47 Tips & Tricks

How To Make More Money

In Real Estate

By Craig Turnbull

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This book is dedicated to you, the investor. You are someone who has taken the time to do something for yourself and your loved ones by starting your property investment education. You are the person who makes what I do seem a worthwhile contribution to the universe.
Thank You.

The Aspire Organisation is a financial services organisation that empowers people, just like you, to have the knowledge, confidence and believe in themselves to create the life of freedom and choice that they desire.

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Forward

Thanks for taking the time to read this fun little compilation of tips & tricks that I have put together during over 20 years of property investing and personal growth. There is nothing startling or mysterious about any of them, yet so many people completely ignore the simplest possibilities and solutions.

It is my hope and expectation that you will use this information to begin the process of making a better life for you and your loved ones and heading towards financial freedom. You might like to let your friends know about this little book and they can download a free copy as well! (visit our website at www.iaspire.com.au)

I look forward to meeting you along the way at one of my educational seminars.

Until then, remember, life is what you make it, never miss anything and it is in your dreams that your life begins.

Craig Turnbull

CEO
Aspire Organisation

Preparing For Wealth – The 7 Wealth Habits

Before you can achieve true financial independence, you must first un-learn all your old money habits. You must change, right now, the way you think about wealth and all the things you do with money.

You may have seen and heard everything in this article before now and think that you know it all. But if you are not doing it, then you ***do not*** really know it.

The following wealth habits have no magical power and are nothing more than commonsense combined with a little old fashioned discipline, yet if you apply these habits diligently, amazing things will start happening in your financial life.

Habit 1 - Pay Yourself First

Every week before you get paid, invisible hands are stealing from your pay-cheque. Tax is removed and there are always demands for bills to be paid. You must start thinking of your investment portfolio as a bill – but above all else, pay your investment account first. This should be a minimum of 10% of your gross income. Have it taken automatically out of your main account and placed into a separate investment account and never ever spend it. This is the seed capital for your future investment program. You will feel a little pain as you adjust, but after a while you will not miss that money at all and before you know it you will be compounding your way to wealth. Remember – the poor spend their money first and invest what's left, while the rich invest their money first and spend what's left.

Habit 2 - Re-Invest

Any returns earned from your saving or investment programs must be immediately re-invested. This is not your money. It belongs to your investment program – the one that will soon have you in a position to live off its income for the rest of your life. Allow your investment the opportunity and time to grow. A one-off $1,000 investment showing a 20% return will compound into $52,827 in just 20 years, if you re-invest the returns.

Habit 3 - Examine Your Spending Patterns

Look carefully at exactly where your money goes each month. Most people can not account for 10-30% of their money which just "disappears" each month. For the next

30 days, carry a notepad with you and record everything you spend your money on. At the end of the 30 days, you may be astonished as to what your hard-earned has been wasted on. For example, that $5 a day lunch could fund another property investment. Resolve never again to waste your money and ensure you know where your money is going.

Habit 4 - Avoid Debt

Australians are notorious for the use of consumer type debt to buy items that rapidly decrease in value in order to fund a high lifestyle. Credit card debt is at alarming levels and is directly related to the record number of bankruptcies in what has been an otherwise powerhouse economic period. The acceptance of the "buy now, pay later" life is now complete after having it rammed down our throats by self-interested retailers and banks. Buy nothing that you cannot pay for in cash, or if you use a credit card make absolutely sure you pay it out in full at the end of each month.

Habit 5 - Eliminate Debt

Your first point of action in eliminating debt is to ***use it no more***. To get out of the debt you now have is relatively simple, but will take some time and a lot of discipline. Most people who try to pay off debt on their credit cards, store accounts, charge cards and personal loans just pay the minimum amount every month off their statements. A $1,000 debt on your credit card at 16% interest will take **3.7 years** to pay off if you only make the minimum 3% ($30) of balance payment.

To eliminate your consumer debt, you must attack it remorselessly. Allocate 10% of your gross income ***over and above*** your minimum monthly payments. This is every bit as important as your 10% savings. Tally up the amount you owe on each account. Take the one with the highest interest rate and pay off on that account 10% of your gross income, plus the minimum you would otherwise have paid. Pay only the minimum on your other accounts. Very soon you will have completely paid out your first account. You will feel as if you have achieved something, having swallowed that debt whole, rather than nibbling in a small way at all of the other debts. Now take your 10% of gross income, plus the minimum amount that you were paying on the first account and apply all of this money to the account with the next highest interest rate. When this second account is paid out, add all of the payments for accounts one and two and attack the third account. Use the same strategy to pay out the rest of the accounts in turn. You will be ***debt free*** in no time at all!

The best part of this debt elimination strategy is this – in a relatively short time, you will have no more consumer debt, but you will have formed the ***habit*** of making the payments. Use this habit to either start paying out the loan on your own home or buy another property (or two!) and turn your previous bad debt dependency into a powerful investment habit.

Habit 6 - Educate Yourself - Continually

The absolute best investment you will ever make is in yourself. Make it your mission in life to find out (and then apply) everything there is to know about wealth creation and investing. Attend every course, read every book, join an investor support group and learn by applying your knowledge. In many cases your expenditure on this education is tax deductible. In other cases, it is free. There is no charge for using your local library and using the internet information highway costs very little. No investment like education will give you better returns on your money or your time.

Habit 7 - Believe in Yourself

To achieve financial freedom you must get into the habit of telling yourself these two simple messages.

1) True wealth and financial freedom ***can*** be achieved.
2) True wealth and financial freedom can be achieved ***by me.***

Now, use these 7 wealth habits to set yourself up on the path to a life of freedom and choice. Ensure you create your wealth plan and then follow it faithfully. It will take some time, but the rewards will be worth your effort.

Property Investment Rules – The Magnificent 7

Over the years of buying, selling developing and renting property and helping hundreds of others to do the same, I have developed a series of Rules that all investors can use as a guide – until you develop your own.

Rule 1 - Know The Rules

The real estate investment game has been played for many centuries by people who are far more clever than you and I. They have set the rules and while they can be bent or adjusted and new ones are made, they essentially remain the same. Know what makes the property game work.

You must also clearly define your own Rules, such as the type of property you will invest in (eg single family home), how much you will pay and most importantly, your "reason for investing" rule. (ie income, capital growth)

Rule 2 - Analytical, not Emotional

A critical rule. I do not care what colour the carpet is or if there is a nice rose garden. I only want to know what the value is and if I can I buy it for less than that. I want to know what the return is and make my investment decision based on the ***numbers***. What is the cashflow and what is the potential capital gain?

Never get tied up with seeing yourself living in the property and just having to buy it.

Never make an offer on a property without having first worked out your maximum walk-away price, and then be prepared to coldly, without emotion, walk away if you reach that figure.

Never buy at an auction – these are designed to get the purchaser wrapped up in the emotion of buying or the machismo of being the winner in a competitive bid. These people always end up paying too much. One exception – a mortgagee auction that has no reserve and no vendor bidding allowed.

