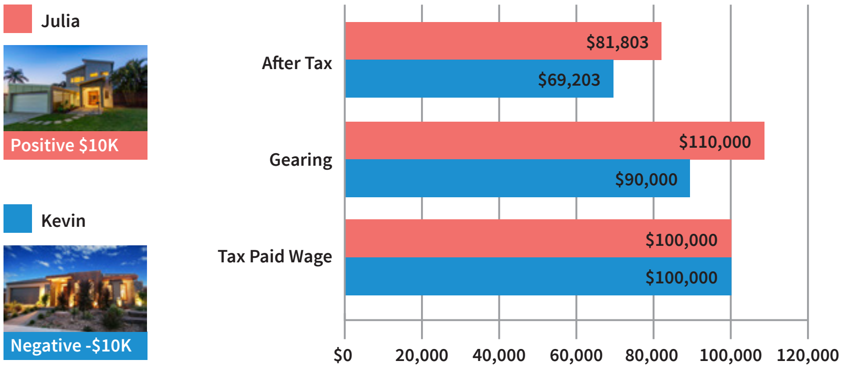
These are the tax rates that are out at the moment. They change from year to year, but that's where they are at the moment.

The company tax rate is actually coming down for active asset businesses – from 27 cents to the dollar down to 26 cents, as of the 1st of July next year.

For passive income in a company, it's still going to be running at 30 cents to the dollar.

PAYING TAX IS GOOD!

I just thought I'd add this. I really want to bring this home: the difference between positive and negative gearing.



Let's take Kevin and Julia.

Now, Kevin goes off and buys a negatively-geared investment property of $10,000. That's negatively-geared 10K a year.

Julia goes and buys a positively-geared investment property of $10,000 a year.

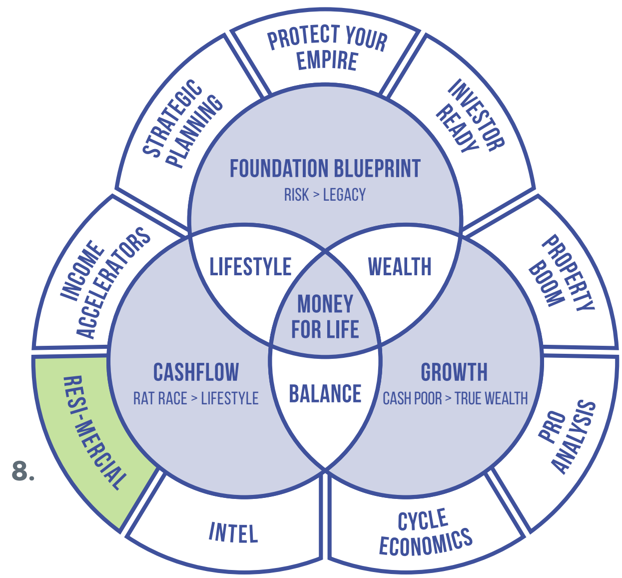
They both earn $100,000 dollars. Kevin earns his $100,000 dollars, and because he's negatively-geared when he has to lodge his tax return, he pays tax on $90,000, because the other part is negatively-geared. After tax, he ends up with $69,203, after tax, so he ends up in real money.

Julia, on the other hand, also earns a $100,000 but she has to pay tax on $110,000 because it's positively-geared. So after tax, she ends up with $81,803. That's the tax rates for this year. Overall, Julia is better off than Kevin by $12,600. That's got to speak volumes to you.

But I still have people trying to argue with me that negative gearing is the way to go. It just isn't.

Accelerator #8

RESI-MERCIAL



Let's now move to Resi-Mercial.

What am I referring to here? Well, Resi-Mercial sometimes refers to a style of property that has mixed use. So a building that has a shop downstairs and an apartment upstairs, you could call that 'resi-merical'.

But what I'm really talking about here is the way you build a portfolio that has the right balance of residential and commercial property.

Now, for investors at the start of their journey, commercial either looks too hard or too exciting.

It looks too hard because you have to come up with larger deposits to get into it, the financing is a bit trickier, and people don't get how negotiating with a commercial tenant works. And so it looks too hard.

On the other hand, some investors see the higher yields on offer and want to rush in without doing their research.

Commercial property almost always has higher yields than residential property, but that's because the risks are different. Tenants will generally stay for longer, but when you have a vacancy, that generally lasts a lot longer too. So the risks are different.

However, once you understand the risks, and once you place commercial properties in the context of a balanced portfolio, I think every investor needs to be considering at least some commercial holdings in their portfolio.

That said, I still recommend that investors cut their teeth in residential for a few years first, before making the step into commercial.

The other thing that commercial does is give you some cyclical protection. Typically, the commercial cycle lags to residential cycle by about two years.

That's not a hard and fast rule, and there's a lot of diversity in the commercial space, but whatever the lags actually are, a resi-merical portfolio will have a smoother ride through the cycle as the residential and commercial components balance each other out.

1. LEARN TO THINK LIKE A COMMERCIAL TENANT

Many of us find it easy to look at a residential property through the eyes of prospective tenants. We have a pretty good idea whether a property will be good for singles, or young families, or retired couples or whatever. However, unless you've run a business yourself, it can be a bit trickier to think about what a commercial tenant needs.

Because really what you want to be doing is creating an asset that helps your tenant make more money. If your tenant is able to make more money with your property, then they're willing to pay more for it. If they're willing to pay more, then the yield and the value of the property obviously goes up.

Depending on the sector you're in (e.g. retail vs industrial), that's going to mean different things. Does the tenant need street frontage and signage? Do they need storage space or wet-areas? Do they need undercover work-areas, or somewhere you can turn a crane around?

Again, that's going to require a bit of local area expertise – you need to understand what businesses are operating in your area, and what they're going to need.

But this is the question that is the key to understanding how to create value in the commercial space: "How can I help my tenant make more money?"

2. DETERMINE YOUR INITIAL PREFERENCE

You need to determine your initial preference for either residential or commercial investments.

Some of you are going to be making this decision out of a bias against commercial investments, in normal circumstances. Others will take a more educated approach, thinking that, right now or over the next couple of years, you're going to see some amazing opportunities in the commercial sector, but you've got to be responsible about it. There's a lot more to learn in the commercial sector. There's a lot more to understand. There's a lot more analysis and due diligence that is required, working with your solicitors on leases and things like that.

So before you get into commercial, or consider it as part of your portfolio mix, you really need to do your homework. I've got a bunch of master-classes on it, but whatever the case, you need to identify the key differences between commercial and residential, and understand what that means for your goals and objectives.

3. HOW DOES RESI-MERICAL WORK FOR YOU?

You now need to map out the pros and cons for each based on your current starting position. What's the ideal mix of resi-merical given where you're at right now.

For example, if you are equity rich and cash flow Poor, financing a commercial deal may be easier than doing a residential deal. But if you're cash flow rich (i.e. you have a good job) but equity poor then the reverse would be true and a high LVR (loan to valuation ratio) PPR (principal place of residence) deal might work better.

I actually believe it's ultimately going to be a balance of the two, but you need to map out the pros and cons for each, based on your current starting position. Some of you are going to suit commercial deals, and some of you are going to suit residential ones first. That's where you need to go through the training and work out which one is really you.

4. DO SOME HYPOTHETICAL PURCHASES AND SEE HOW THE NUMBERS PLAY OUT

I'd now recommend taking your situation into account and doing some hypothetical purchases of both residential and commercial properties to see how the numbers play out. Just work through, in your circumstances, what would happen if you bought this property. What kinds of expenses are there going to be? What kind of mortgage would you have to be paying? How long before it pays itself off? All of these things.

Do some "what if" scenarios. If you are concerned about maybe having a tenant vacate for a period of time, what would that look like? Actually, work it out. Do some hypothetical use. Do some hypothetical future planning as to what that might actually look like and get yourself comfortable with one or the other, or both. I actually feel you need both. I think that in the long term, both will serve you better than just concentrating on one or the other.

