



Keyspire[®] Bootcamp

Learning & Reference Guide



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The case studies provided are from our speakers and trainers, as well as from some of our coaching students who have shared their success with us.

Important Information

“

*The **Secret** to success in
life, is for a person to be
ready for their **Opportunity**
when it comes*

”

Success Leaves Clues...

Welcome to the Keyspire Bootcamp! We are proud of you for taking the step of walking through the door, prepared to learn what it takes to be successful in real estate.

To get the most out of this bootcamp, participate! This is the most valuable advice we can give you. Our learning systems are designed to include you, and the more you participate in this bootcamp, the more prepared you will be when applying the principles in the field.

Focus on your goals and objectives. During every session, constantly ask yourself “how can I apply this to me, to my personal goals, and to my business goals?”

Make the most of the breaks. Ask questions in the Q&A section to our Keyspire Team that consists of highly experienced investors. Take advantage of this time with the Team to learn from them.

We know you will enjoy hearing from our amazing Trainers; they are the best in the business. This bootcamp is your launching pad, so settle in and prepare to take your real estate investing to the next level.



Let's Go
A word from our founders

Top 10 Strategies to Win in Real Estate:

- 1. Effective ways to access capital and creative financing for optimum growth**
- 2. The right business tools for success**
- 3. Asset evaluation and using leverage safely**
- 4. Multiple investing strategies and techniques including:**
 - Buy, hold, and rent for long-term wealth
 - *Flip to Yourself*TM for fast growth
 - Private lending and mortgage investing to earn passive income
 - Private equity investing and working with developers in land development
- 5. The art of negotiating a great deal**
- 6. Profitable Rehabs and Renovation Concepts**
- 7. Property Management Strategies**
- 8. Leverage a power team and network for the best results**
- 9. Ownership structure for protection and tax relief**
- 10. Benefits of Joint Venture Investments and Using Other People's Money (OPM)**

And much, much more...

Your Agenda

What you will learn this weekend

Scott McGillivray and **Michael Sarracini** got their start as broke university students living in a rented house. Then they had a brilliantly simple idea: better to collect rent than pay it.

They talked with every real estate professional they could and gained the knowledge and confidence to take the first step. After doing a detailed analysis and raising money from multiple sources, they bought their first house and quickly rented it to fellow students.

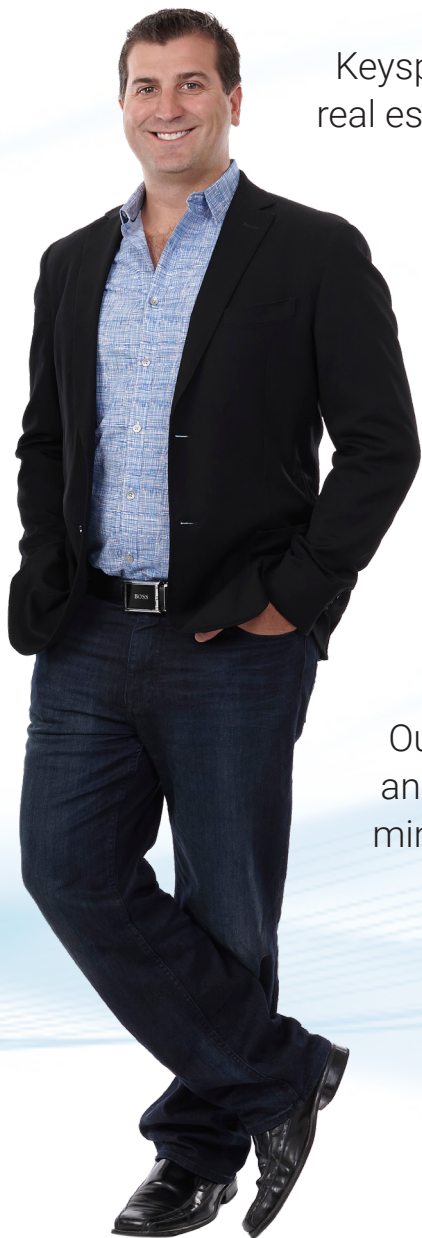
Realizing there was a great demand, they looked at another property on the next street a few days later. Buying two houses in the first year seemed ambitious, but they had a goal and a strong business model to achieve it. Over the next few years, they went on to buy many homes, tweaking the process until it was perfected.

Scott McGillivray
Co-founder, Host of HGTV's Income Property



What do these guys know that you don't?

By keeping an investing journal, they documented every success, failure, and insight, revising and polishing their system until that journal became a book series. Over time, they started to educate people from all walks of life through seminars, bootcamps, and the hit show HGTV's Income Property.



Keyspire was created to empower others to build wealth through real estate investing with the knowledge Scott and Michael have gained. Keyspire members receive end-to-end support including the knowledge and tools needed to become a real estate investor.

Our Members learn Keyspire's proven straightforward system and are part of a dynamic and engaging community of like-minded investors.

Michael Sarracini
Co-founder, CEO of Keyspire®

You're about to find out!

1. Accept your “Aha’s”.

Tune into those flashes that only you receive. They’re often out of context. Who cares? They are yours. Write them down in the moment. Later, act on them. These are intuitive. Any one of them can make a positive difference in your performance, your effectiveness, your results, and your personal payoffs.

2. Remember — it’s not over when it’s over.

The true training begins when you leave the bootcamp. It starts when you practice in the real world. You see, in the safe setting of the learning environment you gain insights intellectually. In the world of objective reality you integrate your findings emotionally. It is there that you become the owner of each nugget of wisdom. And — it won’t be effortless. It takes practice and repetition, adaptation to your circumstances, your personality, and your objectives. You may fall down once in awhile on your way to mastery. So what, it can happen to anyone. What matters is that you do not stop until you have captured all the possibilities. Just as you squeeze all the sweet juice out of the orange, squeeze every drop of value for yourself out of this event.

3. Send a thank you note to whomever arranged for your participation and tuition or simply supported your initiative.

Include the highlights of your “ideas-actions- results” commitments. Let them know that they will be paid back tenfold for their investment (time and money) in you. As a consequence, you find it easier to induce them to support your presence in future training, resources, and support that you feel may help you.

