CHAPTER ONE

Learn

Great business beginnings are rooted in education.

“Successful people are not gifted; they just work hard, then succeed on purpose.”
- - G.K. Nelson

The offer went through.

There we were, shaking in our boots. A detached home for $106,000 and we *still* debated whether or not we were paying too much. Broke, scared and clearly presented with an opportunity we knew wouldn’t come again, it was time to make a move.

And it just so happens that this very decision was the one that changed our lives forever.

We put down 20% ($21,200) and secured a variable rate mortgage. Still working our full-time career jobs, we used our nights and weekends to completely renovate the rundown house we’d just purchased. Floor to ceiling, from the inside out, it was refaced and refreshed. On a bootstrap budget that had us seeking out every possible deal like bloodhounds tracking a scent, we did the entire 580 square foot renovation for $15,000.

Time to refinance.

The new appraisal valued the renovated home at $172,000, an increase of $66,000 from our purchase price. In other words, we turned $15,000 (and a whole lot of blood, sweat and tears) into $51,000. We paid the minimal three-month interest penalty to break out of our existing mortgage, refinanced with a variable rate at 20% down again, put the home up for rent and pocketed the additional money – only temporarily of course, because it wasn't long before this became our down payment on Investment Property #2, a duplex just a few blocks from our principal residence.

That's all it took.
We were hooked.

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We spend $100,000 on a university education but squawk at the idea of attending a real estate investment training course for $20,000. We want the fancy cars for tens of thousands but won't fork up the same amount of money to learn about building wealth and attaining financial security.

At the very start of our journey in 2016, it was tremendously difficult for us to have faith, take the plunge and put forth $18,000 as an investment in ourselves, our education and our future. That was the cost of the real estate investing course we selected. More so than our decision to purchase our first investment property, the choice we made to attend this program was, hands-down, the best decision we've ever made in our lives. Today, just four years later, our education spending currently sits at $135,000 – and we don't regret a single penny of that nor do we plan to halt our real estate investment learning anytime soon.

You cannot put a price tag on the kind of education that changes your perspective, retrains your mind, forces you to question outdated mentalities, and teaches you proven strategies to apply in your own life. It is these types of investments in your personal development that give you the information, tools and power to make life-altering decisions designed to build wealth and attain true financial freedom.

Make no mistake about it: *anyone can do what we've done*.

But!

Real estate investing is not a get rich quick scheme. It's not a fast-track to wealth. Like anything else worth mastering, it takes drive, focus, dedication and hard work. And at the core of it all, is your education.

One of our top recommendations for new real estate investors is: take the time to *learn*. Read, take courses, research, compare, analyze, evaluate and talk to people who have already achieved what you're just starting to work towards. Most importantly, put in the necessary time at the beginning of your investment career to educate yourself on various strategies so you can ultimately decide what is most suitable to your situation, your personality and your goals. After all, there isn't one way to make money in real estate – there are many!

Perhaps you're not entirely "SOLD" (pun intended) on real estate as an investment just yet. There are certainly lots of other things you can dump your money into. So…why real estate?

BEWARE
STRONG OPINION UP AHEAD

We believe real estate is the <u>best</u> possible investment on the planet.

Here's why.

For just about any piece of real estate, you can pay 20% to 25% of the total cost (sometimes less) and be the owner of that property with full control. What other investment operates in such a way? The answer is, none.

Real estate has leverage unlike any other investment.

In the stock market, for example, it's considered highly irresponsible to invest with borrowed money. On the other hand, in real estate you can use significant amounts of financing to invest in property without assuming too much risk.

Consider this example.

You pay cash to buy a piece of real estate for $100,000. In the course of one year, the property increases in value by 5%. You earn a $5,000 (5%) return on your investment.

Now let's say you use that same $100,000 in cash to buy a $500,000 property and you borrow the other $400,000. If the value increases by 5% again, now you have a return of $25,000 – 25% of your initial $100,000 investment.

Take this with a grain of salt because we're not factoring in lender fees, closing costs and monthly mortgage payments, but you get the picture.

The point is, leverage (if you use it!) has the capability to significantly amplify your returns.

