



The Millionaire Real Estate Investor

Anyone Can Do It... Not Everyone Will... Will You?

Gary Keller
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Rating

9 Importance
8 Innovation
9 Style

Focus

Leadership & Management

Strategy

Sales & Marketing

Finance

Human Resources

IT, Production & Logistics

Career & Self-Development

Small Business

Economics & Politics

Industries

Global Business

Concepts & Trends

Take-aways

- You work hard doing many processes that you spells out over a long period of time, then financial success will follow.
- Exercise patience and perseverance if you wanted to be successful in the real estate market.
- Learn to create with your own investment strategy, build your network, track your net worth, understand your finances and generate leads and convert them into assets.
- Things become complicated if you think it is.
- It's not about the money, it's about being the best you can be!
- Stick to what you know. You don't have to understand all kinds of investment, you need to define a circle of competency and stick with it.
- If you want success, you must have the desire to achieve and the readiness to act.
- Stay systematic and organized.
- "Financial wealth is never truly owned." Charitable giving is a long-established and vital part of wealth. The highest levels of achievement occur in good stewardship and passing it on.
- Investment spending is a required spending.
- Successful real estate investing comes down to getting in for less, maximizing cash flow, avoiding taxes and increasing return on investment.

Relevance

In this summary, you will learn:

- 1) What are the models for the key of success
- 2) How to think like a millionaire
- 3) What it takes to become a Millionaire Real Estate Investor

Summary

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It Starts With an Inside Job

“People from all walks of life can and have become Millionaire Real Estate Investors.”

Be ready to make the journey before you start achieving your dreams of real estate investing. You should be willing to take action, a burning desire, readiness to change your life, a firm and clear vision to succeed as real estate investor and ready to work toward that goal. Face your fear! You must first change your thinking before you can change your balance sheet.

Doubts and Mythunderstandings

“Mythunderstandings” (part myth, part misunderstanding)

Mythunderstandings is about the way you view yourself as an investor, and mythunderstandings about the way you view investing. Address your underlying beliefs otherwise, it keeps you out of action.

Personal Myth #1: “I don’t need to be an investor. My job will take care of my personal wealth.”

Truth: History indicates that few jobs pay enough to create true financial independence. Financial wealth building depends on another vehicle.

Personal Myth #2: “I don’t need or want to be financially wealthy. I’m happy with what I have.”

Truth: Financial wealth offers greater opportunity to care for yourself and others, and that is something most everyone wants and needs.

Personal Myth #3: “I can’t do it.”

Truth: You don’t know what you can or cannot do until you actually try.

Investing Myth #1: “Investing is complicated.”

Truth: Investing is as complicated as you make it.

Investing Myth #2: “All the best investments require knowledge most people don’t have.”

Truth: Your best investments will always be in areas that you can or already do understand.

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Investing Myth #3: “Investing is risky. I’ll lose my money.”

Truth: Investing and gambling are not the same thing. Investing, by definition, is not risky

Investing Myth #4: “Successful investors can time the market.”

Truth: Timing isn’t about being in the right place at the right time. It’s about being in the right place all of the time.

Investing Myth #5: “All the good investments are taken.”

Truth: Plain and simple, every market at any time, has its share of good investments.

Stages on the path to becoming a Millionaire Real Estate Investor

Stage #1: Think Like a Millionaire

Achieve your goals and moves into the action of directing your thoughts toward the path of achievement. That is the right thinking.

- Have a Strong Motive.
Be motivated by a need – rather than a want – to succeed. Be a high-achiever!
- Think Big Goals, Big Models and Big Habits.
Big life starts with big goals. Start with specific, measurable targets and use effective systems, or big models to achieve targets. Big habits based on best practices of the big model build wealth in a proven, systematic way.
- Think Money Matters.
Spend based on investment priorities. You must think money matters enough to make investing a priority.
- Think Net Worth.
Understand that your net worth is at the core of your investment program. Track your net worth regularly and analyse which investments have the greatest positive impact on growing your net worth.
- Think Real Estate
Have the passion and drive to achieve success. Understand and believe in the power of real estate investing as a tool to increase your personal wealth.
- Think Value, Opportunity and Deals
You must know value to recognize opportunity, and have opportunities before you can do deals.
- Think Action
Take the right actions. Take action, minimize risk and buy based on investment value
Think differently from individuals whose financial goals never materialize.