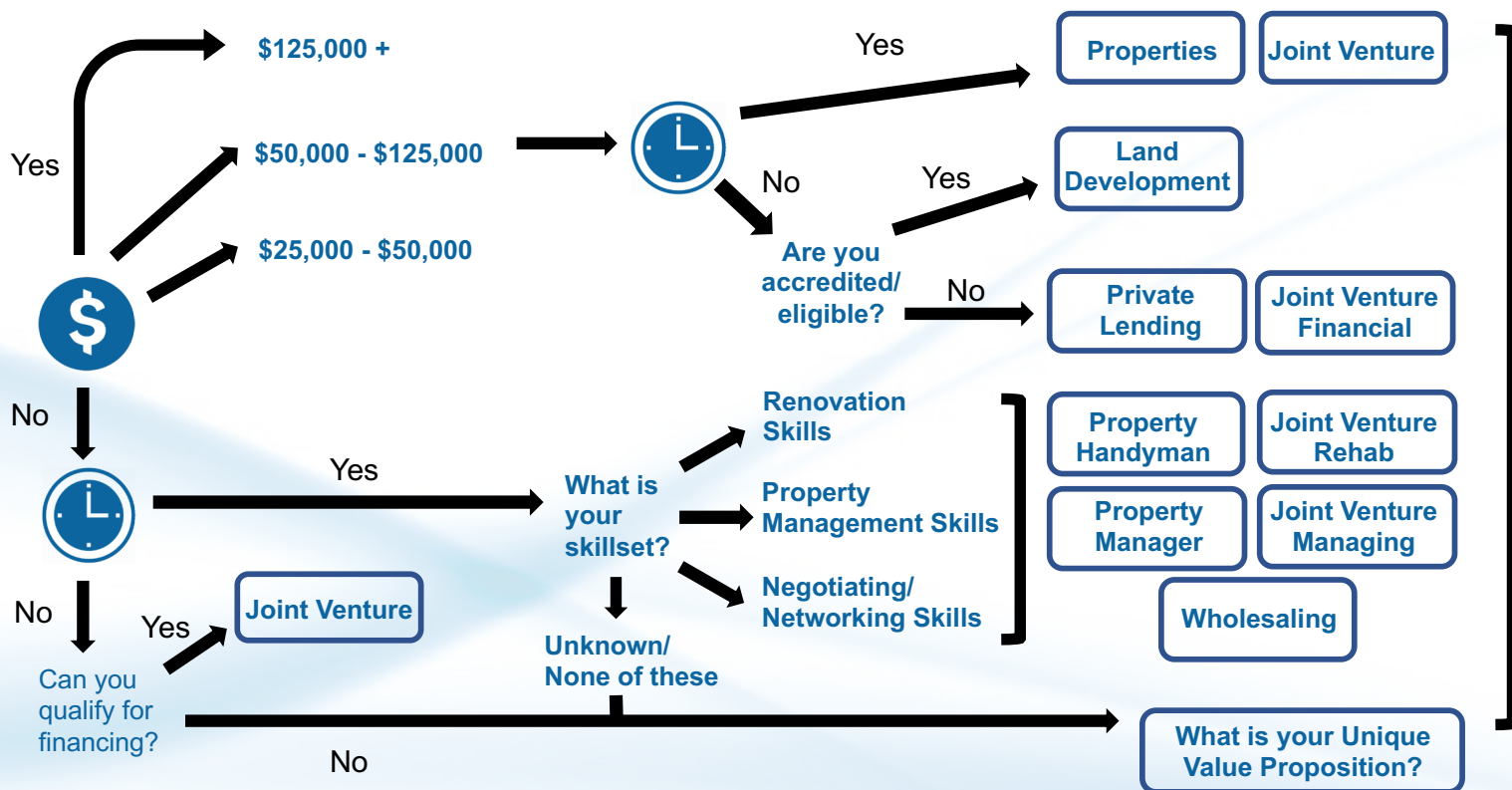
Three Ways To Get Extra Value

“

*This may not
be easy... but,
it's worth it*

”

Success Leaves Clues...



Determine Your Investor Profile

The starting point

Consumer / Contributor

**APATHETIC / UNFOCUSED
CLOSED-MINDED / EMOTIONAL
OVER-ANALYTICAL
SEE WHAT EVERYONE ELSE DOES
INDECISIVE / FOLLOWER
PROCRASTINATOR
DOES IT THEMSELVES
IMPATIENT / BLAME-ORIENTED
RESISTS CHANGE / REACTIVE
UNPREPARED / FEARFUL
SELF-CENTERED
NEGATIVE**

Investor / Creator

**PASSIONATE / FOCUSED
OPEN-MINDED / LOGICAL
ANALYTICAL
SEES THINGS DIFFERENTLY
DECISIVE / LEADER
ACTION TAKER
COLLABORATIVE
PATIENT / ACCOUNTABLE
EMBRACES CHANGE / PRO-ACTIVE
FEARLESS (BUT NOT RECKLESS)
GIVE BACK
POSITIVE**

Which Are You?

“

*When is **YOUR**
Lifestyle
Freedom Day?*

”

Choose a Date, NOW!

The 4 Ways to Win™

\$ %

Cash Flow - Amount of free cash available at the end of the year	?	?
Passive Appreciation - Increase in property value driven by external market forces	?	?
Principal Recapture - Portion of mortgage payment allocated to principal balance payoff	?	?
Active Appreciation - Increase in value driven by the property owner	?	?
Total Return on Investment	?	?

Other Formulas

$$\text{Total ROI} = \frac{\text{CF} + \text{PR} + \text{PA} + \text{AA}}{\text{CI}}$$

$$\text{GOI} = \text{GSI} - 5\% \text{ vacancy allowance}$$

$$\text{GOE} = \text{Property Tax} + \text{Utilities} + \text{Condo/HOA Fees} + \text{R\&M} + (\text{all other operating costs})$$

GSI Gross Scheduled Income: The amount of income the property is scheduled to collect as per the rental agreement.

GOI Gross Operating Income: The GSI minus 5% for vacancy allowance.

GOE Gross Operating Expense: The sum of all expenses associated with operating the property. Does not include any debt payments.

DS Debt Service: The payments made to service all debt on the property. DS payments include both principle and interest.

OC Opportunity Cost: The return forgone by choosing one investment over another investment.

R&M Repair and Maintenance: An estimated amount set aside to repair the property during the year. 5% of GOI is used as a general standard.

CF Cash Flow: The amount of free cash available at the end of the year.

PR Principal Recapture: The portion of a mortgage payment that is allocated to principal balance payoff.

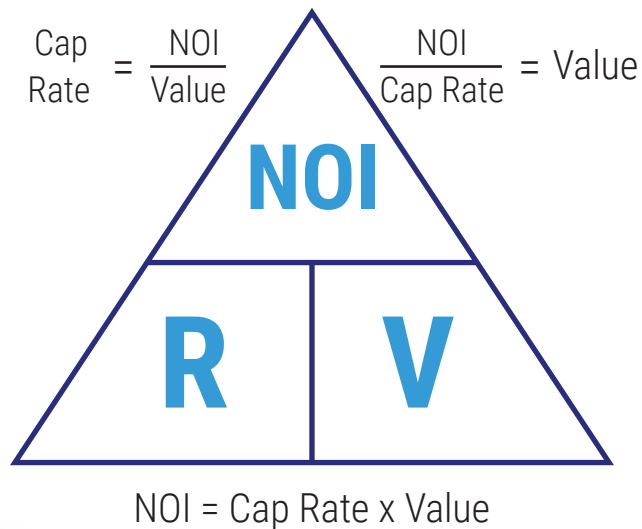
PA Passive Appreciation: The increase in property value driven by external market forces.