Real estate also sets itself apart from other investments because it can be rented in order to earn you passive income. You can't rent out a stock, now can you? In real estate, one of the best ways to earn passive income is by renting out investment properties. Sure, it would be great if the property you purchase rises in value over time but that's really not the focus of your investment endeavor. Think of how much *rental income* you can earn if you put a tenant in there. This will be the key driver of your returns.

Contrary to other investments, real estate provides a unique tax advantage. Who doesn't like the sound of a tax break?! You see, when you purchase an investment property, you are permitted to write off the purchase price over a certain number of years – this is a tax deduction known as depreciation.

Given the fact that there are a multitude of variables at play, it's impossible to truly and rightly compare real estate to any other investment in order to arrive at a concrete answer of which is "the best". Having said that, there is no disputing the fact that real estate has a few key advantages. When you combine leverage, rental income potential, price appreciation and tax benefits, the plausible returns in the long-term are impressive.

If we take a look at the appreciating prices of real estate over a long period of time, in the vast majority of countries around the world, the increases are significant. As an investor, however, you need to remind yourself that this is *not* what matters and it isn't what's going to earn you significant wealth in your lifetime. The focus on appreciating values over time plays right into that old, and completely false, idea that your principal residence is an investment.

It's not.

Think of how much money your home sucks out of your wallet each and every month. From the mortgage, to the property taxes, to the utilities bill, to the odd breakdown and repair, to the need for new furniture, upgrades, renovations…the list is endless!

The notion of a principal residence being an investment is an old-school, over-the-hill way of thinking.

On the other hand, you have an investment property. Sure, you pay the mortgage and property taxes but you're also cash flow positive each month with your rental income not to mention the fact that the property is slowly appreciating over time. Now *that's* an investment.

There is a profound difference between the two and this is a distinction that every successful real estate investor has ensured is introduced and understood by their once pre-programmed brain. Time for a re-program. When you begin thinking about a real estate investment in terms of its potential to earn you rental income, you subsequently focus less on the actual value of that investment at any particular point in time. This is because with such a model, even if the market tanks and the value of the property decreases significantly, that doesn't mean anything to your tenant. They still need a place to live and will continue paying rent. Now picture how insignificant the actual value of a multi-family rental property is when you have *several* tenants paying you rent each month.

If you have parents who were born in the 1950s or earlier, there's a good chance you were brought up thinking along the lines of:

> "Work hard and earn your pay cheque."
> "Save part of your earnings and put it in the bank."
> "Debt is bad."
> "Pay your bills on time."
> "Invest safely, with guaranteed returns."

As you begin exploring a new world, we've got news for you: in order to be successful, you must drop all of these preconceived notions. First and foremost, change the way you think about how you earn money. More specifically…

Find a way <u>not</u> to trade your time for money.

There's another way to make money…a better way, which is exactly what our book is designed to teach you.

Savings? A good idea, but it depends in what form. Stockpiling money in your bank account that doesn't earn you a cent of interest or investing in a GIC that can't even give you returns that match the rate of inflation? Bad idea. Redefining what you categorize as cash that can become liquidized if a terribly rainy day comes along is an essential step in your real estate investment education.

Some like to call real estate a "safe investment" but you're certainly not guaranteed returns of any kind. It's a risk, and as an investor, you absolutely must be willing to take risks.

Debt. Even the word sounds ugly…until you change your perception. Debt in the form of funds you've borrowed in order to make an investment that earns you passive income and solid returns? Nothing ugly about that.

There's no doubt about it, real estate investors think differently from other people. We witness this every day. Heck, *we're* living proof ourselves! As soon as new money comes our way (and we'll explain exactly how that happens later on), instantly we think of where we're going to reinvest it. We're not interested in the fancy cars or the luxury fashions. Simply put, we're obsessed with making *more* money from *present* money – preferably that isn't our own (again, we'll be coughing up all the nitty gritty details on this in later chapters).

It certainly took us some time to arrive at this very conclusion and it wasn't easy in the beginning.