- Posture Like a Millionaire Real Estate Investor
Be a full time thinker as a Millionaire Real Estate Investor. It will impact your life more significantly than a part-time investing formula.

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Stage #2: Buy Like a Millionaire

The formula for acquiring a million dollar real estate investment portfolio can be broken down into five separate models: the Net Worth Model, the Financial Model, the Networking Model, the Lead Generation Model, and the Acquisition Model. Following these methods enables you to not only learn from the mistakes of others, but also build on the successes of those who have gone before you.

The Net Worth Model

This involves learning the path of money, managing your personal budget, and tracking your personal net worth. Learning the path of money means understanding the way that money flows in and out of your life. Money comes from a source, like earned income and investment income. Your choices make the flow of money stronger or weaker. Once cash comes into our possession, we can spend it, save it, donate it, or invest it. For investment, the flow of money is at its beginning, for others it is at its end. Learn to manage your personal budget. Learn the difference between required spending and discretionary spending. Track your monthly expenditures to gain clarity on where your money is going then create a spending plan next is to start tracking your personal net worth. Create an investment profit and loss statement, develop a balance sheet that measures your assets against your liabilities and review your finances quarterly, monthly or weekly.

The Financial Model

After the Net Worth Model, use the Financial Model to understand how you will make money in real estate. There are only two ways to make money as a real estate investor: through equity buildup and through cash flow growth. Equity buildup increases your net worth in your real estate assets, while cash flow growth provides an unearned stream of income. You can achieve equity buildup when properties appreciate, and/or when debts against the property decline. Cash flow growth, occurs when rental income from the property exceeds the costs incurred. You should understand these two fundamental principles very well, as they are critical to an investor's active decision in choosing an acquisition strategy.

The Network Model

Before you can start building your real estate investment portfolio, you'll need to start building a strong network that can guide and support your efforts. Your network will provide everything from mentorship and instruction, to leads and labor. You should surround yourself with great people that help you to duplicate success. The inner circle is comprised of people like mentors, partners and consultants. The next circle encompasses fiduciaries like real estate agents, lenders, attorneys and property managers, and the outer circle includes service providers like appraisers, plumbers and insurance agents. Acquiring the right properties is highly dependent on the people you've chosen to have around you. Your network is of critical importance to your success. If you want to be successful, you'll need a successful network. Once you begin to establish your network, proactively manage those relationships with phone calls, visits and mailings. Stay active as an investor, be honorable in your business dealings and make sure that you refer back into your

network circles.

The Lead Generation Model

Now that you've begun to establish your network, you may find great properties. The best way is through your network. By using this model, you will reach out into your network to increase your number of leads. Create two sets of criteria to evaluate and define what you are looking for. The most important criteria are location, type and economic condition, but also consider construction, features and amenities. Your criteria will function as your All Properties Bulletin or APB, and will help people understand what you're looking for. You should tell everyone you know that you're looking for investments. You should also target individuals like property owners, builders, landlords, loan officers, HUD officials and courthouse clerks. Call them on the phone, attend community events, research the Internet and multiple listing services, email and send direct mail advertising. When you begin getting leads, stay level headed and stick to your criteria. Don't become dissuaded by the process of the search. It's better to miss a good deal than to buy a bad one. When you can, be the first or last person to make an offer.