AA Active Appreciation: The increase in value driven by the property owner.

Keyspire Calculations

Formulas for your success

Income & Value

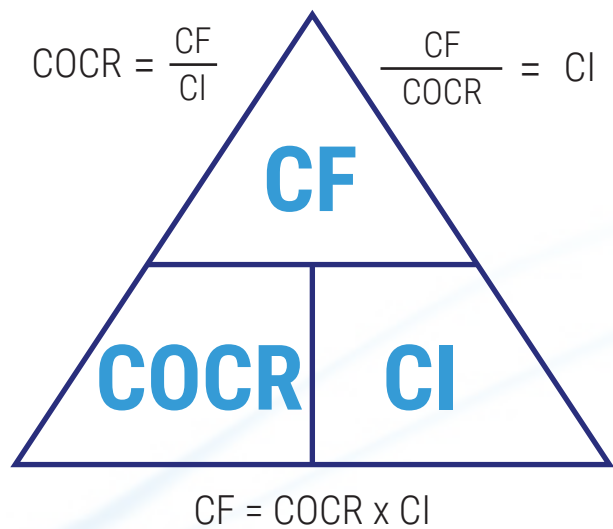


Net Operating Income (NOI) is the Gross Operating income (GOI) minus the Gross Operating Expenses (GOE).

Market Cap Rate (R) is the capitalization rate that your income producing property is bought and sold at. Cap rate is set by the market and is different for every market.

Value (V) is the market value of a property.

Cashflow & Return



Cash Flow (CF) is equal to NOI minus all debt service payments.

Cash-on-Cash Return (COCR) measures the actual return realized on your **Cash Invested (CI)**. This is often compared against the "Opportunity Cost" of the cash.

Cash Invested (CI) is the amount of cash that actually comes from your resources. This does not include any borrowed money.

Keyspire Calculations

Formulas for your success

Flip To Yourself™

Use the same downpayment over and over, get paid upfront, and still control the asset

Passive Formula

$$\text{ROI} = \frac{\text{CF} + \text{PA} + \text{PR}}{\text{DP} + \text{CLC} + \text{RF}}$$

$$\text{Available Capital} = (\text{New MV} \times 80\% \text{ LTV}) - \text{New Principle \$} - \text{RF}$$

Active Formula

$$\text{AA ROI} = \frac{\text{ARV} - \text{PP} - \text{CLC} - \text{CRC} - \text{RF}}{\text{DP} + \text{CLC} + \text{RC} + \text{CRC} + \text{RF}}$$

ROI Return On Investment: Calculation used to evaluate the performance of an investment.

CF Cash Flow: The amount of free cash available at the end of the year.

PA Passive Appreciation: The increase in property value driven by external market forces.

PR Principle Recapture: The portion of a mortgage that is allocated to principle balance payoff.

DP Downpayment: The upfront partial payment required by a lender.

CLC Closing Costs: The costs to close a transaction. i.e. legal, inspection, land transfer fees, etc.

RF Refinance Fee: The costs to refinance an existing mortgage. i.e. legal, registration, prepayment fees, etc.

MV Market Value: The value of the asset in the current market.

LTV Loan-To-Value: The percentage a lender will loan against the market value.

AA Active Appreciation: The increase in value driven by the property owner.

ARV After Repair Value: The new market value based on completed renovations.

PP Purchase Price: The amount paid for the property.

RC Renovation Costs: The costs paid to renovate the property.

CRC Carry Costs: The costs payable from the purchase date to refinance or sale date. i.e. taxes, utilities, etc.

Keyspire Calculations

Formulas for your success

Shortcut Formulas

When you need to run the numbers quickly to see if an opportunity warrants further attention

Determine the MAO (rehab flip)

$ARV \times .80 = MPP$

$MPP - RC = \text{New MPP}$

$\text{New MPP} - CRC - CLC = MAO$

Determine the Minimum Rent Required (Rule of 1%, .6%)

$PP \times 1\% = \text{Minimum Rent Required (to generate cash flow)}$

$PP \times .6\% = \text{Minimum Rent Required (to cover mortgage, insurance, taxes)}$

$\text{Rent} / .01 = \text{Maximum Purchase Price (to generate cash flow)}$

$\text{Rent} / .006 = \text{Maximum Purchase Price (to cover mortgage, insurance, taxes)}$

ARV After Repair Value: *The new market value based on completed renovations.*

MPP Maximum Purchase Price: *An amount used to calculate the MAO.*

CRC Carry Costs: *The costs payable from the purchase date to refinance or sale date. i.e. taxes, utilities, etc.*

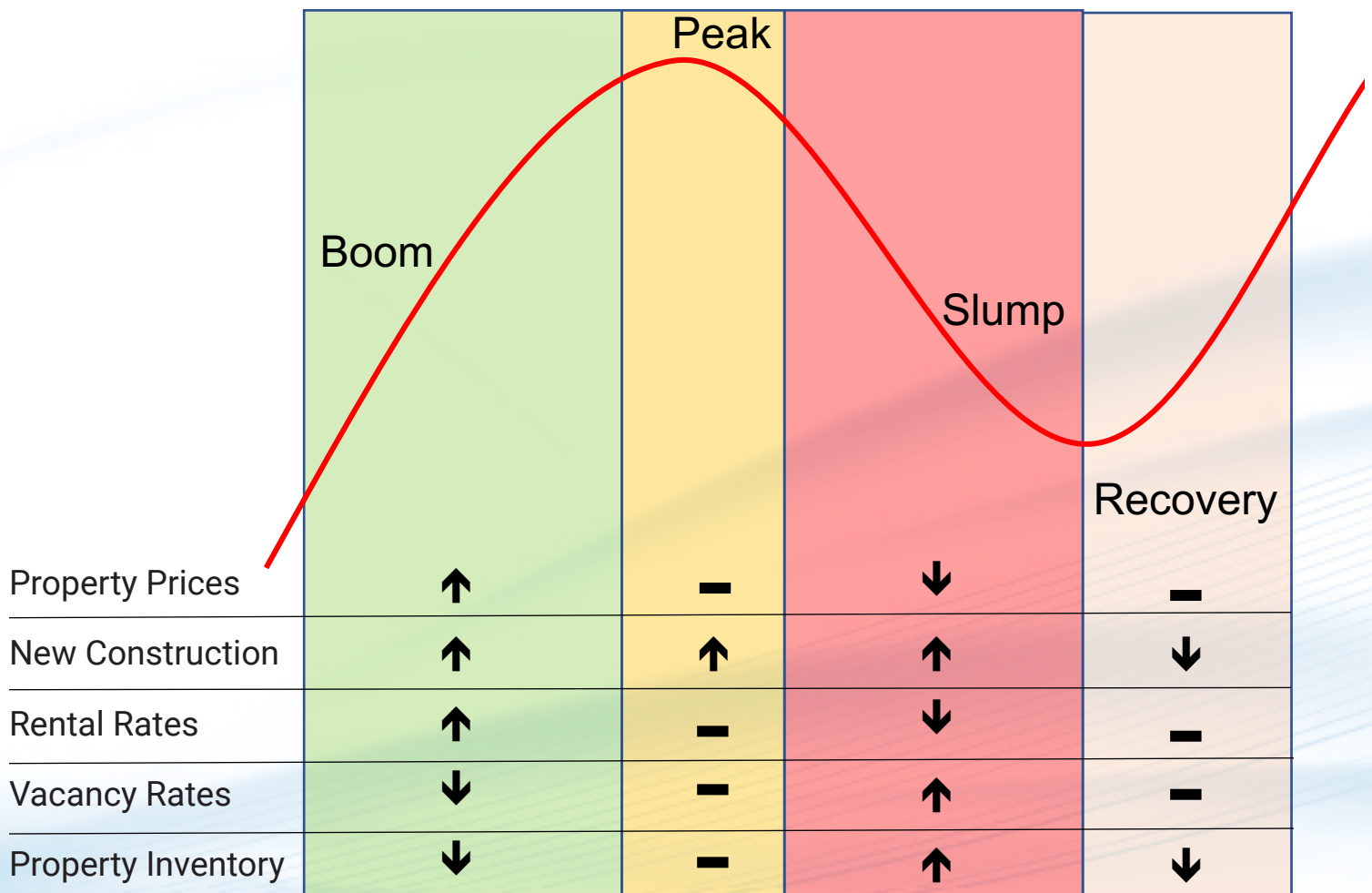
CLC Closing Costs: *The costs to close a transaction. i.e. legal, inspection, land transfer fees, etc.*