We weren't always real estate investors. In fact, we've only been in the market for 4 years. Once upon a time, I, Leslie, was a probation officer. It was an extremely sought-after job and I was one of only 140 in the entire Province of Ontario. I loved my job – and I mean *really* loved my job. If you were to ask me some ten years ago if I could see myself leaving my position, I would have answered with a resounding, "Are you nuts?! Never."

But here I am. And now I am speechless when I take a second to think about the financial freedom, passion, creativity, innovation and challenge that real estate has given me. It, quite literally, changed my life. Of course, I wasn't always so far removed from the notion. I grew up in a family of contractors, my father leading the pack. He was constantly buying, renovating and flipping. We must have moved 4 times! As a young girl, you could find me on the construction site any time of day. I was always surrounded by renovations and fixups. Today, I plan and manage the renovations on our own investment properties.

Now over to you, Jamie.

I used to be a race car driver. It was my passion and I loved every thrill it brought to my life. Unfortunately, in 2014, I suffered a terrible accident that left me badly injured. Once I'd made as full a recovery as possible, I couldn't go back to racing. Greatly disappointed, I was forced to stick with my daytime role as a mechanic, but decided to open my own automotive repair shop. I loved it and found great fulfillment in my business. Similar to Leslie, I couldn't have imagined my life any other way. Now, I can't imagine it without real estate.

Truth be told, we've always been HGTV junkies. For as long as we can remember, we've been watching Income Property, Fixer Upper and Leave it to Bryan, so I guess real estate investing was within us in some way, shape or form – we just hadn't the faintest idea just yet.

Until we saw the Facebook ad for an introductory session to real estate investing. It caught our attention right away but we still hummed and hawed about whether or not to attend until we finally made the commitment.

Game over.

It was enlightening, informative and fascinating. There was no question that this turned on the lightbulbs already planted in our heads. Our interest was piqued. But this then posed an important question: *we want to explore real estate investing but should we now sign up for $18,000 in training or do we simply try do this on our own?*

A significant question, no doubt, and one that I'm sure we're not the only ones who have pondered. Coughing up $18,000 between the two of us to go out on a limb and pursue what was nothing more than an interest at the time, felt certifiably insane! At the same time, we can tell you that if we had decided to "figure things out" on our own without any form of real estate investing education, there's no way we would be where we are today. The education we chose to invest in (essentially, investing in ourselves and our knowledge) was, and is, priceless.

One of the primary takeaways from the program was a concept we touched on a little earlier:

To be a successful real estate investor, you must be comfortable with being highly leveraged.

What?! Leveraged? As in, lots of debt? Ahhhh! No way, absolutely no way.

We believe this is an accurate depiction of our initial reaction to this, what we once thought to be, outlandish theory. My chest tightened and I thought I was going to have a heart attack (Leslie speaking here). But you know what? This was, and is, completely right. As a matter of fact, our teachers couldn't be *more right*.

Today, we are a strong husband and wife team of real estate investors who have come to own 200 doors in 4 years and we are absolutely highly leveraged. Always. It has come to be a key part of our investment strategy and there is no way that will ever change. What was once a source of great discomfort has now transformed into a thirst for more to the point that every time we receive something in the mail from one of our banks, we feel genuine excitement for the possibility that it may just be another offer for a line of credit that we can use towards a new investment.

Following the success of our first investment property and then using the additional funds from that refinance (leverage!) to make our next acquisition, we were wading into the water. The duplex in our neighborhood, investment property #2, was also a rundown home in need of renovation. We followed the same model:

1. Purchase with a variable rate mortgage.
2. Renovate.
3. Refinance.
4. Rent it out.
5. Use the additional funds from the refinance of a home that had now risen in value to invest in another property.

Our second investment property experience was just as positive as the first. Now we were knee-deep.