Rule 3 - Buy Wholesale, not Retail

You can not launch your investment career in property onto the fast track if you pay market value for your houses. You must make a profit at purchase. Experienced investors will tell you that a large proportion of your profit can and should be picked up when you buy. If you search hard enough, that ***once in a lifetime bargain will show up about once every three weeks.*** There is no shortage of vendors, who for whatever reason will sell you their properties for less than the true market value. Just find them.

Rule 4 - Leverage & Compounding

You must use other people's money. The use of leverage (borrowings) will allow you to own more property much faster than you ever could own using your own resources. It is possible to borrow a million dollars, but next to impossible to save a million.

Don't be too impatient – property is a long-term investment and it will take time. Allow your investments the opportunity to make use of compounding returns to grow your wealth. It won't happen overnight, but it will happen.

Rule 5 - Motivated Vendors

Only deal with sellers who want to be rid of their properties so badly, they can taste it. These people are very likely to be more flexible on terms and price. That means you can buy far better and use this latest purchase to springboard you to your next.

Rule 6 - Using My Money

Endeavour to use as little of your own money as possible. There are ways to structure a transaction so that much of your initial deposit can be returned to you in a short amount of time, alternately make only the minimum possible interest only payments on your loans. You don't need to own the property, all you need to do is control its cashflow and its growth. Time will take care of the loan.

Rule 7 - Honesty & Integrity

Always deal with vendors, your purchasers, your lenders and agents from a position of absolute honesty and integrity. The universe will not let you keep money that you earn dishonestly. The investment world is too small and people will soon know if you deal in a manner than is not completely open and transparent. It is not worth it.

THE SEVEN SECRETS OF SUCCESSFUL PROPERTY INVESTING

Secret No. 1 - **Location, Finance & Management**

There is an old adage in real estate the there are only three important things in real estate and they are "location, location and location". This old saying has validity for the home buyer who is purchasing their own personal home in which to live. However, the property investor has two other important considerations. These are finance and management.

Location relates *to* ***"where the property is situated in relation to features & facilities desired by its occupants"***. It is the primary factor in the capital gain performance and rental income return of your investment. It needs to be considered at both macro (overall) and micro (street & suburb) levels.

The method of **financing** of your property will determine how large your repayments could amount to and whether or not the property earns an income or you need to make "top-up" payments each month. Generally, the investor will seek to finance on an interest only basis at a fixed rate for as long as possible. This is usually the right choice for a property investment, though in some circumstances it will pay to use principal and interest type loans. Interest only loans will give you the lowest possible payments to protect your cashflow and the greatest amount of certainty with the large interest expense.

Your choice of **management** company and property management team is also critical. You will own your investment for the next 10 or 15 years, it makes sense to hire the best manager you can find, since if they are not professional or pro-active, you will pay for it through higher vacancies and lower rents attained. I don't usually recommend self-managing since it takes up too much time that could otherwise be invested in finding other deals and making more money.

Secret No. 2 - Don't Skimp on Research

To uncover the best deals and make the most possible money, you must spend many hours and dollars on **research.** Looking in the local ***newspaper*** to get a guide for prices will not be enough information on which to base your investment decision. Yet this is what many first time investors do.

To summarise the most important, you need to consult real estate agents, the Real Estate Institute in your state, neighbours, tenants (if there is one in the home already), Water Authority, Local Council, strata managers (if the property is a unit) and the property manager (if there is a tenant).

Many first-timers will not take the time to ensure they know what is that they are investing in and may suffer the consequences. Don't skimp on research – it is too valuable.

Secret No. 3 - Analytical not emotional

It is perfectly normal for young couples to fall in love with the white picket fence, the rose garden, the lovely curtains and the open fireplace in the home at which they are looking to own. These people will make their purchasing decision based on 90% emotion, and then justify their decision with 10% logic. As investors we must reverse this ratio and make our decisions based on 90% logic (or analytical) and only 10% emotion.

Getting emotionally involved with the property is a sure way to make a mistake. Why should you care whether or not you own the home, when I know for sure the home doesn't care who owns it?

Negotiating yourself into a situation where you feel you just have to have the property, particularly if you are competition with another buyer is a sure way to pay too much.

Not being able to walk away when you reach your "walk-away" price guarantees you will not get a bargain. You do have a price at which you will stop negotiating before making an offer don't you? Stop negotiating at your walk-away price, separate your emotions from the hard financial facts – and make better investment decisions.

Secret No. 4 - Buy Wholesale, Not Retail

Probably the best time to make money in Real Estate is when you buy it, not when you sell it. This is simply because it is highly unlikely that when you sell a property that someone will pay you more than it is worth. However, when you buy it is quite possible to purchase for less than true market value if you know what you are looking for and have a strong methodology in your research and investment practices.

Many first time investors are too afraid of missing out on a deal. They fail to realise that there are around 660,000 houses in the city of Perth and at any one time there are approximately 10,000 to 15,000 of these available for sale. How can you ever miss out? If you do enough research and "tree shaking" that once in a lifetime bargain will show up about once every three weeks.

Always buy at a discount to the true market value.

Secret No. 5 - Always buy at or near the median price.

As a general rule, you should be investing in properties within 20% of either side of the median price. That is, if the median price for the suburb is $200,000, then the purchase price range should be within $160,000 to $240,000.

If you purchase properties too high above the median, you run the risk of not being able to rent or sell the property in a downturn. If you purchase properties that are too low below the median price you are probably buying a property that is poorly located (busy road etc) or it could be in need of structural work. Your tenants will not pay much to live in a dump.

Secret No. 6 - Always Deal with Motivated Vendors

The secret to getting a bargain is dealing only with someone who wants to sell so badly that they can taste it. This does not mean that in buying under market value that you are going to win and the seller is going to be the loser. You must not enter into a negotiation with that attitude since if you do not offer your seller a way to win, there will be no deal done. Vendors will sell for under market value for a variety of reasons which could include job loss, job transfer, divorce, ill-health, they bought another property, retirement. The trick is to find out the vendor's true reason for selling.

Remember that this is not usually the first reason they give you! If your vendor is not that keen to sell – move on.

Secret No. 7 - Leverage & Compounding

To become wealthy in Real Estate you must make use of two powerful universal financial laws. One of the great wealth secrets - ***"real estate is the ideal asset class to use as a vehicle for a leverage strategy".*** That is, you must harness the power of ***leverage*** and use "OPM" or Other People's Money". By leverage I mean the power of using someone else's money to control your property investment. Leverage, if used wisely, can and will, regardless of your current financial situation, make you more wealthy, more quickly than you ever thought possible. The concept can easily be demonstrated by the following sentence - is it easier to accumulate $1,000,000 worth of real estate or to save $1,000,000? The answer of course is to borrow it!