The Acquisition Model

The key to this model is to make your money going in, and do it only when the deal offers a built-in margin of safety and ensures you a profit by the time you've closed escrow. There are two fundamental acquisition strategies for making money on a transaction: buy for cash, or buy for cash flow and equity buildup. Each of these strategies offers several options for execution, but the two most profitable are the "buy and sell" and "buy and hold" methods. With the "buy and sell" method, investors who are looking for cash can turn a fast net profit by quickly buying and selling properties. The "buy and hold" method is a long-term strategy that utilizes both equity buildup and cash flow growth, offering investors a true financial wealth-building option. Both of these options offer the investor the option of improving the property for an additional profit. In order to be successful in any investment strategy, you should know that you must evaluate each opportunity carefully, you must understand the details of each transaction, and follow the guidelines set forth by preconstructed data worksheets. Earning money and turning a profit in real estate investments requires to be vigilant in the evaluation process. By standing firm on each of the criteria for each deal, you'll be more likely to provide yourself with the margin of safety that will ensure profitability in both the short and long term.

There are two important steps in exploring your acquisition strategies. First, understand value by studying your target marketplace and looking at lots of pr properties. Become a value expert for the type of investment you're seeking. Secondly, gain perspective. Understand where you are on your path as an investor. This will help you to determine your acquisition strategy. Ultimately, your end goal is to use the "buy and hold" strategy, which is where true financial wealth is built. Learn, follow and revisit each of the five models for buying like a millionaire. Know the path of money, manage your personal budget and monitor your net worth. Understand how investors make money in real estate investing. Start building a strong network and begin generating leads among them. Finally, know that the key to successful investing is to make your money going in. Remember that good deals offer a built in margin of safety that ensures you a profit from right from the start.

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Stage #3: Own a Million

Focus more on ownership and operational strategies. There are five principle areas that will require direct action for growing and maximizing your real estate investments. Those five are Criteria, Terms, Network, Money and You.

Criteria, terms, network, money and you. These are your focus areas for real estate success. With criteria, you have to hone and perfect what you specialize in, looking for a financial and knowledge advantage to build an investing business. It also revolve around the specifics of market, property type, tenants, etc. With terms, it emphasizes the importance of buying right/low and the value of sometimes trading off some advantages for others (such as paying more if the seller offers owner financing with little down, or deferred payment plans). With network, know the importance of building a capable team that can take you to higher levels through their expertise and guidance. This spans many types of professionals, personal connections, money sources, and seller contacts. With money, think of it as an employee and put it to work for you. Meticulously track your investments and expenses to have a clear idea of where things stand. Always, always hold your money accountable. Mind your money, hire a knowledgeable and experienced tax accountant and keep your money working for you. With you, always remember that you are the center of your operation. Your time is your most valuable asset, so make sure you value, protect and invest it wisely. Hire people, like property managers to take care of tasks that don't directly generate revenue. You'll also want to protect your assets, so it is also important to start entity and estate planning as early in your investment career as possible. Keep learning as you progress in investing. The more you learn, the more you'll earn. Be accountable with your time and actions. Meet with a mentor, coach, consultant or peer investor regularly to review your actions, evaluate your results and plan your next action.

Stage #4: Receive a Million

"The path to receive a million ends when you decide to end it"

"Never put caps on your financial potential – your potential to buy, own, receive and even give all the wealth you can imagine."

The last stage is positioning yourself to receive a million in annual pretax income. It is very possible to move from the day-to-day work of investing into the ranks of high-level investors if you follow the previous three stages. In order to achieve this goal, first determine what it will take to reach this level. Designate a specific time frame for reaching your goal. From there, you can get an idea of how much real estate it will take to produce your desired earnings in a specified amount of time. As you move closer toward this level, you'll need to start focusing more on refining your skills at leveraging people. You'll move from managing your own time to managing others, whether those individuals are your administrative personnel or your CEO. Hire and manage the right people. This will allow you to engage in your life and enjoy the fruits of your labor.

As a final note, remember that philanthropy is one of the critical stages in the path of wealth. "Financial wealth is never truly owned," Some choose to give back along the way while others wait until the later stages. Either way, charitable giving is a long-established and vital part of wealth. The highest levels of achievement occur in good stewardship and passing it on.

About the Author

Gary Keller is a self-made multi-millionaire, the founder of Keller Williams Realty International, the fifth largest and fastest-growing real estate franchise in North America.