We bought the duplex for $269,000 and put 20% down. Renovations for one apartment in the duplex included new flooring, trim, drywall, painting, as well as two new furnaces, a new electrical panel and water pumps so that we could separate the utilities between the two rentals. The total cost was $30,000. When we refinanced, the appraisal came in at $350,000, valuing the property $81,000 higher. Within two months, we had the newly renovated apartment rented out (the second apartment was already occupied by a tenant and only recently renovated by us after it was vacated) and generating monthly income. It's possible this property's success story felt even better than the first because this time, it only took $3,000 out of our own personal pockets to make this happen. The rest of the funds required to make the purchase and renovate the home came from the money we made (and subsequently borrowed as part of the new refinanced value) on Investment Property #1.

By then, we were fully submerged in the body of water that had become our sea of investment opportunities.

Was it luck?
Skill?
Knowledge?
Calculated risk?
Sound decision making?
All of the above?

We would venture to say it was predominantly a combination of the last five, and far less of the first. We were prepared and we knew how to do what we wanted to do. Leading up to the purchase of our first property, we researched the heck out of the market. We knew *everything* that was up for sale because for months we checked MLS and other listing resources no less than 10-15 times a day! When the moment came for us to make a move because we found the perfect opportunity, we were ready.

While we don't know the precise answers to these questions of what it really was, there's one thing we do know for absolute certainty:

It was financially and mentally critical for us to succeed on our first two investments.

If we hadn't, we might not be where we are today.

So…

Prepare.
Learn.
Get an education.
Research.
Figure out your budget and goals.

Go for it!

Because once the ideal opportunity flashes in your direction, you must be 100% ready for it in every sense of that phrase. And if you are, it will become your first success story upon which you build your legacy…one property at a time.

<u>CHAPTER TWO</u>

Set Goals

If you don't know where you want to go, you'll never get anywhere.

"Setting goals is the first step in turning the invisible into the visible."

- - Tony Robbins

We were sitting around our dining room table with two fellow investors on a cold and sunny afternoon in November of 2019. It was no particularly distinct meeting – although it quickly turned into one of the most significant days in our real estate investment career. We had these kinds of brainstorming, sharing meetings all the time. It's one of the most incredible parts of having a network of likeminded individuals we can talk and collaborate with on a regular basis.

On this day, we weren't planning on it, we hadn't discussed it previously but about half an hour into our meeting, we blurted out a goal:

"We want to buy an apartment building."

We looked at each other and smiled. It felt good to say it out loud. That also made it real, especially because we were in the company of two other investors who heard it. Was it crazy? Perhaps. But that's certainly not what these investors had to say. No idea or goal communicated by anyone within our network is ever deemed to be crazy, impossible, too big or nothing more than a pipedream. In other words, no one is ever put down or diminished by their ideas. On the contrary, we offer each other advice, guidance, expertise, story sharing, recommendations, coaching and referrals in order to assist in the achievement of particular goals. It's an incredible thing and we are extremely grateful to be in such company.

A few minutes later Jamie's sister, Dianne, who was a supervisor for a property management company, walked through the door to pick up our son for their planned outing. After greetings and small talk for a few minutes, we casually asked, "Hey, do you happen to have any apartment buildings for sale right now?"

She paused for a moment and answered, "Actually, we do."

Isn't the coincidence of timing amazing sometimes?

Her answer only solidified our goal even further. (And as a matter of fact, we *did* end up buying that very building several months later.)

So, our goal was verbalized, set and now we had a step in the right direction to pursue it. Make no mistake about it, however, we had absolutely no idea how to bring it to fruition. This was entirely new territory for us since prior to this, we had only purchased properties with a maximum of 4 doors. It was up to us to figure out how to achieve it.

Time to reverse engineer.

End goal: *acquire an apartment building*.

Steps to get there: *this is what we needed to engineer*.

We definitely made many errors along the way, the first of which was our decision to represent and negotiate ourselves (no real estate agent). It was a completely private sale because the landlord of that building also did not have an agent. To say that he was difficult to deal with would be a massive understatement – he was a nightmare! The negotiations were long and painful, taking place over the course of three months.

Thankfully, we quickly made a smart move in a positive direction when we engaged a commercial multifamily coach who helped us every step of the way. And he was our savior. Day and night, he was there for us and we no longer felt alone in a transaction that was, quite frankly, entirely over our heads. There were many coaching sessions that took place as he prepared us for the project management of an entire apartment building (which is completely different from that of a single-family home or duplex).