Wealth creation through property is generally for the long term and it lacks the volatility in values of other asset classes like shares. But this is its essential strength - the steady increase in value over time. When putting into place your investment plan, be aware that it will take time. You need to allow for the power of ***compounding*** to work in your favour. A compound curve shows very little gain in the early years, but has a steep rise over the longer term.

There is an old story about the great French General Lyautey, who once asked his gardener to plant a tree. The gardener objected that the tree was slow growing and would not reach maturity for 100 years to which the General replied: "In that case, there is no time to lose – plant it this very day!"

You must allow time for the value of your investments to harness the miraculous power of ***Compounding***. Compounding simply means the ability of earning money on your money or earning interest on your interest. Don't be impatient. Property is for the long term.

So there you have it – the Seven Secrets. Nothing in these secrets is mystical or magical yet they are critical to your investing success. Since I always over-deliver what I promise you, I am going to add one final secret – call it the eighth if you like. This is a secret that has applications in all life's circumstances – it is the formula for Success. I do hope that you take it and make it your own.

Secret No. 8

The Formula For Success

Success = Vision x Decision x Action

> **VISION** – An understanding of what you want and a belief that you can make it happen.

DECISION – A strategy or a plan backed by knowledge and commitment

ACTION – The ability to make your dreams come true by taking the steps outlined in your plan.

Clearly imagine or visualise what it is you want, decide when and how you will achieve or possess it, and then take massive immediate action.

HOW TO FIND THE REALLY GREAT BARGAINS – IN THE MOST UNEXPECTED PLACE!

This is a great tip – completely overlooked by most investors. I discovered this a while ago and I am certain is could make you thousands of extra dollars in just a few months.

Interested?? Then keep reading!

I will begin with a "secret" that all professional investors use to find properties in over-saturated areas. I can't tell you how many times investors ask me to tell them how and where they can find bargain properties. I'll answer that in one sentence:

Your local newspaper! OK, you are shocked right? What is Craig on about? Read on.

It's staring at you in the face, begging you to pick it up and read it! I bet at least 99% of investors don't see it. I didn't see it either until a few years ago.
I was sitting in front of my laptop computer thinking about landlords who are experiencing higher than normal vacancies. I figured they would be suffering and might just be motivated.

What a perfect way to find properties at a bargain! So I picked up the local newspaper for my area and looked for "Homes for Rent" and "Rent to Own." Needless to say, almost every desperate landlord I contacted just about begged me to take the property off of their hands.

I just phoned the various homes for rent, and asked them the same questions:

1. “Would you be willing to sell this property on some creative terms?”

Some of them said absolutely they would! One dissatisfied landlord offered me the house with no deposit by carrying back some financing (vendors terms! You can read all about it in my first book “It’s Easy to be a Property Millionaire”)

I would then ask something like:

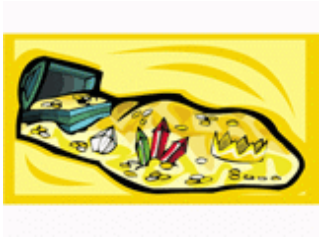
2. "Would is the lowest price you would consider selling this property for an 'all cash' deal?" Then I would ask (after they have given me a figure – “Is that the best you can do?”

The response was just unreal, to say the least! Some of the sellers offered great discounts, provided I could exchange & settle quickly. What a great opportunity for me to use a private money lender and buy the properties for essentially "no money down."

Give it a try! This is an excellent, yet very simple trick!

HOW TO INVEST SAFELY IN UNCERTAIN ECONOMIC TIMES

20 Investing into Property Safely Tips



Recent events overseas have rocked the world. Stock markets have crashed, before rebounding and going through wild swings of value that could continue for some time to come. Investors are selling off their stocks, often at a loss to place their money into low interest paying bank accounts. Experts are talking about world recession as governments scramble to lower interest rates and pump money into the economy through spending packages.

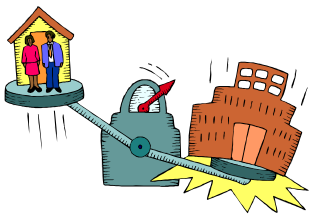
Since 1086 when the English started recording assets in a document called the Domesday Book, there has been an asset class that has shown an average of around

9% growth through good times and bad. Traditionally, this investment medium performs very well when interest rates are down, as is the case now in Australia. It is not subject to wild swings of value due to rumour, nor can it be manipulated by greedy institutions selectively buying or selling it off on mass. It can take advantage of compounding, which Albert Einstein called "the most powerful force in the universe". This asset may also be leveraged, meaning you need only use a very small amount of your own money to control a far more valuable asset, magnifying your returns. You can see it and touch it. It can earn you a steady reliable income as it increases in value over time. It offers shelter – one of the four basic human needs.

This asset is **Real Estate**. The Australian Dream. Almost 70% of the population own or are buying their own home – often the best investment the average Australian will ever make in their lifetime. Of this 70%, 6% own another investment property. Yet only 1% of that 6% own more than one investment property. If property is the best investment that the average Australian can own, why do they stop at their own home or just one other property? The answer is, either they don't know how, or they don't know how to do it ***safely***.

If you employ the following "**Investing into Property Safely Tips**, you are sure to lower your risk and increase your returns.

Always Buy at or near the Median Price



You should be investing in properties within 20% of either side of the median price. So if the median price for your selected suburb is $200,000, then your buying range will be $160-$240,000. Any more than this extremity at the lower end, will usually mean either the home is either poorly located at a micro level or needs substantial work over and above a cosmetic makeover. At the higher end, you don't want to own property too near the top prices achievable in a suburb – these are the most difficult to sell or rent in a downturn. Also, it is more difficult to add value to the higher priced homes in the suburb – you don't want to be a price-setter in the market.

Remember, the higher the price of your real estate, the more you need to rent it for to obtain a reasonable return. The higher the rent, the less people will be able to afford to live in your property.

Always Borrow Within Your Capacity

If your bank says "we will loan you $250,000", make sure you only borrow to 80% of your overall capacity. Set up the maximum possible credit line, but only draw down to 80% of the limit of the loan. This will mean you have unused credit facilities should misfortune strike, like you and your partner both lose your jobs, your cars engine blows up, your home is robbed of all its contents the day your home insurance runs out and all your tenants vacate all of your properties – all on the same day! In a situation like this you will have borrowed $200,000 of a possible $250,000. Do you think $50,000 will see you through a tough time?

Always Buy Below Market Value

There is a lot of truth in the old saying that "you make most of your profit when you buy property, not when you sell". Never pay the asking price on a property. Never buy at an auction – these are emotion charged events designed to drag more money out of you. Make sure you do lots and lots of market research so that by the time you start making offers in your chosen investment suburbs that you know the value of the property better than your local agent does.

The real secret of buying under market value is coldly and analytically calculating your final "walkaway price" on each property before you make an offer and then ***walking away*** if and when you reach that price. Investing in property for rental purposes is 90% analytical and 10% emotion. Reverse the percentages if it is your own home!

