The Investment Filter™

Agenda

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THE **QUARTERLY FOCUSER™**

What were your greatest achievements over the **last 90 days**?	What's exciting you about your progress **today**?	What will you achieve over the **next 90 days** that you are most excited about?

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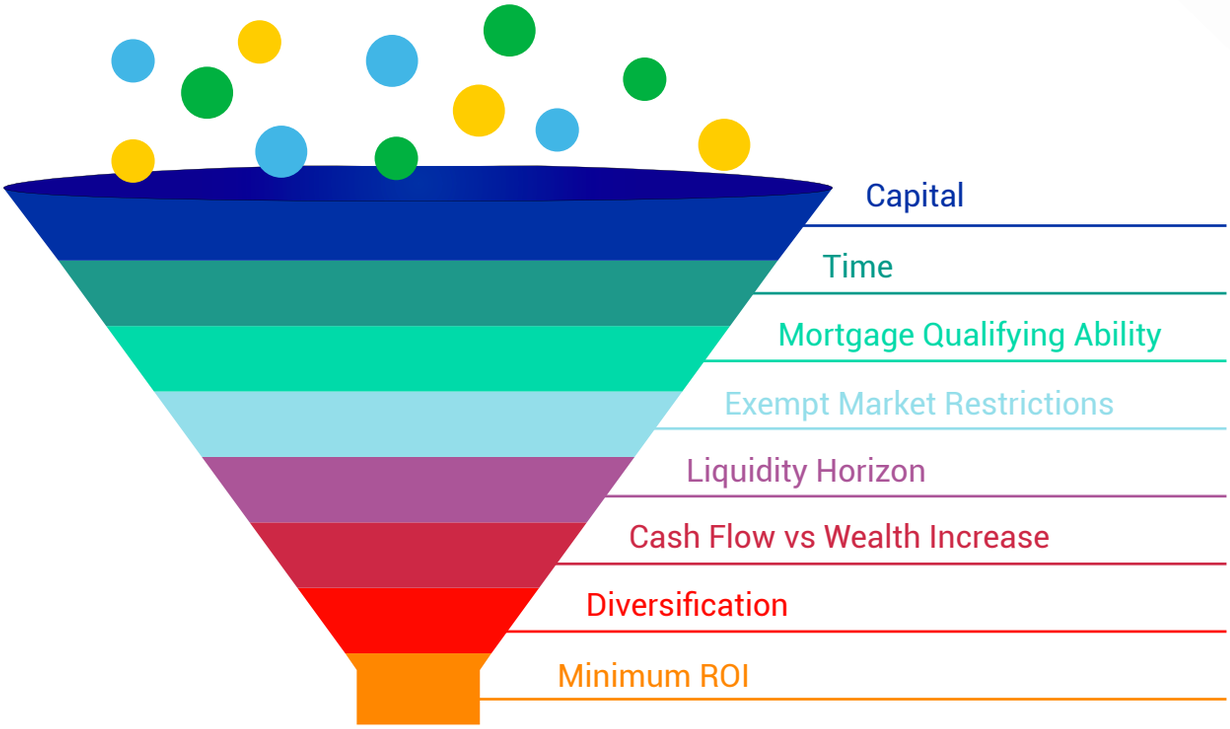
PART ONE