5. JOURNAL YOUR THOUGHTS AND CALCULATIONS

Journal your thoughts and your calculations. Again, you're creating this amazing manual to be able to go back to.

Life Changed: **Melissa & Phil**

These two are so inspiring. I hope you get to meet them one day. With $80,000 a year negative cash flow bleeding them dry Melissa and Phil knew something had to change.

Melissa and Phil always had businesses. They liked to keep busy, but working seven days a week to keep the businesses going was getting too much and they began to look for other solutions.

They already had several industrial properties and a couple of poorly performing houses in regional Victoria. The losses on the properties had become hidden in their business expenses.

It wasn't until they saw Dymphna live that they took a closer look at their numbers and realised that they were being bled dry by these properties.

In addition to negative gearing they had also made many of the common mistakes investors make: trust issues, properties in their own name, incorrectly set-up self-managed super fund...

They realised that the best place to start was with what they had.

Deals 1 & 2: Manage your managers

The two under-performing investment properties they owned had been left to rack and ruin, with one of them untenanted and the other with under market rent.

They took Dymphna's advice about managing the managers and cut better deals, putting up the rent on one and, after a quick reno, getting the other one tenanted. Both properties came with stricter contracts about how the properties were to be managed. Both now are positive cash flow and being properly maintained.

Deal 3: Modular Import in the NT

Another property they owned in Northern Territory had a large back yard which was under-utilised. Melissa and Phil began to explore modular options to build a self contained dwelling in the rear to create extra rent. This modular build created $14K passive income on a property they already owned!

Deal 4: Industrial land Storage Units

The two side by side industrial blocks which were doing nothing but costing them money became the next topic of discussion. After some investigation they found that flexible storage sheds were needed in the area and once built and rented out, this one move transformed an empty block that was costing them -$46K a year into a sought after industrial property making them $40K a year.

Deal 5: Parma & Pot Pub

While they were developing a plan for the other block next door they found a pub for sale in country Victoria. Melissa had been watching this one for a while and knew that at the right price it would be a great deal with plenty of upside.

COUNTRY VICTORIA UNITS SMALL RENOVATION

Painted, freshened and fixed inside and out.

Original cost:	$115,000
New rent after reno:	$270 p/w
Positive Cash flow	over $13,000 pa

MODULAR SELF- CONTAINED DWELLING IN THE NT

Under-utilised large back yard.

Property Rent:	$53,820 pa
Cash flow Positive	$14,226 pa

They got the pub in the end for $100K less than the reserve and it turned out to be cash flow positive from day one. The property came with a tenant (the publican) and in the renegotiation of the lease they took control of the backyard, which was unused.

Eventually Melissa and Phil will build units and a drive through bottle shop in the back yard, the intention being that someone else will run the business. The pub also comes with 11 guest rooms which they may turn into a separate business at some point.

Deal 6: Guest house conversion

They decided that they had a knack for this kind of deal so they landed themselves a guesthouse in a small country town

The guest house was ugly and in desperate need of a renovation. By this stage Melissa and Phil had earned a bit of a break so they arranged for all the works to be done while they were on safari in Africa. They returned to launch their newly refurbished guest house and complete the last details to get the bar open so they could serve drinks.

In addition, the guest house came with an attached laundromat. They've added a few extra machines and opened it 24/7. Now it makes around $160 a day profit and that's not even counting the fact customers now drop their washing off and head into the guesthouse bar for a coffee or a wine while they wait.

Previously customers had to go across the road to the petrol station for a bad coffee, needless to say they are loving their laundromat weekly ritual now and Melissa and Phil have substantially added to their cash flow.

Deal 7: Deer Park Shops

The most recent deal was another deal that Melissa had been watching for a while. A group of seven shops in deer park which were very dirty and run down. Due to the high price asked for the shopping centre and the subsequent lack of interest, Melissa was able to negotiate harder by making a lower offer and a five-month settlement as part of the conditions.

Melissa had noticed that there were several people at the auction who wanted single shops but no-one who wanted the whole thing. They set about cleaning and repainting the shops, re-tiling some areas and generally making the place look like a good place to run a small business from.

Within 10 weeks they had completed their works and put all the shops back on the market to be sold at auction. Sadly no-one bid at that auction, however, thanks to some good planning and a great agent, all seven shops were sold within two days to small business owner occupiers.

This quick turnaround earned Melissa and Phil $415,000 in profit, but the real win was that they kept the title on the carparks and also the air rights to the maximum building height.

Using these air rights, they are installing four panel signage and solar panels. The signs will be leased to advertisers on five-year contracts at $15,000 pa per panel. The solar panels should return $5,000 pa, so the air rights will generate an additional $65,000 pa. And it doesn't end there as they are also seeking a development approval to build another three storeys above the shops.

"Our aim was to be $200K passive income, but we've ended up doubling that."

HEATHCOTE GUESTHOUSE RENOVATION & CONVERSION
Turn 7 room guesthouse into 13 room motel with a bar, outdoor deck area and a restaurant.
Equity gain: $200,000 Looking to sell business.
Maintain an $80,000 per year lease to start.

DEER PARK COMMERCIAL SHOPS
9 BUSINESSES, 7 TITLES
Extended settlement to enable us to renovate and sell off before we paid for the property.
Renovated, Marketed and Auctioned in 12 weeks.
$400,000 profit and up to $600,000 uplift.

PROSPECT PLACE – WAREHOUSES WITH RESIDENCES
Construction date set for 2018. Will build one and continue from there. With over 1000 enquiries on the project I have no doubt.

SMALLER AFFORDABLE UNIT DEVELOPMENT
If we keep we will make approx $200,000 in equity and $31,000 positive cash flow. If we strata and sell, we will make between $380,000 and $400,000

The one that's in the pipeline

Using the unused piece of industrial land next to their storage sheds, Melissa and Phil have developed a new concept in industrial buildings, getting approval to build several factories with houses on top. They did some research and got over 1,000 expressions of interest from small business owners who loved the idea of being able to run their business from home, but need a warehouse.

It's a new concept that people have never heard of before, so they are planning to build one to use as a display home/factory that people can actually see, feel and imagine themselves in.

It's been a massive few years for Melissa and Phil but they are loving the journey, the creativity and especially the free time they have created for themselves in the process.

Watch the full session of how creative strategies and out of the box investments have transformed Melissa and Phil's lives by clicking the link below or going to https://youtu.be/E7PL4Q0VHjM

MELISSA & PHIL PRE-DYMPHNA

PROPERTIES	EQUITY	INCOME	EXPENSES	CASH FLOW
7	$670,123	$64,740	$144,480	-$79.740

MELISSA & PHIL'S PORTFOLIO 2017

PROPERTIES	EQUITY	INCOME	EXPENSES	CASH FLOW
10	$3,155,795	$433,563	$261,418	$172,145

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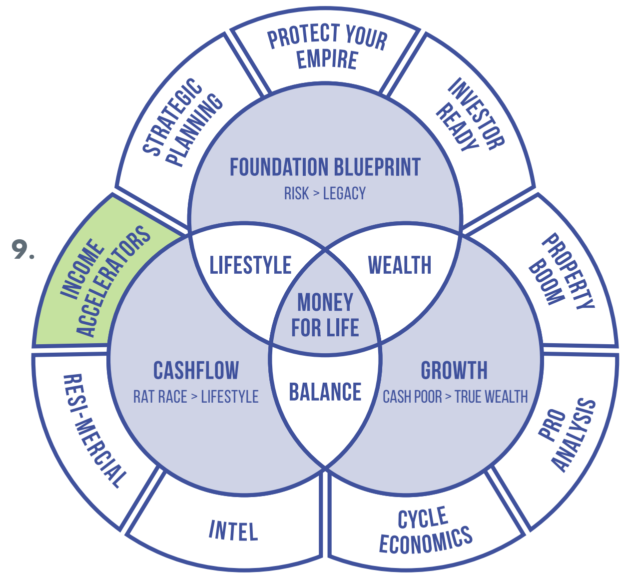
Accelerator #9

INCOME ACCELERATORS



Let's now move on to the Income Accelerators.