We can recall many a night during the negotiation process of that transaction when we were so overwhelmed we didn't know what to do next, and our coach was instrumental in these moments. From writing conditions and running numbers, to doing our due diligence and raising capital, our heads were spinning tops that were also dealing with underlying fear and an unwavering determination not to fail. To top it all off, we were still at our full-time jobs!

Thankfully, just before the deal officially closed, we were in the right financial position for Leslie to leave her job (with Jamie close behind). And thank goodness because managing that apartment project turned out to be a 60-hour a week job – from the finances, to coordinating investor appointments, to sourcing materials and hiring contractors. All the way through, our coach was there to guide, direct and advise. Without him, we may not have made it and he is still one of the coaches we work with actively to this day.

One of the smartest things you can do as an investor is establish a team of experts who fill in the gaps of those areas where you're weaker. Don't make the mistake of thinking you can do everything on your own – you may just wind up going backwards rather than forwards.

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As avid goal setters now, it's shocking to think that before we began investing in real estate, we never did any sort of goal planning whatsoever. Now, some days it feels like all we do is think, talk, plan and goal set. It's as simple as saying it out loud and…BAM! That's a goal. Let's go figure out how to achieve it. We truly believe that there is *nothing* we can't do. Even if we set a goal and have no idea how to accomplish it at the time it is verbalized (much like the situation with our first apartment building acquisition), we make moves and propel forward in order to determine the "how" part of the equation.

Let's take it back a step further now. Set aside the "how" to achieve a particular goal and think about the "how" to actually *create* a goal. At first, it sounds simple enough: think of what you want, say it and it's a goal. Sometimes, however, it's a little more complicated than that.

A great exercise that we're big advocates of is the creation of a vision board. A vision board is a board of any kind (we like bulletin boards) that you use to build a collage of words and pictures that characterize your goals and dreams. Your board can be comprised of anything and everything that drives and inspires you. For us, that means motivational quotes, special sayings that ignite us, images of travel destinations, buildings we have our eyes on for acquisition, Caribbean properties, paved driveways, landscaping, and then so many other things that reflect our own personal lives and aspirations. Your vision board is an exciting, ongoing and evolving visualization practice because as you achieve your goals on the board, they get removed and replaced with new ones.

This is a practice you can do with your entire family and it's one we include our son in as well. For the three of us, it's clear that we are extremely driven by travel. Our top goal is to be able to have the financial and life freedom to hop on a flight at the drop of a hat and go anywhere in the world. In the meantime, our properties are well-managed and rent is continuously paid. Our time is not what earns us money.

When you're in the planning phase, let the SMART goal model be your guide:

Specific
Measurable
Attainable
Realistic
Time-bound

Specific – What is it? Describe it to a T. You want your goals to be precise. One of the most difficult aspects of goal setting is holding yourself accountable, so the more exact you can be the better. This way there is no room for ambiguity or excuses. Specificity is also critical because you want to be able to accurately visualize your goal and if it's too vague, that visualization is far more challenging.

Measurable – Can you measure your goal? Is it tangible and quantifiable? For example, "Buy a few properties over the course of the next several years." Define "few" and how many years is "several"? This is much more measurable: "Acquire 6 new doors in 3 years." There are no questions to ask and now this goal can be measured and tracked.

Attainable – Is it reasonable? This differs from person to person and business to business. All factors considered, know what is achievable in your world and set your goals accordingly.

Realistic – It is possible? Never set a goal that isn't actually doable or that is way too far-fetched. This only increases the likelihood of failure because you never gave yourself enough of a chance in the first place.

Time-bound – When do you want it to be achieved? It's easy to say, "I want to buy my first investment property." Great. *When?* The harder part is putting a timeline on that goal: "I want to buy my first investment property by the end of this calendar year." When you put a time on your goal, instantly it becomes real.