Protect Yourself With Adequate Insurance

When asked what our greatest asset is, many people will say "our home". And for many that would be true. Others may say "my mind" or "my health". As investors our greatest asset is our ability to earn an income from our personal exertions. The simplest way to do this is to insure ourselves against financial loss. The kinds of insurance you should consider are:-

1. Term Life - this should actually be called death insurance, because it is only any good if you die. For a relatively small amount of money per month you can insure yourself against the possibility of an untimely death for a relatively large sum of money.
2. Income Protection – this insurance will cover you for up to 75% of your monthly income for period varying from 3 months up until you are age 65. It is intended to help you through a period whereby you are unable to complete your work due to ill-health or perhaps some kinds of sickness or injury. They have different waiting periods and premiums vary wildly according to your level of risk, age and amount of income being protected.
3. Landlord Protection Insurance - It costs around $170-$190 per year and is worth its weight in gold. The insurance will protect you against wilful damage, a tenant doing a midnight flit without paying rent, a tenant who refuses to pay rent or denies access to the property. It does not cover you for vacancies between tenants.
4. Building Insurance – this is absolutely critical. How would your property earn an income if suddenly one day the house was not there? You must ensure that the policy is large enough to replace the home at today's prices and that this amount is reviewed every year. It should also cover your contents (like painting, carpets, light-fittings etc) and have a component that covers you for loss of rent (your income too!) during demolition and construction of a new building.

Location

Location relates *to "where the property is situated in relation to features & facilities desired by its occupants"*. At a macro level, the most important locational factors in terms of capital growth potential have historically been the river (or harbour), the ocean and the CBD. At a micro level, the property should be reasonably central to

most of the desired locational attributes, like schools, medical facilities, parks & gardens, transport facilities (trains, buses, freeways) or shopping centres, however you don't want to be immediately adjacent to either. Your tenant will be more interested in the micro locators.

As a general rule, buy in the best location you can reasonably afford and ***never ever sell.*** This is the best "get rich slow" system I know.

Property Type

Changing demographic trends including smaller family sizes and the emergence of single person households as one of the fastest growing household types in the country will change the way we have traditionally invested. These changes are having a profound effect on the types of housing being demanded. This means that smaller one bedroom apartments, perhaps with a study area will have much greater demand than that we have seen in the past, particularly in the larger cities. As investors we must be aware that the traditional four bedroom two bathroom home on a quarter-acre block is no longer the ideal of the population as a whole. The "cafe society" and "low maintenance" lifestyles will increase the demand for units and apartments in the future. So we must be sure that our portfolio is selected with this in mind and that we have a balance of property types. This is because we are not buying past returns with property – we are buying what a tenant will pay us in the ***future***.

Think Like a Tenant

A tenant's needs are not dissimilar to that of a home-owner. As an investor we need to stand in their shoes and learn to think like a tenant. With this in mind you will be able to factor into your investment decision what you think your potential tenant will need.

Is the property in a desirable neighbourhood? Are the shops – both large and small easily accessible? What about schools, shops, transport, medical facilities, parks & gardens, the beach?

Will your tenant want to spend time caring for the big pool or that large lawn and garden? Will they pay you more for a secure premises and air-conditioning? Do they really care about a white picket fence and a rose garden?

Warning – Dodgy "Get Rich Quick" Seminars

As an investor and an educator, I make it my business to go along to as many "investment seminars" as I possibly can, so that I know what is being offered in the marketplace.

I recently attended one such seminar offered by an interstate company, which was promising some quite amazing investment results. The seminar was promoted as an educational event and while they did indeed present some valuable information, they did not offer the complete story and the whole event was aimed at the seminar goer becoming their partner in off-the-plan developments in the Eastern States. The presenter admitted he knew nothing about real estate investment, but had achieved some excellent entrepreneurial success buying heavily discounted property off-the-plan. He had ridden the wave of growth that I referred to in Section one of the e-Zine. But what they did not tell you about the process, gave what I believe was a false impression of what could yet be achieved in the market to come.

They left out vital information about funding these kinds of investment. Late in the seminar, they offered the real reason for the event – they wanted you as their partner.

For the privilege of being their partner and doing their week long course, this company was only asking for a payment of $17,000 (if you paid on the night or via their instalment plan, discounted from $34,000!). I was astounded at the number of people who were eagerly rushing to sign up for the program, dollar signs flashing in their eyes.

I recommend that in any situation like this, do your own research and investigation before getting involved in any "get rich quick" scheme or indeed any long term investment.

How to Buy a Property – and How Not To!

The story of two investors – the first spent several months identifying his target area, doing research, driving the streets, visiting home opens and making offers. End result – he purchased his very first property for $112,000, down from the list price of $135,000. Brilliant result and an instant addition to his wealth of at least $10-15,000. He was patient in his negotiation and was quite prepared to walk-away if he did not get what he wanted.

The second investor followed a similar pattern – did the research, got to know the suburb, but got tired of having no success over a three-month period. In desperation, this investor made an offer to purchase in a totally different (though familiar since she lived in the area) suburb, not completely knowing all the sales results. She and her partner just had to have something and the property they bought looked like great value compared to the more expensive suburb they had been "farming". We managed to extricate them from the deal, so no harm done other than wounded pride – but what a fantastic learning experience for both of these investors, don't you think?

Buying at a Baillif's or Mortgagee Auction – A Good Idea?

I recently attended a baillif's auction for a small one bedroom unit, looking to add to my "cashflow positive" portfolio. The auction was attended by the usual suspects and it was quite interesting to watch the competition and the tactics that the "professionals" were attempting to use to put other potential bidders off. The property ended up selling for $48,750, which was quite a way over my walk-away price. There was also a further $2,500 in outstanding fees, rates and taxes which the purchaser had to pay prior to settlement. Then was just the small matter of getting the previous owner to leave the property in a timely fashion, without them tearing up the place.

I note a couple of points to consider when buying at these types of auctions:-

1. Property bought at a bailiff's / mortgagees auction is taken as is – you can't make your bid subject to building or white ant inspections.
2. You must offer a bank cheque or cash usually for 10% of the purchase price on the fall of the hammer and produce the rest of the cash in 14-30 days. There are no finance clauses allowed.
3. You may have difficulty getting inspectors through the property prior to the auction because often the reluctant and sometimes very angry current owner is still in residence and may be unlikely to co-operate
4. Also be aware that sometimes what is being offered for sale is a half interest only in the property - say the husbands half. How challenging would it be to own half of a property while the other half is owned by another persons spouse - someone you don't even know?
5. Always do title searches and ask lots of questions of the people conducting the sale.

It is possible to make good profits from buying property in this fashion. As always, do your research and be sure what it is you are investing in.

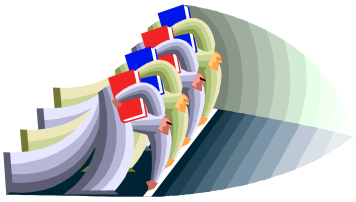
My tip for getting out the previous owner with a minimum of fuss? Offer them $500 cash to be out on the day of settlement and a further $500 if the property is left in good, clean condition. Then make sure you change the locks!