This is about increasing the income return on individual properties and your portfolio.

Now, passive income properties exist absolutely everywhere.

I don't care where you live around Australia, or even around the world. I can tell you how to find positive cash flow properties wherever you are. Even in downtown Sydney, Melbourne, or anywhere else.

However, the more metropolitan the property is, the more likely it is that it is going to have to be a manufactured-income property.

You're going to have to do things to them to create positive cashflow. So that's what we're going to look at in this section: different strategies for improving the cashflow return on investment properties.

Remember, cashflow is one of our core elements. A lot of people go out and buy as many properties as they can, without giving enough attention to their cashflow position.

Maybe they've believed the "experts" when they said that negative gearing was the way to go.

But what happens is at some point the banks just cut them off. They say, "You've reached your maximum lending capacity. We're not giving you any more money." And then they're stuck.

If you want to keep moving forward, then you need to make sure that your portfolio is positively, or at least neutrally geared.

So let's look at the ways you can improve the cashflow position on an investment property. And I'm not talking about after tax and depreciation or whatever. I'm talking about real money – real money in your pocket every month.

Life Changed: **Julie**

With the right knowledge you can take action to turn a crisis into opportunities. Julie made $237,000 and gave her family hope again.

Julie had lost money on property in the GFC, and it was a case of once bitten, twice shy. With a divorce, a drug addicted daughter and a grandson to look after, Julie needed to step up and save her family. With the right property training, she was able to do so. Here's how.

Julie and her husband bought two house and land investment packages in Perth in 2006. When the GFC hit and smashed the Perth market, Julie and her hubby had to bunker down and ride out the storm. They sold one of those investment properties for a loss, and moved into the other after selling the family home. It was a bitter experience, and one that almost put Julie off property investing for good.

To make matters worse, Julie's teenage daughter started mixing with a bad crowd, eventually becoming addicted to drugs, fleeing north to Karratha and leaving her two-year old son behind, Julie knew she had to step up. She wanted to be able to care for her grandson, and to be there for school pick-ups and drop-offs.

Her day job wasn't going to give her that flexibility.

And so she came back to property investing, although this time she committed to doing it properly, signing-up to study with the ILRE community.

"When my daughter got tangled up in drugs, I needed to be there for my grandson. I never could have done it if I was still working a day job."

This opened her eyes to what was possible, and she found an investment strategy that made her feel safe: quick renovation flips, often working with joint-venture partners.

These strategies allowed Julie to get in and out of the deals very quickly – sometimes in as little as four weeks.

This gave the market no opportunity to move against her as it had done during the GFC.

It also meant that Julie could stick to Perth, a market she knew well. And since she was creating her own profits, she could still make money, even though the Perth market overall has not done well in recent years.

This strategy gave Julie the control she was looking for.

"I needed a new strategy. Something I could do without much money, but that allowed me to get out of the rate race."

Since joining ILRE, Julie has now done eight renovations, creating $237,000 in profit for herself. This new income stream has given her the ability to quit her day job and be there for her family.

However, Julie says that it has been amazing to offer her family a different kind of role model, demonstrating that you can take charge of your life and make it what you want. Julie's daughter has now cleaned herself up and moved back home, and following her mother's inspiration, has started her own horticultural business.

Here are some of the deals Julie did to make this transformation possible.

Deal 1: A diamond in her backyard

Julie had been hunting around Perth, when one of her real estate contacts proposed a deal. The owners of a property in Queensland wanted to be rid of the house, so Julie put in a quick offer of $360,000, which was accepted.

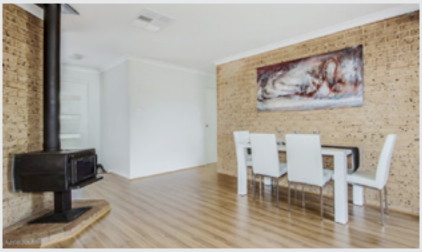
She then did a low-budget renovation. No new kitchens or bathrooms – just a good lick of paint and a polish of the floorboards. The renovation cost just $17,000, but Julie was able to sell it on for a $37,000 profit just four weeks after she purchased it.

Not bad for a month's work.

Deal 2: Distressed sale

Next, Julie found a property with an owner who was on the brink of bankruptcy. Julie gave him $20,000 to just walk away, letting her take over the mortgage and pay off the various debts to the council, the electricity company, and so on. Spending another $25,000 on a quick renovation, Julie sold the property on for a profit of $100,000. Again, in just four weeks.

"We paid him $20,000 to walk away, and we took over the mortgage."



RENOVATION NO. 2 (JV)

Renovated and sold in 4 weeks

Bank valuation	$153,000
Renovation & other costs	$60,000
Sale price	**$320,000**
Profit (Split 50/50 with JV partner)	**$100,000**

RENOVATION NO. 5 (JV)

Bought, renovated and sold in 12 weeks

Purchase price	$257,000
Renovation cost	$82,000
Sale price	**$409,000**
Profit	**$39,000**

Deal 3: Cheap Character Cottage

People started to take notice of what Julie was achieving, and someone approached her to help her do a deal. This woman had money to work with, but was time poor, so she wanted Julie to find and execute the deal.

They purchased a property for $230,000, spent $23,000 on a renovation, and sold it again for a profit of $23,000. Julie describes that as 'quite a small profit', but again, it's pretty good return for just four weeks' work.

Deal 4: The house is trashed

The next property she picked up as a mortgagee-in-possession, and the place had been trashed – there was graffiti on the walls and all the windows had been smashed in. However, it was in a good neighbourhood, so she was able to turn a profit of $39,000 in 12 weeks.

Deal 5: So many cats!

With more people wanting to enter into a JV with her, Julie found an estate that was practically uninhabitable, as the previous owner had eight cats.

She picked it up for a song, renovated it, and solid it six weeks later for a profit of $63,000.

"He had eight cats in there and it stunk to high-heaven. But it meant we got it for just $130,000."

The Rock A Family Can Rely On

There are more deals we could outline, but you get the gist. Julie has found a strategy that works for her and her JV partners. And she's achieved this while holding her family together and being the rock her daughter and grandson could rely on.

Watch the full session of how Julie made $237,000 and gave her family hope again by clicking the link below or going to https://youtu.be/XvBuKYtmZSQ

	VALUE	EQUITY
PRE-DYMPHNA PROPERTY SECRET HARBOUR	$220,000	$95,000
POST-DYMPHNA PROPERTY SECRET HARBOUR	$390,000	$190,000
MY SHARE OF PROFITS FROM 8 RENOVATIONS		$237,000

1. INCOME ACCELERATOR STRATEGIES

There are a range of different ways to improve the rental return on a property. You can do these individually, or in combination, stacking different strategies on top of each other.

Income Accelerator Strategies
Direct Cash Cows
Regional Cheapies
Strata & Partial Sell Downs
Business Real Estate
Executive Leasing
Multi Unit Blocks
Commercial
Construction & Partial Sell Downs
Rooming & Boarding Houses
Lease & Sub-Lease

1.1 Direct Cash Cows

Now, the easiest place to create income is when you buy.

If a property puts money in your pocket after all the expenses have been paid, then its something I call a 'cash-cow'.

As I said, I'm talking about real cashflow here – not paper income, or tax-credits – actual money you can use to fund your lifestyle or fund portfolio growth.

There's a rule of thumb I use to get a quick idea if a property is a cash-cow or not. If you take the purchase price, divide it by 1000, and then times it by 2, that's the weekly rent you need to be in the money.

Well, that calculation actually depends on the interest rate. When I came up with that rule mortgage rates were 8%, and they're obviously nowhere near that now.

So at the time of writing, we should replace that 2 with 1.2. If interest rates went up to 4-5%, then we'd be looking at a multiple of 1.4.