MAO Maximum Allowable Offer: *The maximum amount payable to cover costs and the established profit.*

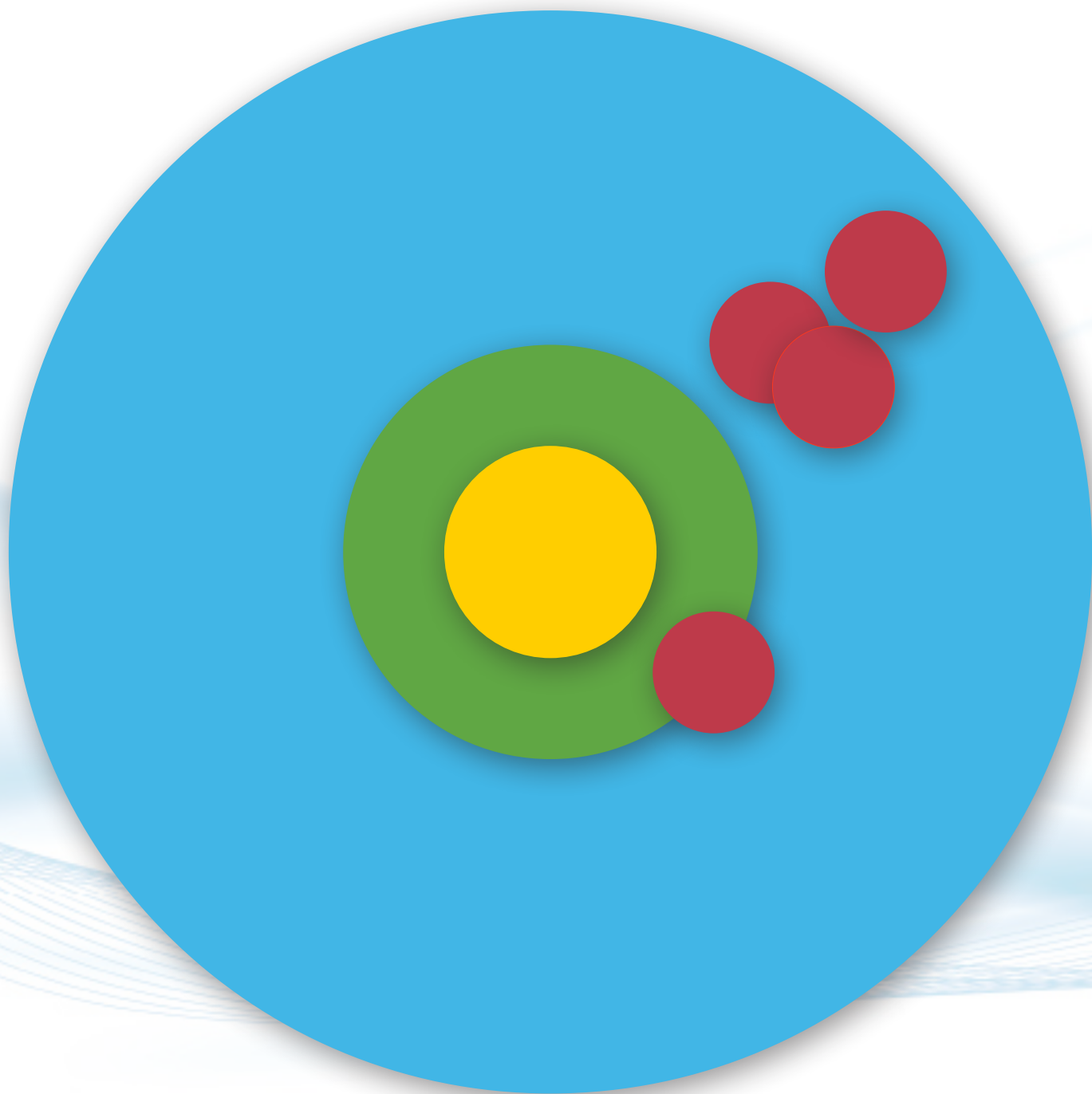
PP Purchase Price: *The amount paid for the property.*