Know your individual traits and personality. As you set goals, think of how you best perform. Are you someone who likes to work on multiple goals at once? Or do you execute on your plans if you're focused on a single goal at a time. Here's where we differ from one another as a team. Leslie is extremely goal driven and likes to have multiple goals on the go. Once one of them is achieved, she's ready to move on and figure out the next one to put on the vision board. Jamie, on the other hand, while still highly driven by the goals we make, prefers to focus on a single goal at a time and when it is attained, he enjoys sitting with it for a moment and pausing before determining what will come next.

To get serious about your goals, every aspect of your life should reflect what you want. Think of each goal as an endpoint which requires the focus and motivation of everything around it. If your goal is to learn to fly an airplane but you have no images of planes around your home, you never talk about it and all your belongings are focused on vehicles on the road, then your world is not synonymous with your goal. If your goal is to become financially free but you continually spend money frivolously and your finances are disorganized, then again, your surroundings are not consistent with what you want.

We believe strongly in setting up a home to be successful along with you. For us, that means well-situated motivations and visuals, as well as a lifestyle that reflects what we're really working towards: uninhibited travel. In our master washroom, atop our marble shower wall, we painted in large, bold letters: "***Killin' it***". It's the first thing we see when we wake up in the morning and start getting ready for the day. Heck, it's also the thing staring at us in the middle of the night when we wake up for a pee! We have several quote artwork pieces around our house including "*Choose happy"* and "*Surround yourself with happiness*". These subtle, yet effective messages are everywhere so that as we move throughout each day, we notice them. It may not sound like much, but there is a profound power that lies beneath this subliminal, almost subconscious messaging. Your eyes see it, your body feels it and your mind ingrains it.

In our home, you won't find a ton of stuff. We keep a minimalistic style and don't tend to accumulate things. There's no clutter or luxurious items designed to make us homebodies. On the contrary, the money we spend at home is restricted to what we need to live comfortably and the bulk of our cashflow is reserved for travel – which is why our dining room table centrepiece is a large globe. And there's more where that came from with world globes also in our living room and basement, not to mention several world maps in our dining room, upstairs hallway and son's bedroom. Our life focus can be seen in what we have, what we do and how we live. It goes as far as our son saying he'd like to buy a new video game for $40 and we rebut stating, "Naw, forget it – that's four meals in Thailand!" It's also the reason why we refuse to upgrade one of our cars, the Honda Civic (which we've had for 3 years) because our focus on investment growth and travel experiences is unwavering.

Once you have a goal, live and breathe that goal. Discard the negative verbiage that steers you away from achieving it – "I can't", "How am I ever going to do this?", "This is too hard", "That'll take way too long"…

Right here, right now, decide you're going to do it, AND DO IT.

A more recent goal of ours was to begin ownership of luxurious vacation rentals in the Caribbean Island of Curaçao (you'll get all the juicy details in Chapter Eleven). When we first verbalized this goal, we hadn't the foggiest idea how to achieve it. But we were determined to figure it out. In our world, this goal was the same as any other and began with research – an obscene amount of research. Then it transitioned into phone calls and emails, speaking with various people associated with the goal in some way. From here, we began to assemble a team to help us achieve our goal: real estate agents, property managers, engineers, mortgage brokers, insurance brokers and accountants. As we work to accumulate property in Curaçao, our team is collaborating and working closely with us to facilitate the acquisitions, renovations and rentals so that we can eventually become known as the business with the nicest vacation rentals on the island. This goal is quite a significant stepping stone towards the achievement of our overall, big-picture, ultimate ambition which is to focus in the vacation real estate space and own a resort.

No matter what type of acquisition frames our next goal, these are the steps we follow:

1. Research.
2. Crunch the numbers.
3. Take action.
4. Put together a team. (And make sure every member of the team shares a vision similar to ours so the work they produce aligns with our expectations.)
5. Decide our level of involvement in the plan (If you're Leslie, you say to your team "I don't care how you get it done, just figure it out." If you're Jamie, you say, "Give me all the nitty gritty details along the way.")
6. Find a property.
7. Do our due diligence. (This is to make sure the deal and the numbers still work after all negotiations, renovation cost finalizations, surprises that popped up along the way, contractor preparedness, etc.)
8. Make the purchase.
9. Manage the operation.