But this is a great rule of thumb to quickly get a sense of whether a property is going to be positively-geared right off the bat, or whether you're going to have to do a bit of work yourself.

1.2 Regional Cheapies

Generally speaking, regional areas have higher yields (rental returns relative to price) than metro areas. That's often because the growth prospects aren't so exciting, but not always.

In that way, regional areas could be good places to do a manufactured growth strategy. Even if you can't sell and exit when you want to, it shouldn't hurt you because the property should still be putting money in your pocket.

1.3 Partial Sell-downs

This is a strategy that applies to properties where there are multiple and separate sellable units. So a subdivision or a strata title or a new build construction for example.

So imagine you build a block of four strata-titled units. At the end of construction, after you've paid for the site and construction cost, and you still have debt to service, those four units might not be positively-geared. They might be costing you money.

But if you sold maybe two or three of them (a partial sell-down), then you free up money to pay down debts, and reduce your monthly expenses. It is likely then that the remaining units will be positively geared.

It's probably not going to be huge, but money is money, and it can be a great way to build a sustainable portfolio.

1.4 Short-term leasing

Typically, short-term leasing arrangements – executive leasing, holiday letting, AirBnB etc. have higher yields and a greater return that longer-term leases. Again, there's no such thing as a free lunch, and those higher yields are to compensate owners for vacancies and management costs.

However, if you can manage it well, and can set up in the right areas – that is, if you can keep the management and vacancy expenses down – it can be a great strategy.

Now, when I talk about holiday-letting etc., people always assume I'm talking about Bondi or Byron Bay. However, the areas that work are not always the ones you think. I've got one student for example who found a town on a major transport route that had no motels or other accommodation options. So she set up an AirBnB, pitched perfectly to her market, that now makes about $20-30,000 a year!

So it doesn't have to be aprime tourist destination. It comes back to being an area expert, and knowing what your potential market is going to need.

1.5 Multi's

With multi's I'm talking about properties that have multiple income streams off the same title. So it might be a block of units with multiple rentals. Or it could be in the commercial space with strip shops, or storage sheds.

We're also talking about granny flats here, or built-in units, although there's not as much opportunity in this space as there was 5-10 years ago.

But the key here is rentable doors. The more rentable doors you have, the more income you can create.

1.6 Rooming and Boarding Houses

This is a specific form of multi's where you create multiple income streams not just from the same property, but from the same dwelling.

The returns here can be massive, but there's a lot to learn here and a lot of regulatory hoops you have to jump through, so beware.

A residential house is a class 1a building. A rooming house is a class 1b, while a boarding is normally over 300sqm and is a class 1c building.

Different states and different council areas have different regulations and zoning requirements around rooming and boarding houses, and the safety regulations in particular can be onerous.

Never-the-less, if you're willing to put in the work, there can be lots of opportunity here.

1.7 Lease and sub-lease

This is about controlling a property without actually owning it. So provided that the head-lease allows it and the owner of the property is fully on-board, you could take out a head-lease on a property and then sub-lease individual rooms to other tenants (as long as you're on the right side of rooming house regulations), or you could take out a long-term head-lease, and then put the property back on the short-term holiday letting market.

In this strategy you are creating and capturing value by taking on the work involved in managing the situation. However, that work can very well be worth the effort.

For example, I had a student who was a stay at home mum, looking for a way to bring in a bit of extra income. What she did was that she found some properties in a good area, rented them out and then turned them into Airbnb's, managing the properties herself. As a result, she was able to increase the rent going to the owners by $10-15,000, and take another $10-15,000 for herself. Win-win!

This is about applied knowledge, and it can be a great starter strategy for someone without much to work with. Get a handful of these deals, and you've replaced your income!

1.8 Commercial

We've touched on this a few places now, so I won't go into great depth here.

But the playbook is the same: it's about increasing the number of rentable doors (adding storage sheds to an unused car park for example), or improving the yield by increasing the property's value to your tenant (better street access or signage for example.)

1.9 Business Real Estate

This isn't going to be for everyone, but sometimes you can buy a property that has a business already attached to it. You're actually buying two things – the property and the business. So it could be a backpackers, caravan parks, hotels, guest houses, or even pubs with accommodation etc.

Now, you're going to have to actually run the business too, so you've got to keep that in mind. You're going to have to do all the administration, and book-keeping and promotion etc. However, if you're in a job you hate and you're looking to buy yourself a new job in a new field, this could be a great option. I've had students who have been able to step into a completely brand new life and have loved it.

However, running a business is not without risk. Even if it is under management you still need a plan in case your manager quits or gets sick. So you really need to work through the business case of the business attached to the property.

That said, a poorly performing business will pull down the value of the total, and if you can quickly turn the business around, you can score the property at a very cheap price.

2. SUMMARISE EACH STRATEGY

Know that you have an idea of what these strategies are, you should summarise each one of these strategies in your notebook.

Let's take rooming houses as an example.

Firstly, you'd go through all of the things that need to be taken into account with a rooming house. Things like the higher yield, higher management costs etc. You're either going to be doing the management yourself, which is going to take up more time, or you'll be in a situation where you're paying somebody else a much higher fee to do it for you. You need to take that into account.

You'll also need to take into account different yields for different tenant classes, for example those of lower socioeconomic status. What kind of price point are they going to be at? What kind of areas are they going to be in? Who's going to be living there? What kind of yields are you likely to get from them? Are you happy with all of these things? How much maintenance gets done? Can it be done by a property manager?

There are different levels here and you need to get comfortable with all of them. I've done master classes on all of this. But getting an understanding of the fundamental elements of each strategy.

3. IDENTIFY REQUIREMENTS FOR EACH STRATEGY

Next I want you to identify requirements for each strategy. E.g. your equity, your time, skill, your experience, your serviceability, your personality.

Can you handle the higher management, if we're talking about a rooming house? Is it still passive if it's under management? What style of rooming or boarding house suits your portfolio? Can you fund this style of property? Because funding is very, very different with this style of property. Is new construction or retrofit better for financing in your circumstances?

These are the kinds of things that you need to consider. You need to do this, not just on rooming houses, as I've done as an example here, but on every strategy in the income strategy set. Every single one. This takes time, as you can imagine. But time spent in this planning stage really sets you up very, very strongly for success once you start taking action.

4. RELATE STRATEGY REQUIREMENTS TO YOUR CURRENT FINANCIAL POSITION

Relate the strategy requirements to your current situation. You may want to do some of these but realise you can't because you're not in a strong enough financial position or because you can't borrow for that kind of lending, or whatever it may be.

5. KEEP THE PROCESS IN YOUR JOURNAL

You need to really understand how it all comes together and keep the process in your journals. Also check in with your passion and drive. Which of these strategies excite you? Which of them sound like a nightmare, even if they were making money. Watch how your thinking evolves over time.

Life Changed: **Natasha & Zane**

With the right education and support this young mum became a full-time property investor … and brought her family home to Australia.

For seven years Natasha had been living in Indonesia, as her husband, Zane, worked long shifts on the mines. When the air pollution in Jakarta put her youngest son in hospital with breathing disorders, she knew she had to get her family back to Australia.

In her early forays into property, Natasha had made some classic mistakes. She and her husband had over-capitalised on their principal place of residence (PPR) and they had bitten off more than they could chew with a six-unit apartment block. This put her family into what she describes as a 'deep hole'.

One day, Natasha tuned into one of Dymphna Boholt's webinars from her bedroom in Indonesia and she quickly realised that there were smarter ways to be a property investor. Plus, Dymphna's students' success stories rekindled her long-held passion for property.

Zane, however, needed some convincing. They lost a lot of money on their previous investments and were struggling financially. It was a case of once bitten, twice shy. Natasha also had her step-dad's voice in her ears, telling her that property development was "no place for a woman."

Natasha had to dig deep and believe in herself. Fast-forward three years and her self-belief has paid off.