The Investment Filter™

INVESTMENT CRITERIA



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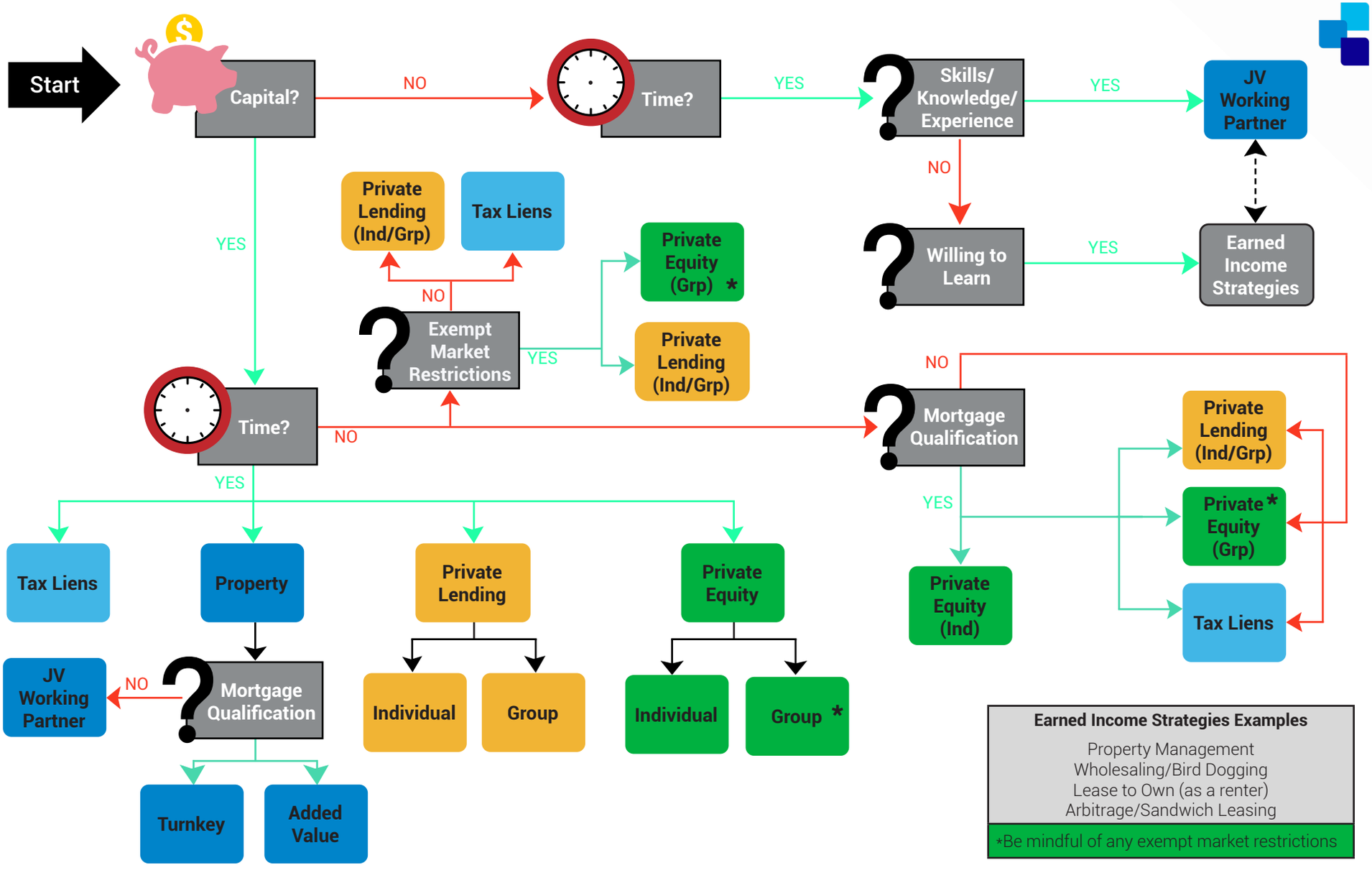
THE INVESTMENT FILTER™



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THE INVESTMENT FILTER™ WORKSHEET

Based on The Investment Filter™ results, what options are available for your next investment(s)?

Before you make your next move, you should consider the other four investment criteria:

Liquidity Horizon

- What is your target investment term? When do you want your money back?

Short	1 year or less	Private Lending (Ind)
Medium	1—5 years	Private Lending (Ind & Grp)
Long	More than 5 years	Property, Private Equity

Cash Flow vs Wealth Increase

Think back to The Lifestyle Designer™ and The Cash Flow Pipeline™. What are your goals? Do you need cash flow, or are you looking more at increasing your wealth through appreciation?

Investment	Cash Flow	Wealth Increase
Property - Added Value	✓	✓
Property - Turnkey	✓	✓
Private Lending - Individual	✓	
Private Lending - Group	✓	
Private Equity - Individual	✓	✓
Private Equity - Group		✓
Tax Liens		✓

Diversification

- Are you diversifying?
- Look at your current portfolio; are you heavily invested in one stream? Is it time to diversify to minimize risk?

Minimum ROI

- What's the minimum ROI you're willing to accept? Where is your capital coming from? Can you obtain a higher ROI from comparable investments?
- Minimum ROI: _____%

After considering all of the investment criteria, what should your next investment be?

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PART TWO

Finding Investments

FINDING INVESTMENTS

The Seeker

- Value Add Statement
- Knock on doors
- Cold calls
- Direct mail
- Search listings
- Join groups

The Magnet

- Build your brand
- Advertise
- SWAG
- Attend events

The Delegator

- Qualify a real estate agent
- Bird dog
- Wholesaler

YOUR **VALUE ADD STATEMENT**

The Value Add Statement is an introductory statement that explains who you are, the focus of your business, and most importantly how you can add value to the person you are speaking to.