Keyspire Calculations

Formulas for your success



Invest Where Returns Are Best™
Market Cycles



Invest Where Returns Are Best™

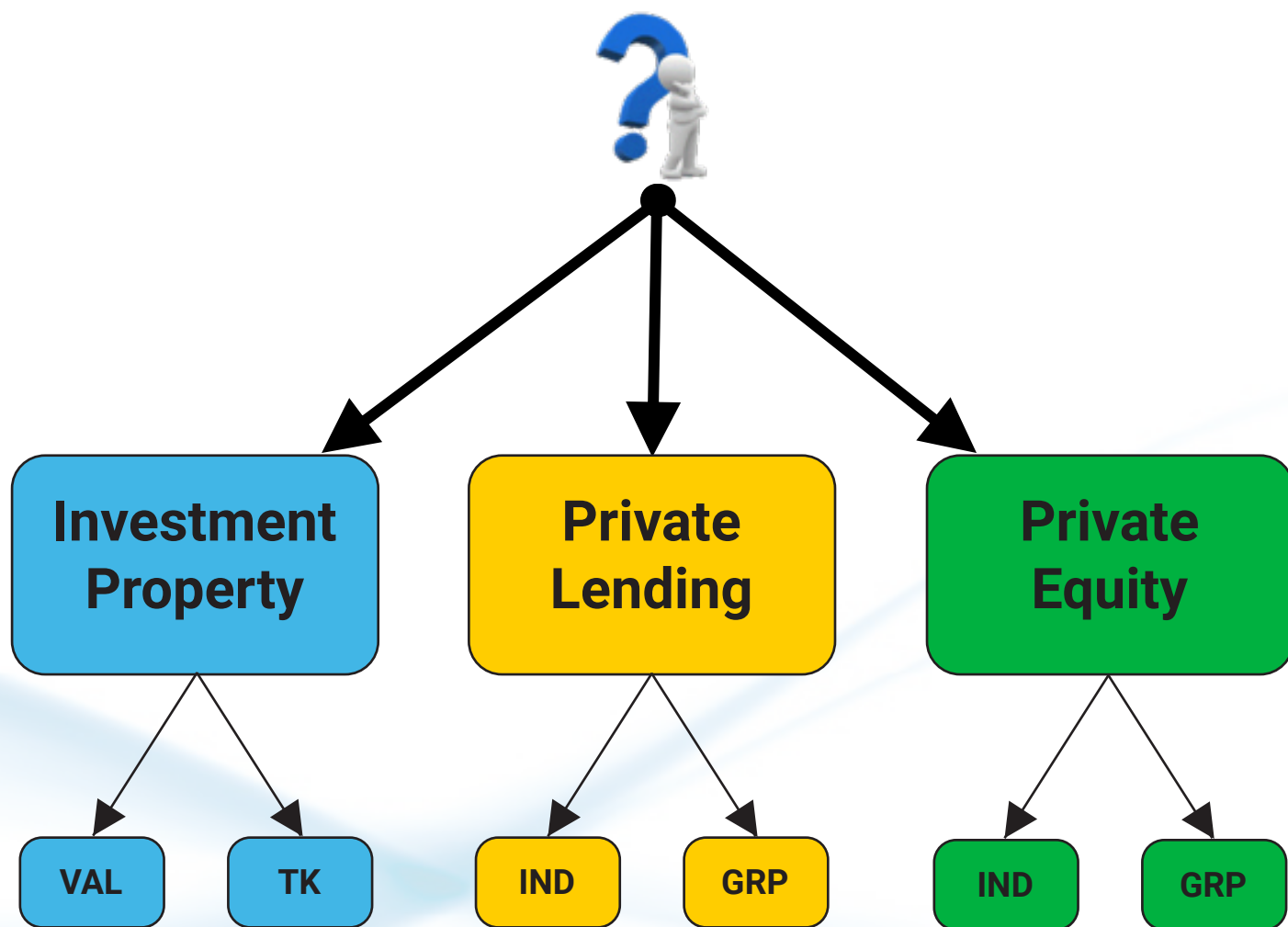
Expansion Circles

“

*Money moves
or it dies*

”

Success Leaves Clues...



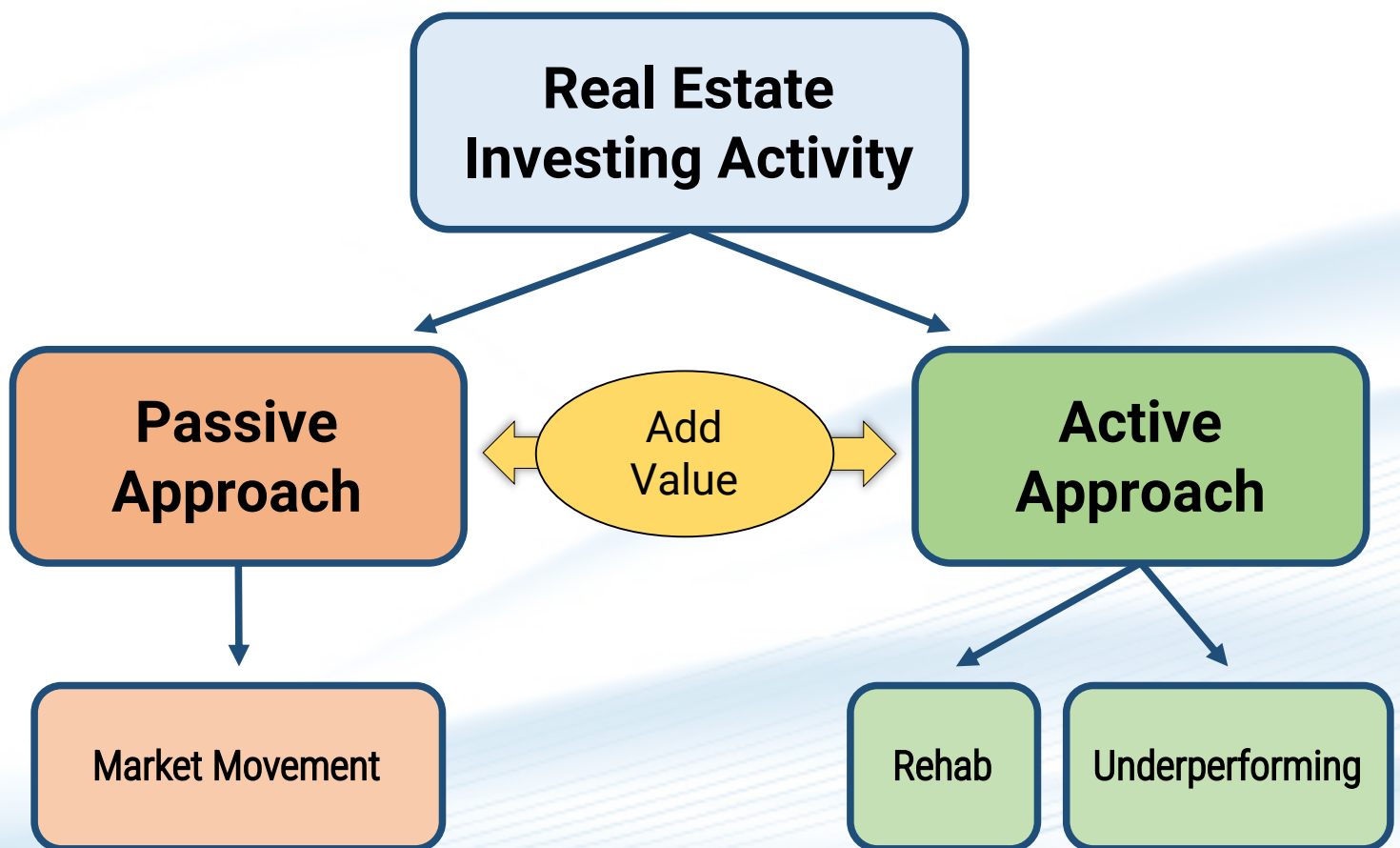
VAL Value Added: Major or minor renovations. Adding value can also come from creating business efficiencies.