With the support of the I Love Real Estate community, Natasha is working on a deal that could potentially deliver a profit of $2.7M. More importantly, Natasha's property investing has given her financial freedom and allowed her to bring her husband and three sons home to Australia. This is how she did it.

"My step-dad was a developer. He always told that women just don't do that. He was old school."

Deal 1: Doing The Ground Work

Natasha knew that she had to sort out her PPR, which was being rented out at the time. First, she sacked the real estate agents and decided to manage the property herself.

Then Natasha renovated to increase the rental yield. The property is now neutrally geared but Natasha plans to sell and free up money for other ventures.

Deal 2: Get reliable tenants

In 2016, Natasha bought an investment property online, without seeing it in real life. The real estate agent who sold the house had recently put tenants in who couldn't afford the rent and were selling drugs out of the garage. By the time the property settled, the tenants hadn't paid rent in a month.

Natasha's first step was to find some reliable tenants. She'd been inspired by some of Dymphna's students' success stories and decided to renovate and turn the property into a room-by-room rental.

The property is fully tenanted and brings in $810 per week. Natasha finally had an investment property that was putting money in their pocket and her husband was happy about it.

DEAL 1: PPR

- Sacked the real estate agent
- Found reliable tenants that pay rent
- Fixed some things that were costing money

DEAL 3: RENO AIRBNB • Bought $201,000 • Spent $90,000 • Revalued $340,000 • $17,140 Cashflow

Deal 3: Renovate An Original 70'S House

With renewed confidence, Natasha bought a property that hadn't been renovated since it was built in the 1970s. Again, she bought it without seeing the site. She spent $90,000 on renovations and increased the property's value by $140,000, with an equity gain of $50,000.

When she consulted a real estate agent, Natasha was told she could only get $300 per week for it. That wasn't going to cut it, so she turned it into an Airbnb rental.

Now, the property earns Natasha close to $30,000 a year, putting more than $17,000 worth of positive cash flow in her pocket.

Deal 4: A Quick Profit Turnaround

Natasha decided to buy yet another property online, without seeing the site. She knew what she was looking for and found a dual-lot, single title property in Townsville. With a small renovation and boundary realignment, Natasha created two blocks. After advertising one as a rent to own deal, she was able to sell on vendor finance. The final sale price was $450,000, which turned around a quick $165,000 profit.

Deal 5: Stepping into property management

Natasha quickly realised that she had a gift for managing projects, and since her last Airbnb had gone so well, she started looking for a co-hosting deal, where she could do day-to-day management on someone else's property. She found one in Perth earns more than $6,000 a year in management fees.

A Professional Property Investor is Born

With Natasha's property portfolio performing so well, her husband Zane has finally come around and has even started hunting for deals. Now, their three boys are getting in on the action!

Most importantly, Natasha built a career for herself while living in Indonesia. For the first time in a long time, Natasha and Zane are able to see themselves and their family back home in Australia.

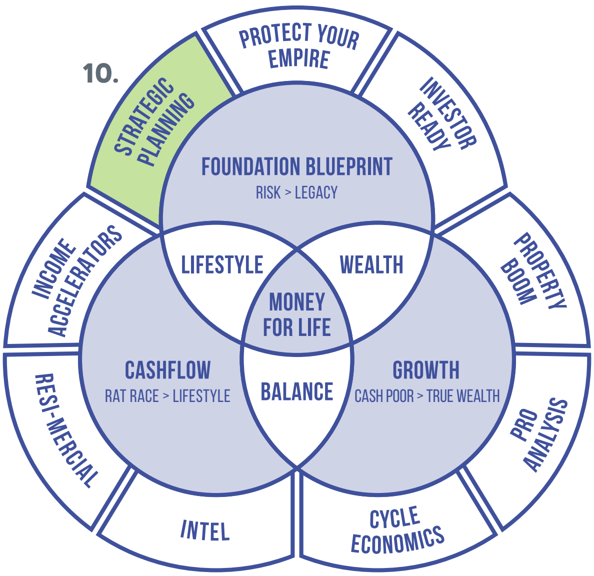
"I did all of this online. Everything you need is there – the training, the resources, an amazing and supportive community. If I can do it anyone can."

Watch the full session of how Natasha became a full-time property investor by clicking the link below or going to https://youtu.be/zHBB42-o18A

CASH FLOW PER ANNUM	PRE DYMPHNA	POST DYMPHNA
PPR	-$6831	EVEN
PROPERTY 2	-$10,098	+$13,936
PROPERTY 3		+$17,140
PROPERTY 4		+$27,824
TOTAL	**-$16,929**	**+$65,731**

Accelerator #10

STRATEGIC PLANNING



We've gone through all the accelerators. What do we do next?

We're back to square one because now that we've gone around each one of the accelerators, we need to come back and refocus on our Strategic Plan.

This time though, we get into the nitty-gritty of the strategic planning. This is where we do it in earnest.

It's now time to put all the other accelerators into practice. Stepping out an accurate two-year plan and a conceptual five-year plan.

I say conceptual because you can't step out an accurate five-year plan. You just can't do it, but you should be able to step out exactly what you're going to be doing for the next two years. Then, have a conceptual idea as to where your five-year plan is going to take you.

Essentially, this is about pulling your business plan together. That's what you're doing if you're a serious investor – you're running a property investing business. So this is where we get our business plan down on paper. This is where we map out how all the different strategies are going to work for us in creating a profitable and sustainable business.

And don't skip this step. Surveys show that having a fully-fleshed out business plan, committed to paper, doubles the chances of a business' success.[1] I might also add that studies show that entrepreneurs who have mentors are three times more likely to make it big[2], so the coaching is important here too.

The truth is that no business plan is complete until you've identified your team.

Who is your accountant? Who is your finance specialist?

Who is your legal expert on conveyancing or options or joint-venture agreements?

At ILRE you gain access to the full suite of professionals, but you need to know who is part of your team.

And this is a great time to be working with a mentor (or an ILRE coach) and working with your professionals. One you realise how many options are available to you as a property investor, it can get overwhelming. Where do you even start?

But slow down, work through it methodically, and lay out your business plan. And remember, you don't have to reinvent the wheel. Find someone who has already walked the road you want to walk.

1. https://smallbiztrends.com/2010/06/business-plan-success-twice-as-likely.html
2. https://www.forbes.com/sites/kateharrison/2018/10/30/new-study-reveals-entrepreneurs-need-more-mentoring/#6e5e33b07819

1. IDENTIFY YOUR MAJOR GOAL: BUILD WEALTH OR REPLACE INCOME?

The first thing is to identify your major goal. Now that you've gone through all of the accelerators, are you predominantly wealth-oriented or are you predominantly replacement-of-income oriented? Your viewpoint might have changed after you've gone through all of this work.

2. WHAT ARE THE DEALS YOU NEED IN YEAR 1 AND YEAR 2?

Now that you know what you need, and you have identified which strategies work in with your objectives, your financial situation, and your own strengths and weakness, spell out what the deals you need in years 1 and 2 actually are.

Get specific. What's the strategy? What kind of area are you working in? What are the numbers going to look like, more or less?

This will evolve as you go, but this is where we lay out the business plan we're going to follow. There's not point getting in the car if we don't know where we're going.

3. DOWNLOAD A FREE GANTT CHART SOFTWARE PROGRAM

A Gannt Chart is a project management tool that allows you to map out how all the elements of a project fit together.

If you want a template you can use in excel, there's a number of options here: http://templatelab.com/gantt-chart-templates/#Gantt_Chart_Templates. However, these require you to enter all the information manually, and if you update any element of the project, you will need to go through manually and update the rest of the project.

There are a number of specialist Gantt chart software packages. Check out ProjectLibre (https://www.projectlibre.com/product/projectlibre-open-source) – this is a free, open-source project management tool. The best thing about these dedicated packages is that when you update any element of the project, the tool automatically updates the rest of the project for you.