Timing Your Purchase

Be aware when you are buying property that you could be settling in winter or maybe over the Christmas period – traditionally a very hard time to rent out property – even

worse in the current marketplace. Negotiate the longest settlement time possible to get you through the rainy or holiday periods. Your best defence against vacancies if offence and in this case that means having the best pro-active property manager that you can have on your investment team. There are not that many around – don't rely on the company that sold you the property to necessarily be the best property managers too! Do some research – you are hiring them after all to look after your investment for the next 10-15 years.

Action Plan!



The most important thing you can do to start your investment life is to have a strategy followed up by a firm plan of action. Time and again I see frustrated first time investors who have spent months looking for that great bargain but achieve very little. I ask - "have you got a plan?" In most cases I get a blank look. I follow this first question with another – "how can you possibly hope to find what it is you are looking for if you don't have a clear idea of the kind of property you want?" Most people at this point realise the importance of a plan.

Loan Tips – How to Get What You Want From the Banks!

The following tips are those that I have picked up over the years and are included in my book "It's Easy To Be A Property Millionaire" :-

1) Understand that the bank will only lend you money when you can prove you don't really need it! You absolutely, positively ***must*** have your loan approval in place before you invest. So, always plan ahead – set up your credit lines, pre-approvals and get updated valuations (to prove your equity) on your property before you need to apply for a loan for that great deal you just scored.

2) When you are applying for a loan, never ask for the bank's help. This places you in the position of supplicant (beggar!). You are merely interviewing this banker to see if you will give him/her your business. (Attitude!) Let the banker talk. Remember – a closed mouth gathers no feet!

3) Everything is negotiable, including the interest rate, fees and charges, Loan to Value Ratio, Mortgage Insurance (in some cases the bank will waive the MI up to an LVR of 85%!), the amount of Debt Service Ratio they will loan to. I have heard of DSR's up near 50%. Don't forget any penalties or "break fees" for early payment of the loan – understand what you might be liable for. Just ensure that all of these details has been discussed and agreed upon up front. Banks are notorious for slipping in "those little extras" right at the time of signing the mortgage documents. They are hoping that either you won't notice or at that late stage, you don't have time to argue. So be thorough up front and have your loan agreement in writing in full detail. Never pay any fees until the loan is approved in writing. Be prepared to fight if you have to.

4) When you do attend an interview, don't go in wearing jeans, a T-shirt & thongs. Perception is everything. Dress for success. You will get a far better response.

5) Ask your interviewing officer who actually approves the loan? Can they? Do they have a limit up to which they can approve? Or is this just a "form filler inner"? You do not want to waste you time with someone who can not approve your loan. Ask to see the form filler inner's supervisor. You may need to get around the "computer qualifier" (the computer will spit-out a yes or a no) and you can't do that with someone who has no authority.

6) Get a copy of your own credit report from Credit Advantage. (www.creditadvantage.com.au) Ensure the details are correct. One wrong notation on your file could mean a rejection of your loan. Another related tip here – get your loan approved before you sign an authority to let the lender do a personal credit check on you. Every time you apply for a loan, the bank will check and a note is made on the file. If you have been to six previous banks for the same loan, you will have six recent inquiry notes on your file. The current bank will view this as six rejections and wonder why!

When all else fails – there is always the bank next door. You do not understand what "no" means and you take no prisoners. Use your commonsense – if the "no" is for the same reason bank after bank, try a new approach and circumvent this temporary setback. The secret of success is perseverance.

Statistics – What Good Are They?

If you have read my book "It's Easy to Be A Property Millionaire" or attended my Weekend Property Millionaire Seminar, you will know that my philosophy with property investing is that when we buy property, we are not buying the past, but a slice of the future. That is, the future capital growth and income stream. I know the property has a past history, but how important is it? If the suburb in which I have just bought has had a 30 year growth average increase in median of 10% per annum, can I expect that in the future? Maybe, maybe not. The past is only a guide - it can not predict the future. What if they rammed a new freeway right through the middle of my 10% suburb, right alongside the new railway line, detention centre and the planned nuclear power station? Is that going to affect the future growth in a suburb? Similarly, you may be looking at a suburb that has a history of 5% growth that is just about to get sewerage installed and a land re-zoning. Do you think this could catapult land values upwards? The use of statistics, like median prices and average growth rates, should only be the first part of your research.

Secondly, statistics can provide you with a distortion of reality. For example, you may have an old suburb filled with old homes with a median price of $150,000 say 10km form the CBD. If an old factory site within the suburb was redeveloped with 500 new houses all priced at around $250,000 and these homes began to be resold, do you think this could artificially shift the median price of the suburb upwards? In a case like this the statistical median increase could be 20% in a year, whereas the underlying growth was really only 10%. That is, all the old homes would only have gone up by 10%.

Look hard at what the statistics tell you, read between the lines and don't rely on them completely.

Investing Interstate – Holidays & Heart Wrenches

Following on from the above paragraphs, it is logical that given the right research, you could time your purchases in each marketplace to ride the growth wave in each city and therefore maximise returns. Many investors will not do this as they are uncomfortable with the idea of not being able to see the property every day on their way to work. I know people in Perth who live south of the river who would never invest north of the river because "it's too far away" or "I never go north". The home doesn't care who owns it – why should you? Whether or not you see the property, the rent will still keep coming in and its value will increase at the same rate as it would have anyway. Most investors rarely see their properties more than once a year anyway (I recommend you go with your property manager at least once a year!) so why all the angst about having to invest in your home city?

All this seems to go out the window when we arrive for our holiday at a beautiful beachside location and fall in love with the place, cementing this new found affliction with our cheque-books by purchasing the first property that we see. I almost fell into this trap earlier this year in Coolum and a few days later up at Noosa in Queensland. I hadn't been before and had no idea how wonderful it is up there. Is it really in Australia? I decided I had to have a piece of it and could easily have done so, however in my emotional state, I may not have made decisions that were positive in regards to my strategy or portfolio mix. You must make it a part of your essential research when entering any new market. Take off the rose-coloured glasses and be objective or you may ending up paying too much in a market you know nothing about and probably won't spend a lot of time in anyway. However, if you approach the exercise with your strategy and plan in mind, you may find yourself spending a lot of time flying all over the country inspecting your property portfolio, with the blessing of the taxman!

What Can You Claim - Depreciation or Capital Expense?

There needs to be a lot of care taken when improving or maintaining your property to ensure that you get the correct tax deductions. In a general sense, repairs to a property can be claimed in full in the year in which the expenses were incurred. This can cover quite major works and the complete replacement of items, providing they were in need of repair. The taxation office will look at the claim and try to determine if you were upgrading the property or repairing as a result of damage done in the course of a tenancy. For example, the replacement of carpets would normally be an expense that

you could depreciate over a number of years since it has a reasonable economic life and would wear out over time. Recent rulings have meant that one-off items up to the value of $1,000 (was up to $300) may be claimed in full in one year. If you buy a property that needs work, and you do that work before you have rented the property out for a period of time, then your work will be considered capital improvements and any tax deductions will be as depreciation (a percentage of the cost) over years, rather than one off claims for 100% of the cost in full in one year.