TK Turnkey: Move-in condition with profit potential from change of use, discounted price.

IND Individual: Registered and non-registered sources.

GRP Group: Registered and non-registered sources.

The 3 Investing Streams™ and 6 Investing Options



Flip to Yourself™
Identify Your Strategy

Steps to Generate Cash Flow

Take care not to overextend yourself. Make sure you fall in love with the numbers (not the property).

- **Expand Your Success Team**
- **Identify an Income Property**
- **Assess The Local Rental Market**
- **Determine Profitability and Cash Flow**
- **Consider equity build-up, passive and active appreciation**
- **Consider Future Potential**
- **Consider Different Renovation Options**
- **Be Creative (create value: additional floor, suite, change use)**
- **Make Offers (be ready for rejection)**
- **Finds The Right Tenant (keep them happy, avoid problem tenants)**
- **Tenant Move-in Process / Move Out Inspection**
- **Ongoing Evaluation**
- **Consider Peak Market Refinancing**

Buy and Hold
Cash Flow for Life

Total Portfolio \$ _____

Now let's break it down...

Placement

Cash:_____%	\$_____
Public Market:_____%	\$_____
Real Estate:_____%	\$_____
Venture:_____%	\$_____
Prec. Metal:_____%	\$_____
100%	\$_____

Advisory Team

YOU & Private Banker
YOU & Investment Broker
YOU & Real Estate Advisor(er)
YOU & Lawyer, Accountant, Business Advisor
YOU & Precious Metals Advisor(er), Dealer

Public Market

Stocks:_____%	\$_____
ETFs:_____%	\$_____
Options:_____%	\$_____
Futures:_____%	\$_____
Commodities:_____%	\$_____
Forex:_____%	\$_____
Bonds:_____%	\$_____
Mutual Funds:_____%	\$_____
100%	\$_____

Real Estate

Investment Property:_____%	\$_____
Rehab:_____%	\$_____
Underperforming:_____%	\$_____
Turnkey:_____%	\$_____
Private Lending_____%	\$_____
Individual:_____%	\$_____
Group:_____%	\$_____
Mutual Funds:_____%	\$_____
Apt. Redevelopment:_____%	\$_____
Land Development:_____%	\$_____
100%	\$_____

Manage Your Portfolio

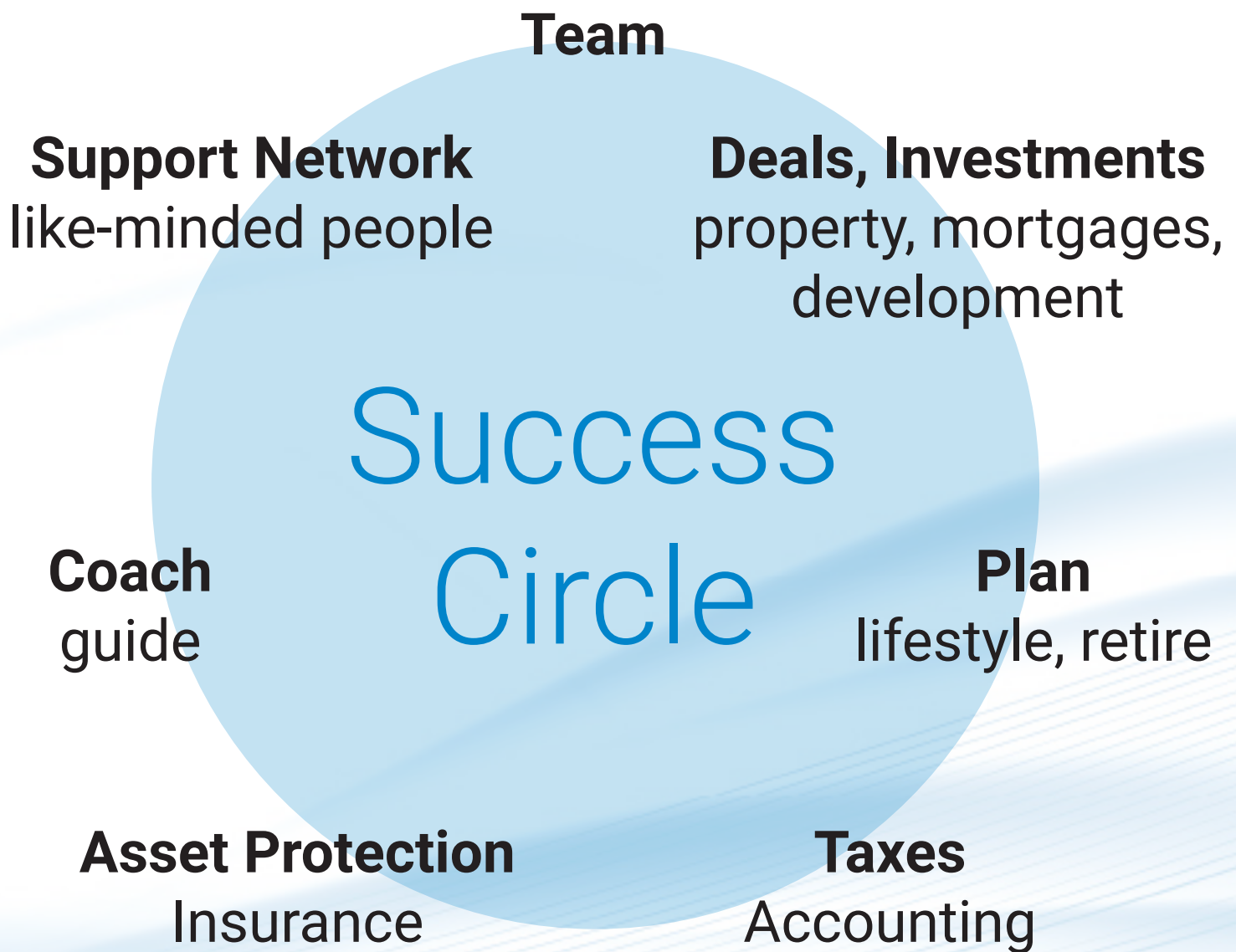
Execution follows analysis & decision

“

*You will never be criticized
by someone who is doing
more than you. You will
only be criticized by
someone doing less*