Anyway, this helps you pull together a schedule of everything you need to do over the next couple of years, and it's very useful.

4. ENTER ALL THE STAGES OF YOUR CHOSEN STRATEGIES INTO THE GANTT CHART

You then need to enter all the stages of your chosen strategy into the Gantt Chart.

Let's use subdivision as an example for your first strategy.

You'd then go, "Okay, well what's the first thing that happens in a subdivision?".

You may then decide, "I'm going to spend a month finding a deal. Then I have to contract on the deal. That's going to take me a month to settle. During that time, I'm going to contact account planner, I'm going to apply for the subdivision etc."

And you go through the whole process and it all starts there in the checklist.

So you write out this list and you enter into the program all the tasks that have to be done for you to complete that particular strategy.

5. ENTER THE TIME FRAMES APPROPRIATE FOR EACH STAGE OF THE STRATEGIES

Then you go back and you go, “How long is it going to take me to do each one of these tasks?” Then you may see that some of them can overlap, which means you can do them at the same time, while with others, you may have to wait for a stage to be done before you can do the next stage.

6. ENTER THE COST OF EACH OF THE STAGES OF THE STRATEGIES

Then you need to enter the cost of each stage of the development, so each stage of that particular strategy that you’re doing. So, how much is that going to cost?

How much is that surveyor going to cost me? How much is a town planner going to cost me, et cetera. By the time you’ve done 20 reverse feasibilities on subdivisions, you’re going to know what those costs are.

7. ENTER YOUR STARTING AWE

Enter in your starting AWE, which is your Available Working Equity. That goes into the chart as well. So, you’re starting with a pie of money, and you’ve got all these tasks, you know how much they’re actually going to cost you, and where they fit on a month-by-month basis. And it actually works out then how much money you’re going to have at the end of every month after you’ve paid for all of those things. And when money comes back in, it tops up your AWE again.

8. PRINT OUT THE CHART TO FOLLOW ON A MONTHLY BASIS

Now, like any business, you're going to have to remain solvent and liquid. You can't run out of money.

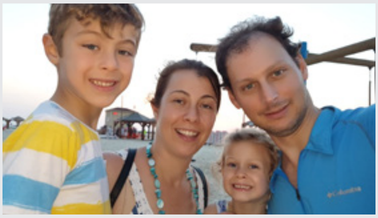
If you run out of money for any of the months – go back and start again. You have chosen either the wrong strategy or you need to slow the games down and complete in stages.

Now, this will step out your two-year plan, and you should know how long this deal is going to take, how much it's going to cost you, how much money you're going to make, when you can slot your next deal in, when your next one goes in after that, what it's going to be etc. This is just so important because once you've done all of this other work, this rest is actually going to be easy.

Now, I know some of you are going, "Oh my God, I can't do that". Yes, you can. The only reason you think you can't is because you haven't done the work. Remember what I said before, do the work, follow the system. If you do that, this actually becomes easy. It's like, "Oh my God, I can do this. Yes, that's going to happen here, then this is going to happen," because you've got it in your book.

9. GET IT IN YOUR JOURNAL

You've also got to journal. This helps you understand where you've come from and where you're going. It's going to stop you getting lost and overwhelmed along the way. Make notes of everything you're doing and why.



Life Changed: **Vanessa**

Vanessa and her husband arrived in Australia with two bags and $10,000. She felt daunted and alone, but connecting with the ILRE community has given her a sense of belonging, as well as the strategies she's needed to carve out an exciting new life for herself.

As the financial crisis in Argentina went from bad to worse, Vanessa and her husband knew that they had to get out. They decided to try their luck in Australia – a country they had never been to, but seemed to promise plenty of opportunity to people who were willing to work hard.

In 2008, they walked through the gates of Melbourne Airport with two bags and $10,000 in cash, thinking, "Now what?"

> *"When you come to a new country, your support networks are really important because you don't have any family. But then I look at the ILRE community and think, "If this isn't family, what is?"*

Vanessa has always had an interest in property, working as a real estate agent in Argentina, selling high-end properties to foreigners – consulates, embassies, fancy apartments to investors from Miami, things like that. She had seen first-hand that real estate could be a fantastic way to build wealth, and she believed that property investing could be the vehicle her family needed to set themselves up in Australia.

However, she knew that she needed help understanding the local market and the kinds of strategies that would work in Australia, and so she signed up for Dymphna Boholt's Quantum Program in 2016. The training she received gave her the confidence she needed to go after a couple of cheaper deals in Geelong, and the ILRE network also introduced her to Chris – a money partner willing to fund another deal for her in regional Victoria.

These three deals have delivered over $80,000 in profit, but Vanessa stresses that it's the sense of community and the 'family' that she's found that has been most valuable.

It's the community, after all, that makes a place home.

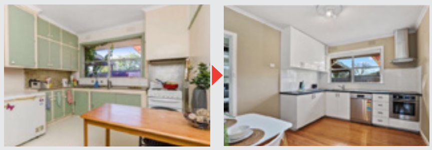
Let's have a quick look at the deals Vanessa has used to get herself started.

Deal 1: A deal to suit every budget

Working with the ILRE strategists, Vanessa could see that without a lot of capital to work with, she would have to leverage her passion and drive, and start out with a cheaper deal in a regional area.

Living in Melbourne, Vanessa was attracted to the property market in Geelong. Telling her boss that she was working from home, every Wednesday for six months she would drive to Geelong and work from the local cafes. She would even do her grocery shopping there, until she felt like a local area expert.

Finally, she found a property with an existing tenant that she was able to buy for just $211,000. She renovated at the end of the lease and sold for a profit of $34,000.



1ST DEAL – CORIO (VIC)

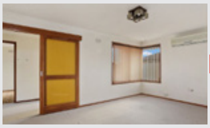
Purchase Price	$211,000
Purchase Costs	$ 15,449
Holding Costs	$ 20,667
- Rental income	-$ 8,913
Net Hold Costs	**$11,754**
Strategy Costs	$18,000
Sale Costs	$14,600
Sale Price	**$305,000**
Profit	**$34,197**

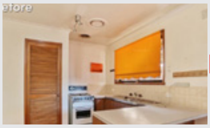
Deal 2: A friend with money

With a successful deal under her belt, Vanessa then went into a joint venture as the money partner – funding the deal, while her JV partner Kris did the work. She met Kris through the ILRE network and they found a deal in the small town of Canowindra, Victoria.

They purchased it for just $105,000 and Vanessa spent $20,000 on the renovation. The reno went very well, but the sale took longer than expected as it was a small town.

With of their ILRE education they had planned for this scenario, and they decided to rent it until sold. It generated positive cashflow while it was on the market and they got a healthy $212,000 on the sale.






2ND DEAL – CORIO (VIC)

Purchase Price	$300,000
Purchase Costs	$ 16,628
Holding Costs	**$5,741**
Strategy Costs	$36,439
Sale Costs	$13,672
Sale Price	**$420,000**
Profit	**$47,520**

Deal 3: Leveraging experience

Vanessa had now gained enough confidence to do another deal on her own terms. The agent who sold her first deal in Geelong brought a property to her. Leveraging her experience and knowledge she immediately recognised it was a good deal, as she knew the area well and the renovation costs. She contracted straight away.

Purchased for just $300,000, and after the renovation Vanessa was able to get a record price on the second open for inspection day of $420,000, for a total profit of almost $50,000.

"I told the boss I was working from home, but every Wednesday I'd drive over to Geelong, just to get to know the market better."

Deal 4: A bit of Dymphna Juju

In 2019, Vanessa sold the Melbourne townhouse she was living in to move to Brisbane. Under Dymphna's guidance, Vanessa had been doing a lot of work on her mindset – a process that included the use of vision boards.

When her property went to auction, Vanessa had put an ambitious final sale price of $952,000 on her vision board, which is exactly where the bidding stopped. There was one final bid of $962,000 right before the hammer fell, which was a bonus, but if Vanessa was looking for proof of the power of these processes, this was it.