At my last weekend seminar, one of my graduates asked me an interesting question about tax deductibility of a roof replaced due to health reasons. The roof was asbestos and was getting to a dangerous stage with the possibility of fibres becoming loose. The options were to completely replace the roof or to apply a special sealing coat which could extend the life of the roof for another ten years or so. I understand that there is not that much difference between the two in overall costs, so on the face of it, I would elect to replace the roof. However, replacing the roof even though it was due to possible health risks still means I have a new roof and it must be depreciated at the building rate of 2.5%. If I use the sealer however, that could be considered a repair and I should be able to claim that in full in one year. Isn't that some food for thought? Depreciation is a tricky issue – make sure you get your accountants advice and always get a quantity surveyor's report to ensure maximum tax deductions

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Delinquent Tenants – What Can You Do?

The Sunday Times reported last weekend that there are 20,000 tenants owing some $5,000,000 in back rent. I do have some doubts about the figures as it means approximately 10% of all rentals are delinquent to the tune of about $500 each. It was a pretty scary article for people to read, especially if the reader did not have the education to understand that situation like this can be insured against. This type of insurance is called Landlord's Protection Insurance and costs around $200 per property per year. It is absolutely essential to have this insurance – owning residential investment property without it is like driving your car around without brakes. The insurance covers you in most situations if there is damage by a tenant or if they disappear overnight or refuse access to the property or to pay rent.

However – your absolute best insurance – choose a competent pro-active professional property manager. Your manager, if they are doing their job correctly can eliminate 95% of possible tenant issues by careful selection and checking of tenants before they move in to your property. Something to remember – we must learn to love our tenants. The vast majority are wonderful hard-working, honest people who are in effect our business partners – they are helping us pay for our investments. Look after your tenants!

What Should Kind of Property Should I Buy?

Readers of my book "It's Easy to be A Property Millionaire" and my weekend seminar graduates often ask me "what kind of property should I buy?" Well this one question could take another book all by itself or a whole day's seminar. What it comes down to is these few factors. First, what type of property most suits my investment strategy – houses or units, new or old, positive or negative gearing etc? Secondly, what can I reasonably afford? Thirdly, how does this particular kind of property fit with the rest of my portfolio and do I have a comfortable balance of property types? Fourth, what will the property rent for and can I find tenants easily now and in future? This last question is one that many investors ignore. With changing demographics come changing housing needs and what may have been perfect in the past may not be so successful in the future.

I was asked by an Opportunity night attendee what I thought of a studio apartment in an 8 storey block of flats in East Perth. I knew the building – it's about 30 years old and it's a rectangular box of tiny units. It has had a recent upgrade externally and some security gates added which are positive changes. The downside is that there is a larger block currently being constructed next door which will create noise and disturbance for at least the next twelve months and obscure the pleasant outlook to the park across the road. I also know that units in the complex are taking a very long time to rent – the last one I am aware of took 7 weeks. The price of the studio unit that the investor was looking to purchase was $124,000 and possible rent around $150 per week. I thought that the rent figure was the creature's (real estate agent's!) estimate as the unit that took 6 weeks to rent was a completely upgraded 1 bedroom (not a studio) end unit and it went for $150 per week.

Infrastructure & Redevelopment Changes Values Dramatically

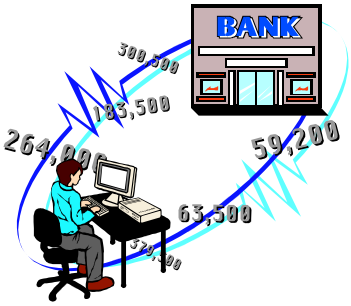
Recent changes to major infrastructure in my home town of Perth will mean investors in the know will reap gains when demand for suburbs previously ignored improves.

For example, an extension of the electric railway or freeway or a new bridge will have a positive effect on the suburbs that will have reasonable proximity to these new transport facilities.

In the heart of the City of Perth, the railway will be sunk underground, which will finally rejoin Northbridge to the main CBD – this is positive news and will create many opportunities for investors. Similarly, it has been announced that the Entertainment Centre is to be demolished to make way for residential apartments and some commercial property. This as all about change – and change represents opportunity for those who are attuned to what is happening around them.

Ask yourself – what kind of change is happening in my city? Where are the old industrial suburbs being torn down to make way for new developments? Where is my State Government and local council changing their planning schemes to allow new development? These are the places where opportunity is created for those who are ready to reach out and take it.

CREDIT RATING



On of the most important things you have going for you is your credit rating. Sometimes people might have had some minor (or major) credit defaults in the past that are affecting you ability to get loans and invest in property now. So you really need to know what is on your credit report, so that if there is anything listed that is stopping you, you will know at least what you have to deal with.

You can get this information on yourself (as any bank does as per the details in the box below. It costs around $23 or if you are not in a hurry you can get the information for free sent out in about three weeks – great tip!

CRAA Credit Check (fast)

Federal Law states that it is an offence to access information other than your own, the penalty for breaching this law is $30,000.

Fast access to your credit information will be posted or faxed or emailed to you in 1 working day for a fee of $23-00 (inc.GST). (as at July 2005)

Call Baycorp Advantage Group on **02-9464 6000**
The phone will be answered by a recorded message.
Follow the instructions to obtain a copy of your credit history.

You may also be able to do this online at www.creditadvantage.com.au

Baycorp Advantage Group
PO Box 964
North Sydney NSW 2059 (or)
Fax: 02-9951 7880

"The Power of Leverage"

Real Estate is the absolute greatest investment to be able to utilize the power of leverage. This is because our friendly bank manager will loan us a higher percentage

against the value of property than any other asset class – up to 90%, and more if you own other property that can be used to secure a loan. So what is leverage all about?

We have all the heard the saying - "If I had a lever long enough, positioned correctly, I could move the world". What did the ancient wise man who said this mean and how does it apply to modern day property investors? Quite simply, the longer the lever, the greater is the weight that can be moved. The "lever" for property investors is the use of OPiuM - I don't mean a drug, I mean Other Peoples Money. That is, use borrowings to buy a property that they wouldn't otherwise have had enough money to own. The multiplier effect of the power of leverage to increase your net wealth is graphically demonstrated below.

Investor 1	***Investor 2***	***Investor 3***
$200,000 PROPERTY PROPERTIES	$200,000 PROPERTY	10 x $200,000
Cash - $200,000	Cash - $ 20,000	Cash - $ 200,000
Loan - nil	Loan - $180,000	Loan - $1,800,000
Gain @ 10% - $20,000	Gain @10% - $20,000	Gain@10% - $200,000
Return - 10%	Return - 100%	Return - 100%

Investor 1 pays $200,000 cash, uses no leverage, makes $20,000 or a 10% return
Investor 2 pays $20,000 cash, uses $180,000 OPM, makes $20,000, or a 100% return
Investor 3 pays $200,000 cash, uses $1,800,000 OPM, makes $200,000, or a 100% return.