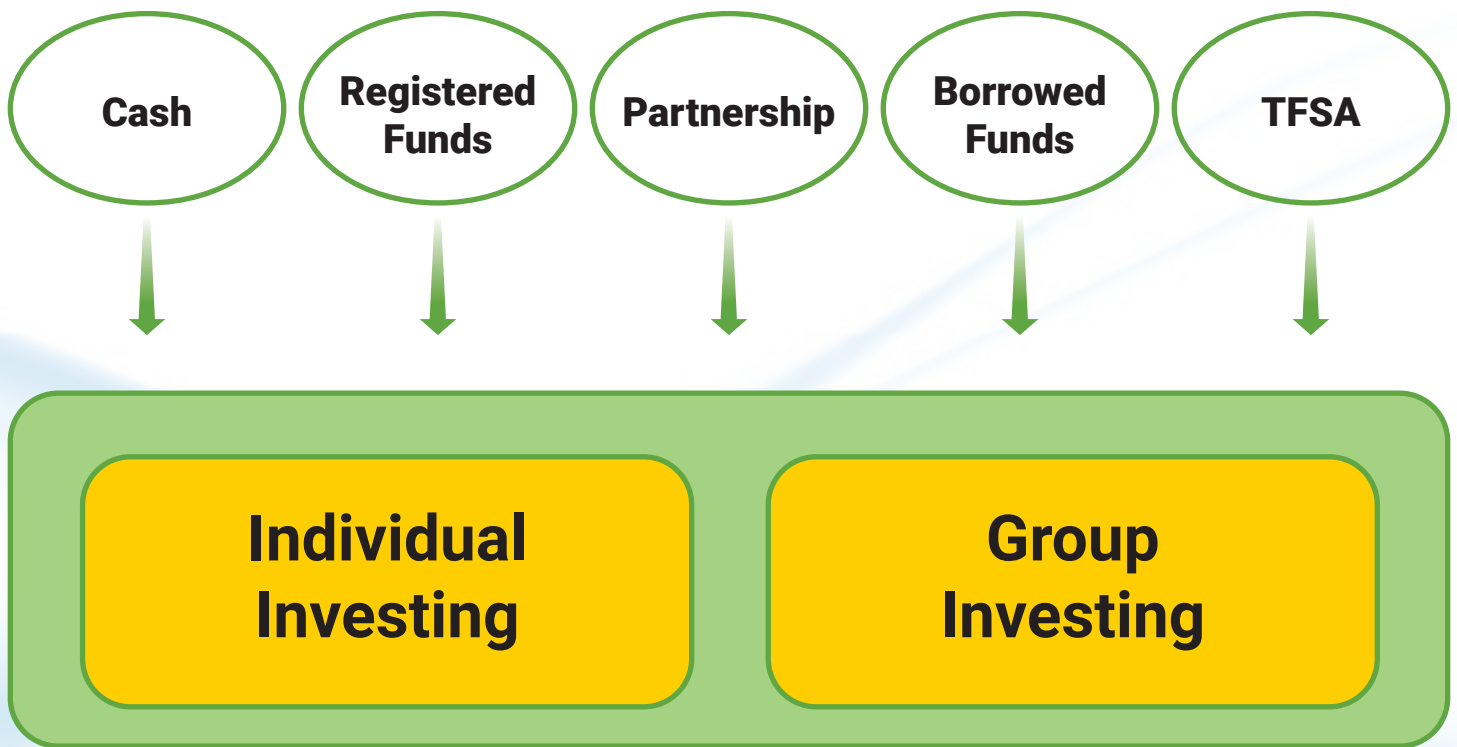
”

Success Leaves Clues...



***Surround Yourself With Those
More Capable Than You***

Shortcut to YOUR Success



Raising Private Money

More options than you can imagine...

RRSP Lending

Lending with registered funds is subject to the terms and conditions as set out by the Canada Revenue Agency (CRA). Please refer to their website for the most up to date information.

Arms Length Lending

- Lend to an unrelated third party
- Use to purchase or refinance
- Can charge 3% - 30% + admin fees
- Can loan up to 100% LTV
- Min. Qualifications, 30 Year Max. Amortization
- Mortgage insurance NOT required

Non Arms Length Lending

- Lend to yourself, siblings, parents
- Use to purchase
- Can charge 1%+/- of Bank of Canada posted rate
- Can loan up to 95% LTV (1-2 Unit), 90% (3-4 Unit)
- Full Qualifications, 25 Year Max. amortization
- Mortgage insurance required for entire loan (0.6 to 3.1%)

RRSP Rescue

Lending with Registered Funds

TFSA Lending

Investing with your Tax Free Savings Account (TFSA) funds is subject to the terms and conditions as set out by the Canada Revenue Agency (CRA). Please refer to their website for the most up to date information.

Investment Concept

By its own nature, a Tax Free Savings Account would not typically incur any taxation for the proceeds of various investments including those as deemed “qualified” by the CRA.

There are many such real estate investments in Canada and the USA available. While some of these investments may be just for “eligible” and “accredited” investors, anyone can use the TFSA and anyone can do an arms length mortgage.

You are able to withdraw any amounts tax free while the account continues growing.

While we do not offer tax and legal advice, we can recommend you review your individual circumstances with the relevant professionals.

Turbo-Charge Your TFSA

A concept to consider

“

*The **MASTER** has failed
more times than the
beginner has even tried*

”

Success Leaves Clues...

Seeing what others don't

Most investors only know the basics of buy and hold or buy and sell. When you can see what other's don't, you can structure better deals with little to no competition. Otherwise, you miss the opportunities.

These are advanced strategies requiring specific knowledge creating and structuring creatively financed deals. Make sure you work with someone with first-hand experience before undertaking such a transaction.

Vendor Take-back (VTB): The seller takes back all or part of the purchase price in the form of a loan (typically a mortgage).

Rent to Own (RTO): The renter make payments towards the purchase of their rented property.

Lease Options (LO): The optionee has the right, not the obligation to purchase a property at a later date with the price set today. During which, they pay a lease for the property. The optionee may also option or assign their option creating a Double Lease Option (DLO). In commercial real estate, a Master Lease Option (MLO) could be used to mitigate risk when there is low or no occupancy.

Agreement for Sale (AFS): The buyer makes installment payments and closes on the property at some point in the future.

Purchase "Subject to" the underlying financing remaining in place (Subject To): The sellers remains responsible on the mortgage as a way for the buyer to take over payments without qualification (this strategy can trigger a bank call on the loan).

There are dozens more strategies. Many can be combined. The key is the ability to know how to structure the right one(s) for the specific situation and desired outcome.

Creative Financing & Deals

VTB, RTO, Lease Option, and more...

Canadian Taxes for Real Estate Investors

Asset protection, tax minimization and handling, estate and succession planning, income collection and flexibility, business image, and spendthrift protection are key concerns for investors. Since no two situations are the same, it is important to seek out competent legal, tax, and insurance professionals familiar with all aspects of business, real estate, and investing.