"It takes a long time to sell a property in a town with only 2,000 people!"

A place to call home

She recently contracted her third reno in Geelong after another local agent brought her an off-market deal knowing the work she does. Vanessa and her family are now well established in Australia and she knows that property investing will be a big part of their future here. She has found a place to call home, but more importantly, with the ILRE community, she has also found her tribe. And she is loving it!

"I told the auctioneer that I had put a sale price of $952,000 on my vision board. He was like, "Um… ok. That's a little ambitious…" But when the bidding stopped at $952,000 exactly, you should have seen the look on his face!"

Watch the full session of how Vanessa carved out an exciting new life for family by going to https://youtu.be/agNVWn4Fk0c

POST-DYMPHNA

Property	**Pre-Reno**	**Reno Spend**	**Post-Reno**	**Profit**
PPR (Melbourne)	$680,000	$10,000	$962,000	**$272,000**
1st Deal Corio	$211,000	$18,000	$305,000	**$34,000**
2nd Deal Corio	$300,000	$36,500	$420,000	**$47,500**

Success depends ON MINDSET

Just to finish off the book, I really wanted to give a bit of time to mindset.

So far, we've focused on all the technical details – all the strategies and the systems that bring those strategies together.

But the truth is that none of that is going to help if you don't have the right mindset.

If it's one thing I've learnt it's that success and accomplishment are dependent on – and in line with – your mindset.

You will only achieve what you see yourself achieving. You will only achieve what you believe you can.

And by going through this system, by doing the work through the system, something magical happens. You actually see yourself doing it. You can see, "Well, that wasn't that hard. I can do that. That's my next step."

It's a step-by-step process. It's a business and it becomes easier.

When you don't do the work, then you have fear. Then you have insecurity. Then you have all of these other things and the self-doubt and everything else comes up and you end up not doing a goddamn thing, and you don't achieve.

That's why following the system is so important.

YOUR FINANCIAL GROWTH TRACKS YOUR EMOTIONAL GROWTH

Your financial growth tracks your emotional growth. And by going through this Property Genius Formula, you actually are not only working logistically through the process, but you're also building your emotional growth with it as well, because it becomes who you are.

It becomes second nature to you that you know what the next step is.

There is no fear. There is no insecurity because you've got it all mapped out.

And that's how it's going to work because you've done your 20 reverse feasibility studies on some divisions in a target area.

And if you move to another target area, you've gone and done another 20. You just know it that well, you are the area expert. You know that that one can be done and that one can't. And that one there has got concrete cancer, and this one doesn't.

You'll know that because you've done the work. It's when you haven't done the work that all of this fear and anxiety and insecurity start to well up.

CREATE DAILY RITUALS / HABITS THAT ARE CONDUCIVE TO SUCCESS

I lay out a lot of tools to develop your mindset in The Millionaire Within program, but I'll sketch out some of the basic techniques here.

Reconfiguring your mindset may sound overwhelming, but again the key is leaning into systems, and to start putting some good habits into place.

I'll give you a few examples:

Morning Meditation

First thing in the morning, meditate, plan and exercise. Actually set yourself up for the day. Even before you open your eyes, set some intentions about what's going to happen through your day. Instead of worrying about this or that, or not having time for whatever, plan it out.

I like to do it with meditation, but I also like to do it with exercise. And that gives you a lot of time to think through things.

The Power of Intention and the RAS

Now, I talk a lot more about the Reticular Activating System (RAS) system programming and how you harness the power of intention in my Millionaire Within program. It is a central component of the program. What we do is sit down and put some conscious and deliberate focus on what you really want.

What is your desired outcome? Just doing that simple task in and of itself will change your life. It directs your thoughts, your brain power, your RAS programming, everything towards that particular desired outcome.

As you start putting your plans into action, you revise and amend along the way. So, when you do something, go back and have a think about it. "Did that go the way I wanted it to?

What could I have done better? How could I be more efficient here and there?"

And revise and amend your strategy moving forward, and document it. Document everything. That way you can really track and measure your progress.

Be Part of A Community of Achievers

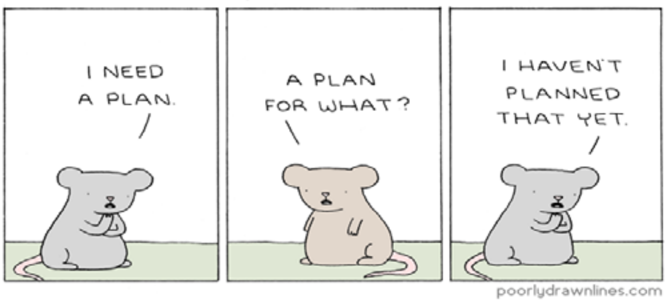
Being in a community of achievers, changes how you see the world. It changes what you think is possible in the world.

And I think that's very important because when you see other people doing and achieving and having, it becomes, "Well, I can do that too". And your whole attitude towards action and success changes.

The key is surrounding yourself with positive influences. Fill your days with positivity. It's about keeping your head in the right place, and all of that really needs to be incorporated at the get-go, in the planning process.

Focus on your thoughts and your words

Focus on your thoughts and your words. Make sure that they are in alignment with what you want to achieve.



To create a successful result you need to know what you want and have a plan to get there. The Property Genius Formula is exactly that. It's about creating that plan. There's something I borrow this from one of my mentors, and he says, "Break tasks down into doable chewables."

And that's really what the Property Genius Formula is doing – breaking the task and the process down into doable chewables.

Life Changed: **Megan & Kevin**

Within three short years of joining a like-minded community, Kevin & Megan's lives had been transformed.

PTSD had driven Kevin and Megan to the edge.

Kevin flies helicopters. For 20 years he flew combat missions for the Australian army, completing a number of distinguished tours of duty, including Afghanistan.

Kevin returned home uninjured but the trauma of war stayed with him for years, developing into crippling post-traumatic stress disorder (PTSD). Kevin began withdrawing from the world. This process culminated in 2008 and with a breakdown that left Kevin barely functional and hurting deeply.

"I thought I'd failed my country, my community, my family." – Kevin

Kevin also lost his father in 2012. It hit him, "like a brick to the head." His father had worked for 45 years, retired "without so much as a thank you", and passed away six years later, with a good chunk of those few retirement years spent in hospital.

Determined to make the most of the gifts his father had given him and to escape a similar fate, Kevin found an ad for one of Dymphna Boholt's information days. Kevin felt that this could be what they were looking for. Megan wasn't so sure, but agreed to attend "on the condition that we're not signing anything!"

When they did sign up, they realised they had been "doing everything wrong." They had negatively geared properties, they had bought off-the-plan, and they had spent too much on their dream home. Their two investment properties were costing them $45,000 a year, and their PPR had saddled them with a huge mortgage. This was taking its emotional toll as well. Kevin remembers, "We had no life. In the end I couldn't stand that house anymore. It was killing us."

The I Love Real Estate (ILRE)study materials gave them something to work on together. After the kids went to bed, they got into 'Mum and Dad Homework' and started working closely with their coaches.

Having since renovated their PPR to build equity and reconfigured the downstairs area to create cash-flow, as well as successfully navigating an "ambitious" development project, their financial situation is substantially better and much less stressful.

Turning a Life Around

However, it is Kevin's personal journey that has been most profound. He was unable to talk about his breakdown in 2008 until 2015 – at an ILRE Platinum conference!

It was within this 'family' of support – with a community of people committed to honesty and personal growth – that Kevin finally felt safe enough to face up to the ghosts of his past. The daily practices that are a foundation to Dymphna's training regime – the 7 Daily Rituals, the breathing exercise, the meditation, the gratitude practices – each of these began to work their magic.

Within three short years of joining ILRE, their life had been completely transformed. Where Kevin had once felt a deep sense of shame and self-loathing – unable to let the ILRE conference photographers even take his photograph – he has now become a confident public speaker and a passionate advocate for mental health – particularly within the community of pilots and returned service personnel.