A strong Value Add Statement can help you when networking:

- Makes a strong first impression
- Grabs attention and sparks conversation
- Identifies potential collaboration

To get started, answer the following questions:

What top of mind problem do you solve? (Problem - P)
Who do you solve this problem for? (Audience - A)
What solution do you provide for your audience? (Solution - S)

Format 1

You know how there are a lot of _____ (A) who experience _____

_____ (P)? What I do, is help them _____ (S).

Example: You know how there are a lot of real estate investors who can't seem to ever find a good tenant? What I do is help them find, qualify and manage the best tenants so they make the most cash flow and avoid sleepless nights.

Continued on next page.

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Format 2

I work with _____ (A) who _____ (P). I show/help/give

them _____ (S).

Examples: I work with homeowners who want to use the equity in their home to increase their cash flow. I help them access that resource and introduce them to the people who can help them create passive income.

We help retirees who just don't want to be a landlord. We provide them with an investment solution that will get them 6% guaranteed returns on their cash and property equity.

Format 3

I show/help _____ (A) how to transition from

_____ (P) to _____ (S).

Example: I help homeowners transition from being a real estate spectator to being a real estate investor. I do this by leveraging the network I've built over 10 years as a professional and put my clients on the fast track to success.

Format 4

I help _____ (A) let go of the frustration they feel when trying to

_____ (P) by showing them how to

_____ (S).

Example: I help renters let go of the frustration they feel when moving to a new home by providing them a selection of safe, clean and affordable homes to live in.

Format 5

I help _____ (A) eliminate the _____

(emotion) of _____ (P) by _____ (S).

Example: I help first time investors eliminate the fear of buying an investment property by offering them the opportunity to joint venture in a cash flowing investment property that is turnkey and fully tenanted.

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PROPERTY A: You are the Investor

12 North Shore Trail, Ashton
$800,000

You obtained the following information from the property listing:

Bedrooms: 3
Bathrooms: 3
Garage: 1

Property type: Single-family
Built: 5 years ago
Time on market: 60 days

Basement: Full, finished, side entrance, 1 bath

Call the real estate agent and ask leading questions to get a better sense of the seller's situation and motivation, the property's condition, and the flexibility in price.

What questions did you ask?	What did you learn?

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PROPERTY A: You are the Real Estate Agent

12 North Shore Trail, Ashton
$800,000

WHO ARE THE SELLERS
Couple in their 30s are selling their primary residence.

WHY ARE THEY SELLING
One of them has accepted a job offer on the other side of the country. They listed their home 60 days ago and their new home will be closing in 2 months.

FINANCIALS
Listing price: $800,000
Minimum price they will accept: $650,000
Listed: 60 days ago
Vendor Take Back possibility: No

PREVIOUS OFFERS
Offer 1 :
- 12 days after property listed
- Rejected because buyer was asking for a 6 month closing

Offer 2:
- 20 days after property listed
- Rejected because offer was too low ($750,000)

Offer 3:
- 40 days after property listed
- Rejected because buyer required a longer closing

CURRENT SITUATION
Stressing a little because the closing date is coming

PROPERTY DETAILS
- Turnkey
- Side entrance
- Basement:
  Fully finished, 1 bathroom, potential to add income suite
- House built three years ago

PROPERTY B: You are the Investor

8 Mill Street, Eastford
$800,000

You obtained the following information from the property listing:

Bedrooms: 2
Bathrooms: 1
Garage: 0

Property type: Single-family
Built: 1953
Time on market: 14 days

Basement: Full, unfinished, side entrance

Call the real estate agent and ask leading questions to get a better sense of the seller's situation and motivation, the property's condition, and the flexibility in price.

What questions did you ask?	What did you learn?

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PROPERTY B: You are the Real Estate Agent

8 Mill Street, Eastford
$800,000

WHO ARE THE SELLERS
A brother and sister are selling their deceased parents' home.

WHY ARE THEY SELLING
The siblings have a great relationship and are in no rush to sell. They're hoping to get the maximum value from this estate sale. They listed it at a fair price knowing the condition of the property.

FINANCIALS
Listing price: $800,000
Minimum price you will accept: $750,000
Listed: 14 days ago
Vendor Take Back potential: Yes

PREVIOUS OFFERS
Offer 1:
- 7 days after property listed
- Rejected because price was too low

PROPERTY DETAILS
- Original owner
- No mortgage on the property
- Built in 1953
- Has a side entrance
- Basement: Full, unfinished
- Electrical: 60 amp
- Roof: Replaced 20 years ago
- Furnace: Replaced 9 years ago
- Plumbing: Cast iron
- Kitchen: Original

PROPERTY C: You are the Investor

44 & 46 Gray Street, Greenhill
$800,000 each

You obtained the following information from the property listing:

Bedrooms: 2 per unit
Bathrooms: 1 per unit
Garage: 0

Property type: Two-unit
Built: 1978
Time on market: 2 days

Call the real estate agent and ask leading questions to get a better sense of the seller's situation and motivation, the property's condition, and the flexibility in price.