Critical Agreements

Real Estate investing is based on written agreements. Offers, Realtors, tenants, contractors and tradespeople, partnerships, joint ventures, among others, all require legal documentation.

Your Business Entity and Structure

Corporations, trusts, partnerships, joint ventures, sole proprietorships can all own property. Usually a multi-tiered approach is needed to cover a variety of circumstances which is why no single solution exists for everyone.

Taxes Matter

An investor should be organized for tax efficiency and understand a number of related tax matters including; deductions and exemptions, capital gains tax and ordinary income tax, HST rebates, charitable giving, salary and management fees, dividends, capital versus current renovation expenses, capital cost allowance (depreciation), audits.

Ownership Structure

Top 5 Value Added Renovations

There are many considerations when renovating a property. It's critical to stay on time and on budget. Research the area and demographics to guide your decisions.

1. Add Income Suite/Accessory Apartment

2. Kitchen Update

3. Bathroom(s) Update

4. Door Hardware, Light Fixtures, Electrical Switches/Receptacles

5. Flooring and Paint

Other ways to add value

Exterior (landscaping, front door, security lighting, mailbox) Open up the space bringing in more natural light

Create additional storage, Closet/Laundry conversions

Your Team

Project Manager

Kitchen Planner, Designer, Architect (on larger reno) General Contractor
(all trades fall under them)

Adding Value Through Renovations

You need paying tenants to build your wealth.

It's you, your JV Investor, or a separate company who is responsible for maintaining and keeping a property occupied.

You want someone to manage the property and tenants that are willing to pay accordingly.

Establishing the **right rent** is anchored on knowing your value offer and rent comparable of the surrounding area.

Finding the **right tenant** is a combination of marketing, advertising, and screening. Having a leasing specialist on your team would be a great asset.

Controlling **maintenance and repair expenses** is critical for positive cash flow.

Property management is likely the most important factor for a successful income property. Knowledge of Landlord-Tenant Laws, strong supervision along with budgets, record-keeping and tax matters are all skills needed.



Property Management *The Basics*

In their book Success Through A Positive Mental Attitude, authors Napoleon Hill and W. Clement Stone talked about the natural law of change and how all great achievements have been born out of problems we face as individuals. Now is no different. Neither will be tomorrow.

Even under the most negative conditions, there are those people who seemingly “beat the odds”, push forward towards success and achieve their dreams. Are they special? Well, yes they are. But, they are no more special than you or me. Every one of us has the ability to achieve great things.

The secret is really no secret at all. We know it intuitively. To achieve success we must have a strong enough purpose to get us over the rough times. Our passion is a reflection of that purpose. Our performance is a reflection of that passion. And, our achievements are a reflection of that performance. Many people believe something holds them back from achievement when in reality it is that nothing pulls them forward.

Having a strong enough purpose (your “BIG WHY”) puts you in control of your future. But, the responsibility is yours. If you truly want to achieve your goals you must be willing to have an open mind, apply what you learn here and resolve to pay the price in terms of time, consistent effort, and any other resources needed.

When it comes to NOT achieving our goals, the old adage of “if you keep doing what you’re doing you’ll keep getting what you’re getting” is false. The fact is if you keep doing what you’re doing, you’ll lose what little you have and start slipping backward.

Encapsulated within these pages and the bootcamp is a strategic process for developing an awareness of your potential and putting it to use to improve your real estate investing results. The techniques are simple (but not easy at first). Using them puts you in a powerful position to affect significant, positive change.

Goals, Motivation and Your “BIG WHY”

*Allow your Mission to be in agreement with
Your interests, aptitudes, skills, strengths
and feelings:*

I, _____, am a professional real estate investor.

These sentence completions are centred exclusively on my professional activities:

My secret dream is...

My known talents are...

My hidden talents are...

My real strengths are...

What I really do best – and have the most fun doing – is...

What I feel most like being is...

What I feel most like doing is...

What I feel most like having is...

Mission, Vision, and Purpose
Declarations of your aspirations

"Let's not get back to "normal", let's get back to better."

- Scott McGillivray

"To have what few will ever have, you must be willing to do, what few will ever do"

- Unknown

"If you do what is easy, your life will be hard. If you do what is hard, your life will be easy."

- Les Brown

"If you want to live a happy life, tie it to a goal, not to people or things."

- Albert Einstein

"If you don't like something, change it. If you can't change it, change your attitude. Don't complain."

- Maya Angelou

"No man has a chance to enjoy permanent success until he begins to look in a mirror for the real cause of his mistakes."

- Napoleon Hill

"ALL you've got to do is OWN up to your IGNORANCE HONESTLY, and you'll find people who are EAGER to fill your head with information."

- Walt Disney

"It's not enough to do your best, you must first know what to do, then do your best."

- W. Edward Demings

"Pay the price today so you can pay any price tomorrow."

- Unknown

"Smart people learn from everything and everyone, average people from their experiences, stupid people already have the answers."

- Socrates (disputed)

"Instead of buying your children all the things you never had, teach them the things you were never taught"

- Unknown

Success Quotes

Sage advice from those who have been there

A. The three most valuable ideas for me now are:

Idea 1	Idea 2	Idea 3
--------	--------	--------

B. The actions I intend to take to implement each idea, and the dates are:

Action/Date 1	Action/Date 2	Action/Date 3
---------------	---------------	---------------

B. The results I intend to achieve through each action are:

Result 1	Result 2	Result 3
----------	----------	----------

I commit myself to take these actions and to produce these results.
I back this commitment with my energy and my personal integrity.

Signature

Date

Ideas, Action, Results
Building towards your future

“

*You didn't come
this far to only
come this far*

”

Success Leaves Clues...

1. Get Started!

Upon your return to your home or office, review each:

Ideas / Actions / Results page

Initiate your starting **Actions**

2. Continue for the next eight weeks!

- A. Take ownership of the situation
- B. Start the action. Get help. Own a clear intention to advance positively toward each committed **Result**.
- C. Follow through relentlessly, resolutely, – until each committed **Result** is a reality.

Every week, for the next eight weeks, on _____ at _____, review this Learning Guide, together with your notes, cover-to-cover. Review it with clarity of intention—to correct course more, to adopt, to adapt, and integrate more of the **Ideas** you get as you review each week. Create a record of your intended **Actions** and of the **Results**.

3. Follow through for the next twelve months!

Every month, for the next twelve months, on the first of the month at _____, review this Learning Guide, together with your updated notes, cover-to-cover. Review it with clarity of intention—to correct course more, to adopt, to adapt, and integrate more of the **Ideas** you get as you review each month. Create a record of your intended **Actions** and **Results**.

NOTE: If you've enrolled in the Keyspire Mastermind Program, you will receive information regarding your next steps and what to expect in the coming days and during the orientation at the end of the bootcamp.

Implementation Plan

This is where you prove you are serious



keyspire.com 1-888-556-2244

Investor Focused, Owned, & Operated