This brings with it its own pay-it-forward effect. Within the last four months alone, Kevin's advocacy and work has helped bring two men back from the brink of mental illness and alcohol addiction. He even turned his remarkable journey into a book. "Releasing Shrapnel from the Soul".

Not bad for a program that was only ever meant to get their financial life in order.

Deal 1: Some Magic Maths on the PPR

Like many real estate journeys, Kevin and Megan started with their PPR to build a base to work from. Using Dymphna's Grid Variance Analysis, they realised there were probably some easy gains to be made with renovations.

They took the rumpus room, which was oversized, and put in a dividing wall. At a measly cost of $5,000, they added an extra bedroom, and increased the valuation of their property by $150,000. As Megan says, she's never cared much for numbers but she liked that maths!

PPR ASHGROVE RENOVATION

Cost $54,000. Reconfigure downstairs to create Airbnb cash flow of $24,000. Uplift in value $150,000.

Deal 2: Whoops! Honey, I did a seven Townhouse Development

Their next deal ended up being a seven-townhouse development, though they never intended to set their sights so high so early.

Purchasing a property in Toowoomba, it was meant to be an easy "set and forget" development. They planned to subdivide the property, keep the house on the front and build on the back.

However, the block ended up being just 300mm short, and they were unable to subdivide it. They looked at a strata title but that didn't work either. In the end, the only way they could make the numbers stack up was to build seven townhouses.

They knew they were in over their heads, but luckily they had some experts they could lean on. As Kevin says, "The only way we got through this one with our shirts on was with Dymphna's guidance."

Thankfully, Dymphna was able to help them avoid what could have been a financial black hole, and it now looks like they should be able to book a $100,000 profit on the deal.

"I really value having a coach who can help you see what you can't see. My coach really gave me the tools to help me be me." – Megan

Deal 3: Airbnb SuperHost

Kevin and Megan then went back to their PPR, creating a self-contained unit underneath their house. The extra bedroom and bathroom cost them just $54,000, but again increased their equity by $150,000.

They now rent the studio out through Airbnb, with an 85 per cent occupancy and generating $24,000 pa passive income.

Megan is really enjoying the people-side of this work, and she achieved 'SuperHost' status in her first quarter! For Megan this is one of the signs of just how far she and Kevin have come. "There's no way that I could have imagined just three years ago that I'd be inviting total strangers onto the property. I couldn't even invite close friends over."

	PRE-DB 2013	TODAY
PORTFOLIO VALUE	$1,630,000	$2,730,000
DEBT LEVEL	$1,296,000	$1,764,000
EQUITY	$334,000	$966,000
NEGATIVELY GEARED	-$45,000	-$8,600
PROPERTIES OWNED	3	6

Profound Healing

These days, Kevin and Megan feel much better about their financial situation. Their cash flow position is almost $40,000 a year better off, they have three additional investment properties, and they have almost doubled the value of the PPR.

However, it is the transformation they have seen in both of their personal lives that makes them 'eternally grateful'. Kevin found the strength and support he needed to "release the shrapnel from his soul", and he has become an inspiring example of the vulnerability and courage it takes to face your demons.

Megan had also thought that she would be supporting Kevin and his depression for life, and she cannot believe the freedom and expression she has now found, especially through Airbnb hosting.

They never imagined that joining the ILRE community would be such a personal revolution, but then as Dymphna says, magic happens where dreams and action meet.

"Men still aren't having a conversation about mental health in Australia. But I'm out there having that conversation." – Kevin

Watch the full session of how Kevin & Megan's lives have been transformed by clicking the link below or going to https://youtu.be/Rth-4e_NHPE

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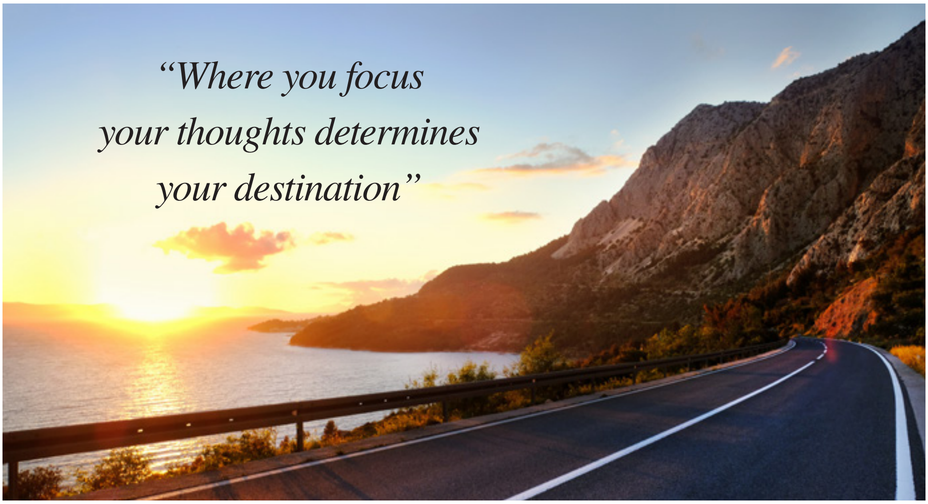

THE FINAL WORD

Now you have a clear idea of where you're at in your journey, and exactly what the next steps you need to take are.

I hope The Property Genius Formula has identified very clearly for you what the ingredients of real estate success exactly are.

It has given you a system. Now you just have to put that system into action.

And as I said before, the Property Genius Formula, every element of it, is non-negotiable. It is just what you have to do.

The accelerators heighten your performance for each one of those three core elements.

When those elements come together - the foundational blueprint, the growth, and the cash flow – when they come together you have lifestyle.

You are able to do the things you want to do, go to the places you want to go, buy a Tesla if you want to, live in the house you want to live in, travel wherever you want to go.

You have the money to do that. You're not working your backside off with no time to actually spend with your loved ones.

That is what The Property Genius Formula is all about.

It's a plan for moving forward.

Dymphna Boholt
Sunshine Coast

PS: Do you like investing in real estate and finding out all the secrets of how real estate millionaires invest? Well I do too… And, I like sharing this info with others!

I Love Real Estate Movement is a "Closed Facebook Group" for ALL existing property investors, future investors, and anyone who just wants to learn about my Real Estate Investing Secrets.
Find it here: **www.facebook.com/groups/ILoveRealEstateMovement**

PPS: To find out more call **(03) 9490 8888** now or go to **www.iloverealestate.tv** to register for our next **FREE Webcast** where you'll discover the strategies, techniques, structures and support you need to successfully invest and prosper from Australian real estate.

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- **Quit Work Sooner** – Discover how you could potentially replace your income and retire in as little as 3 – 5 years from today.

TO SECURE YOUR SPOT CLICK THIS LINK

Welcome to The Property Genius Blueprint.

This blueprint gives you everything – and I mean everything – you need to do to achieve real estate success.

No matter where you're coming from, my Property Genius Blueprint will help you understand where you're at, where your energies need to be focused, and what the road ahead of you looks like.

What we're really talking about here is a system. This takes everything I've learnt over the years and sets it down in a step-by-step system – a system that anyone can follow. It is the key to unlocking everything I know.

The Property Genius Blueprint gives you the ability to know exactly where you are in your journey.

In this book I'm going to show you why it is such a fool-proof formula. I'll show you how to work with it, how to use it as a roadmap to your own success and become a Property Genius.

Dymphna Boholt built her multi-million dollar property portfolio starting virtually from scratch. Newly divorced and pregnant with her second child, she had little other than a burning desire to be financially free. Dymphna now controls a multi-million dollar international property portfolio and enjoys a lifestyle that most other people just dream about.

A qualified accountant and economist, Dymphna is dedicated to helping people grow both financially and emotionally so that they can enjoy financial freedom. In this book Dymphna shares the insights she has gained from doing it herself so you can do it too.

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