After four years of experience in the real estate space, our process looks the same but our planning has become far more extensive, and the checklist we follow and abide by is much longer.

The first step to setting a goal is easy: *say it out loud.*

And preferably, for someone else to hear. This instantly gives it a sense of proof and reality. It exists, so you better actually work towards it now. Ideally, whoever you say it to is also at least one of the people who can hold you accountable. They can check in with you, ask you how it's going, and give you advice or guidance that may help along the way.

When we don't reach a goal of ours (yes, it's happened!) it's extremely upsetting and frustrating. In our experience, and in comparison to others in our network, apparently it's quite common to feel this way. We believe that simply means we take our goals seriously and care deeply about their achievement.

Reverse engineering is an effective way to break down what first seems to be an overwhelming goal. Here's an example.

Let's say you want to own 20 doors in 2 years.
Work backwards.
This means you need to purchase 5 doors every 6 months, for the next 24 months.
Once you simplify in this manner, it becomes clearer.
It also becomes easier for you to determine whether or not the time-bound nature of your goal is reasonable or not.

Don't think about the goal in its entirety all at once. Separate and think of it in smaller, more digestible pieces. As you conduct your research and planning, while careful evaluation is critical, be wary of *analysis paralysis*. In other words, overanalyzing to the point that you actually paralyze or freeze yourself in time, making it impossible to move forward. It's so easy to plunge into this trap, but here's a way to snap yourself out of it if you feel you're falling prey:

What's the worst-case scenario?

Take a look at the risks associated with moving forward. Think of the worst that can happen. Evaluate the possibilities, likely and more unlikely. Then ask yourself, can I deal with this? Am I willing to take the risk with this particular level of probability to achieve the end goal? If your risk load isn't enough to make you slam your breaks on, take action. On the other hand, if you simply can't bear the thought of the potential impact, back off, re-evaluate and change your plan if need be.

A simple yet effective starting point for goal setting initiatives is to think five years ahead. What does your life look like? What do you see? What do you *want* to see? If you take a moment to reflect on your life now and what you believe it will be in the future, are you happy? Do you like that life? If not, you must make a change. And that change starts with a goal (or several). Think, conjure, strategize, put your pen to a piece of paper.

For most people, one of their most important end goals revolves around cash flow and net worth. What wealth have you built for yourself? How long do you need to stay in the workforce in order to be financially stable later in life?

Three of our largest and most pivotal goals have been:

1. Replace income from our day jobs so we feel comfortable leaving them.
2. Reach $25,000 in cash flow per month.
3. Don't trade our time for money – make our money work for us.

There is a rule that states:

You are the average of the five people you spend the most time with.

It's true.

During our training course, they asked us to write down the names of the five people we spent the most time with, and estimate what we believed to be their income and total net worth. Then they stated, you will be the average of those five. As hard as this was to hear, looking back, they were absolutely right.

An essential part of reaching higher, moving forward and achieving the goals you set is surrounding yourself with people who are doing the things you want to do. Contrary to dinners we used to have with old friends where the discussions would revolve around menial topics, the get-togethers we have with our fellow investors involve conversations about goals, dreams, what we're doing now, what we want to do next, skills we have and skills we want to acquire. They are meaningful and motivational. There's no reason for any of us to feel as though we're bragging (which is how we're made to feel if we talk about our successes and goals with people who don't think and work like us), rather we are simply sharing and talking candidly as a likeminded group. It's an open dialogue of productivity.

When you first begin your journey as a real estate investor, beware of the naysayers. You know the ones – those that will hit you hard with a million skeptical and discouraging questions such as:

What if the market drops?
What if you get a horrible tenant?
Don't leverage your investment, it's way too risky.
So, you're a slumlord now?

On and on it will go. The stigma around real estate investors is real and you're bound to encounter it at one point or another. Tune it out. Find people you can bounce ideas off of and speak with truthfully about your goals. Because let's be honest, if we can't dream and set goals and make achievements, are we really living to our fullest potential? We have the brains to think, plan and attain. So why not determine exactly what we want out of life and then take the steps to make it happen?