Clearly, the "Power of Leverage" in this example (ignoring interest and income) provided a growth rate for Investors 2 & 3 ten times high than that of Investor 1. OPiuM, or Other Peoples Money, when used prudently and safely, can rapidly accelerate your wealth.

REAL ESTATE MYTHS - Number 1

"Vacant Land is a Good Investment!"

The idea of investing in a block of land to make money is not a new one. Many people have been told by "those in the know" that this is a good way to increase wealth. On the face of it, it may seem a great idea. It's cheaper to buy a block of land, and therefore you don't have to borrow as much, so the repayments would be lower right?

With the exception of a few cases where vacant land may benefit from a change in zoning or subdivision, vacant land performs poorly compared to a brand new rental property. Why is this so? Vacant land generally is not income producing, and therefore there are no tax deductions to be obtained from offsetting the rent against the loan interest and other deductible expenses. Similarly, the rates and taxes that you pay are not deductible. Banks generally charge a higher interest rate on a vacant land loan too. A rental property has the advantage of two extra partners - the tenant and the taxman helping you to pay it off. This allows you to purchase a higher priced property and benefit further from increased capital growth.

$80,000 BLOCK		**$200,000 RENTAL PROPERTY**	
Interest @ 8%	6,400	Interest@ 6%	12,000
Rates &Taxes	800	Rates & Taxes	1,200
Management	nil	Management	1,500
Maintenance	nil	Maintenance	250
Insurance	nil	Insurance	300
Other	nil	Other	200
Expenses	7,200	Expenses	15,450
Less		Less	
Rental Income	nil	Rental Income	9,900
Tax Deduction	nil	Tax Deduction	5,165
Growth@10%	8,000	Growth@10%	20,000
PROFIT	$800	PROFIT	$17,615

Clearly, the benefits from owning an income producing property far outweigh that of vacant land. When you consider that the block would cost you $138 per week to own and the income producing property only $8 per week (at top tax bracket of 48.5%), the choice is clear.

For more information and education on property investment or any of our wealth creation services visit the website at www.iaspire.com.au or telephone the Aspire Organisation at 1300 132 941.

REAL ESTATE MYTHS – Number 2

"Positive Gearing Must be a Good Investment!"

The idea of investing in a property to make money or provide an income is not a new one. Using other people's money and borrowing, or "gearing", to buy the property is an even better idea.

The property is said to be positively geared when the income is higher than the loan repayments, neutrally geared when rental equals payments, and negatively geared when the income is less than the cost of the interest. Generally, to produce a positively geared property you either need to have a large deposit (your own money) or you need a property that has a very high rental yield. Since the overall return from real estate is approximately 11-14% (made up of rental yield and growth), a property that has a 10% rental yield can only have a capital growth component of between 1% and 3%. Similarly, if your rental yield is say only 4%, you will probably be in a high capital growth suburb (eg Subiaco) and would reasonably expect a capital growth figure of around 8 to 10%. It is simply not possible to achieve both high rental yield and high capital growth on a sustained long term basis. So, as an investor, do I want high yield or high capital growth?

This will depend largely on your investment objectives and your capacity to invest. As a general rule, Property Millionaire favours high capital growth as the quickest and safest way to build your portfolio – though you do need to look carefully at your own circumstances and strategy. The following example of buying four $50,000 30 year old flats that rent for $100 per week each ($400 total, high yield) compare with a $200,000 brand new purpose built investment home (rent $200 per week, high growth, high tax benefits) demonstrates clearly the different performance of both investments.

4 x $50,000 Units		$200,000 RENTAL PROPERTY	
Interest @ 6%	12,000	Interest@ 6%	12,000
Rates &Taxes	2,400	Rates & Taxes	1,200
Management	2,200	Management	1,400
Maintenance	1,500	Maintenance	250
Insurance	1,000	Insurance	300
Other	600	Other	200
Expenses	19,700	Expenses	15,350
Less		Less	
Rental Income	19,552	Rental Income	9,900
Tax Deduction	4,037	Tax Deduction	8,095
Growth@ 2%	4,000	Growth@ 8%	16,000
PROFIT	$7,889	PROFIT	$18,645

(Tax deductions calculated on 48.5% marginal rate, assumes $200,000 total borrowed)

The flats perform poorly compared to a brand new rental property when you take both growth and yield into consideration. Why is this so? The new property has lower costs for insurance, management, rates & taxes (one home instead of four) and there are significant tax deductions to be obtained from depreciation of both the building and the fixtures & fittings. The new home will usually have a lower vacancy factor.

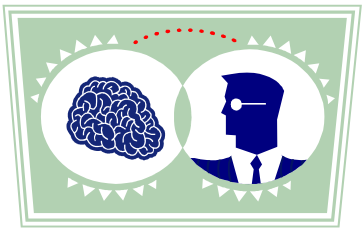
Before tax weekly cost for the flats is just $3 per week compared with the new property which has a cost of $105 per week before tax benefits. After tax, the flats produce an income of $75 per week while the new property has an income of $51 per week.

When you combine these figures with the overall return (rent, taxation benefits and capital growth) the flats produce a weekly return of $152 compared with the new home which totals at $359 per week.

Clearly, the benefits from owning a high capital growth property far outweigh that of a high yield property, providing you are on the top taxation bracket. However it is very important to look at your overall individual strategy with regard to investment and make sure that you consider any taxation benefits received as bonuses to capital growth and income.

No book on Property Investing would be complete without some information and tips on motivation, success and the psychology of wealth. I offer you these tid-bits – not written by myself, but nevertheless, very important for your investing career.

Motivation



You must be motivated! To what level of motivation are you committed?

Dictionary definition

Wish: to have a longing for; want

Desire: to long for; crave

My definition of a wish: It is like a half hearted dream. A person may say "I wish I could play a piano like Liberace, or Elton John, or hit a baseball like Sammy Sosa or Mark McQuire, or play basketball like Michael Jordan or Larry Bird. However, unless he is willing to put in the time and effort, years of hard work and practice, his wish is only a half hearted dream.

My definition of desire: It is like a dream you visualize in your minds eye, and require to become a reality so much, that you put forth effort no matter how hard, to make it so.

Did you know that when Larry Bird was a boy, he was just a skinny little kid with very little athletic ability. However, he had a desire to be one of the best basketball players that had ever lived. Larry Bird had so much desire that he would get up at 5:00 AM every morning, go to the gym and practice his basketball skills. He practiced relentlessly! What did not come to him in natural ability he developed by pure persistent hard work and practice. He had true desire!

Now you may be thinking "Come on! I am not trying to accomplish anything great, I just want to make more money." Well, I understand that, however, the same principle applies, you can wish for more money, or you can desire it!

You are considering buying my book or attending my seminar because you at least have a wish for something more. My desire is that if your wish is merely a wish, that I can help spark you into making your wish a burning desire!

There was once a Roman general who realized the importance of motivation as he was about to send his reluctant troops into a battle in which they were greatly out

numbered. The general knew his men would have to be highly motivated to win, but they were not. So, after his army had sailed to the enemy's land and disembarked on the hostile shore, he gave the order for his OWN ships to be burned. The general then commanded his troops, "We win, or we die!"

With that strong motivation they won.

Failure is the result of one's LACK of consistent, persistent effort.

Success is the result of

CONSISTENT, PERSISTENT EFFORT.

The Key To Success

Once there was a college student pondering his meaning in life. More than anything else he wanted to be a success. *"But how do I become a success*?" he thought. *"What do I need to do? What is the key to success*?"

Shortly thereafter he attended a seminar taught by the great philosopher Socrates. Being very impressed by Socrates words he thought, *"Now there is someone who can give me some insight into the key to success*."

When the seminar was over, he found Socrates outside on the steps talking with a group of students. He walked up to him, tapped Socrates on the shoulder, and said, *"Socrates, what is the key to success*?" Socrates quickly glanced in the direction of the young man, then turned back and continued his conversation with the group. The young man thought, *"Maybe he didn't hear me*." He tapped Socrates on the shoulder a little harder and said a little louder, *"Socrates, what is the key to success*?" Socrates turned, looked him right in the eye, and then turned back around and continued talking with the group of students. Now the young man was getting a little offended, and he shouted, *"Socrates, what is the key to success*?" Socrates turned around quickly, stared right into the young man's eyes, and said, *"Follow me*!" He started walking across the school grounds.

When he got to the parking lot, he looked over his shoulder and the young man was following close behind. He continued past the parking lot and off the school grounds.

He walked up to the bottom of a large hill, looked over his shoulder and the young man was still following close behind. He walked to the top of the hill, looked, and the young man was still there. He went to the bottom of the hill, looked and the young man was still there. He walked onto a beach and up to the waters edge, turned, and the young man was still there. He walked into the water up to his knees, turned, and he was still there. He walked until the water was to his waist, turned, and he was still there. He continued until the water was at his mid chest, turned, and now the water was near the young man's shoulders.

Socrates quickly grabbed the young man by the shoulders and pushed him under the water and held him there! The young man started to squirm and twist! Then water bubbles started coming up from the water. Socrates then pulled the young man up out of the water and across his shoulder as he headed back toward the beach. He threw him down and gave him a couple breaths of air. The young man started to cough and breathe: he jumped up, reared back his fist and said, *"You crazy old fool! What are you trying to do? Kill me*?" Then Socrates raised his hand and said, *"Now wait I know you are mad, and you have the right to be; but let me ask you just one question*."

Young man: *"What is it*?"

Socrates: *"What was it that you wanted more than anything else in the world while I was holding you under the water*?"

Young man: *"Well, of course, I wanted a breath of air*!"

Socrates: *"when you desire success, as much as you desired that breath of air, that is when you will achieve it*!"

I hope these tid-bits on motivation have been of help and an inspiration to you. I know stories and short sayings have helped me keep going whenever I have been discouraged or the going got rough. It sometimes will for you as well, it's like a test to see if you have what it takes, before the reward comes. The best of luck to you in your endeavour to be successful in your family, spiritual, and financial life.

One final tip: Make sure as you achieve different levels of success, to take time out to treat yourself and your family. Celebrate your achievements, and share it with your family, they are on your team, by fulfilling your life and making what you do possible!

THE EDGE....

Life begins at the edge of our comfort zone.

The questions we have before us will lead us right to the edge, not only to the edge of our comfort zone, but also the edge of our understanding, of our beliefs, of our experience. They challenge us to a new experience. While we may be pushed to the edge of our comfort zone we must all remember that the edge is where the adventure is. The edge is where new opportunity lies. The edge is where true creation begins. And that is where we need to meet to seek a newer world for ourselves.

The French philosopher Guillame Apollinaire wrote :

"Come to the edge." "We can't. We are afraid." "Come to the edge." "We can't. We will fall!"

"Come to the edge."

And they came. And he pushed them.

And they flew.

As with some information on motivation on success, no book on Property Investing should be without some humour – some fun! After all that is what life is really about – absolute happiness, however you define it!

I offer you these fun little “Rules for Life”. I didn’t make them up, but I laughed like crazy!

Thirty Basic Rules of Life

Remember, life is just a phase you're going through...you'll get over it.

1. Before you criticize someone, walk a mile in his shoes. That way, if he gets angry, he'll be a mile away - and barefoot.
2. A clear conscience is usually the sign of a bad memory.
3. If you must choose between two evils, pick the one you've never tried.
4. My idea of housework is to sweep the room with a glance.
5. Not one shred of evidence supports the notion that life is serious.
6. It is easier to get forgiveness than permission.
7. I have found at my age going bra-less pulls all the wrinkles out of my face.
8. For every action, there is an equal and opposite government program.
9. Age is a very high price to pay for maturity.
10. A closed mouth gathers no feet.
11. If you look like your passport picture, you probably need the trip.
12. Always yield to temptation, because it may not pass your way again.
13. Bills travel through the mail at twice the speed of cheques.
14. A conscience is what hurts when all your other parts feel so good.
15. Eat well, stay fit, die anyway.
16. Men are from Earth. Women are from Earth. Deal with it.
17. No husband has ever been shot while doing the dishes.
18. A balanced diet is a cookie in each hand.
19. Middle age is when broadness of mind and narrowness of waist change places.
20. Opportunities always look bigger going than coming.
21. Junk is something you throw away three weeks before you need it.
22. There is always one more imbecile than you counted on.
23. Artificial intelligence is no match for natural stupidity.
24. Going to church doesn't make you a Christian any more than going to a garage makes you a mechanic.
25. Experience is a wonderful thing. It enables you to recognize a mistake when you make it again.
26. By the time you can make ends meet, they move the ends.
27. Thou shalt not weigh more than thy refrigerator.
28. Someone who thinks logically provides a nice contrast to the real world.
29. I believe the only time the world beats a path to my door is when I'm in the bathroom.
30. Blessed are they who can laugh at themselves for they shall never cease to be amused.

CONGRATULATIONS

Since you have gotten this far, the team at Aspire would love to offer you a free gift valued at $49 – a 90 minute DVD titled – ***"Property Wealth – Your Key To Financial Freedom"***. Just visit the website at www.iaspire.com.au and enter your details on the main page. We will also register you for our free monthly E-zine, packed full of property & wealth creation information.

I trust that you enjoyed the contents of this E-Book. More information about the quality educational services and products that we offer can be obtained from the Aspire office by ringing **1300 132 941** or visit our website at www.iaspire.com.au.

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