What questions did you ask?	What did you learn?

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PROPERTY C: You are the Real Estate Agent

44 & 46 Gray Street, Greenhill
$800,000 each

WHO ARE THE SELLERS
A real estate investor looking to sell 2 two-unit properties from portfolio.

WHY ARE THEY SELLING
Investor has an offer accepted on a 12-plex which will close in 6 months. The investor requires funds from these two properties to fund the 12-plex.

Willing to discount if same buyer purchases both properties to speed up the process.

FINANCIALS
Listing price: $800,000 for each property
Minimum price they will accept: $750,000 each if purchased together
Listed: 2 days ago
Vendor Take Back potential: No

OFFERS
No offers.

PROPERTY DETAILS
- Turnkey, two-units per property
- Built in 1978
- Both properties purchased and completely renovated 5 years ago
- Electrical: 200 amp
- Roof: 10 years old
- Furnaces: Each unit has a furnace that is 5 years old
- Tenants:
  1 tenant has been there for 5 years
  1 tenant has been there for over 2 years
  2 tenants have been there for just under a year

QUALIFYING A REAL ESTATE AGENT

An experienced real estate agent can provide the following services for your real estate business:

- Facilitate property purchase and sales including creation of all offer documents and conditional clauses
- Competitively negotiate a property offer or sale
- Provide access to exclusive or "pocket listing" properties not available on the MLS
- Prepare a Comparable Market Analysis (CMA)/Broker's Price Opinion (BPO) to establish fair market value or After Repair Value (ARV)
- Make connections to other Service Providers such as contractors and property inspectors

General Business Questions

Use these questions to help you qualify a real estate agent to ensure your investment property search aligns with you as an investor.

1. **Are you a full-time real estate agent? What are your regular hours of operation? Do you have someone to cover your business if you are away or at capacity?**

   Real estate transactions occur every day of the week and offers are often made on evenings and weekends. It's important to work with a full-time real estate agent who is ready to move quickly on your behalf. If the agent isn't part of a team, ensure they have coverage while they are away or you may risk losing out on an investment opportunity.

2. **Are you a real estate agent or broker? (US specific)**
   A real estate broker is an experience professional who has met state requirements to own, manage, or operate a real estate company. Broker licensing requirements normally include experience in the industry as an agent, advanced coursework, and passing an exam. In very large firms, it is less common for brokers to work directly with clients, instead they focus on managing their agents and business.

   A real estate agent is someone who's taken courses and passed a state-administered exam to obtain a license to sell property. Agents are associated with a specific real estate broker and act under the broker's authority. It is most common to work with an experience real estate agent who has experience working with investors. All agents and brokers should be able to produce their license number or proof of certification upon request.

3. **Are you a licensed REALTOR®? (US specific)**
   A real estate agent or broker is not necessarily a REALTOR®. These terms are often used interchangeably; however, they are not the same. Both must be licensed to sell real estate, but a REALTOR® is a member of the National Association of REALTORS® (NAR) and they must subscribe to the REALTOR® Code of Ethics. The Code of Ethics contains 17 articles and it is strictly enforced by local real estate boards. It also contains various underlying Standards of Practice that are more restrictive and confining to conduct than state guidelines. REALTORS® must also commit to continuing education requirements, which outline expectations of regular training.

4. **Can you tell me about your educational background and how long you've worked in the industry?**
   Experience and longevity in the industry are key. Be wary of a new real estate agent who is learning for the first time with you as their test case. You want to onboard an agent who has a lot of experience specifically with investors and investment properties. It's also a bonus if your real estate agent is an investor and has a portfolio of successful properties.

5. **Are you a real estate investor? If yes, what type of real estate investments do you participate in?**
   Your real estate agent does not have to be an investor, but it's definitely an asset if they are. An agent who also invests is uniquely positioned to understand the market in ways a non-investor wouldn't understand. If your agent isn't an investor, ask why not as their answer may reveal a lot about their investor mindset.

6. **What type of properties do you represent/specialize in?**
   There are various areas a real estate agent can specialize in including single family homes, multi-family, commercial, new construction, condos, etc. Look for a real estate agent who has successfully sold or worked with a number of buyers in the property type(s) you plan to focus on. If you are interested in larger multi-family or commercial properties, it's important to work with an agent who understands the process as the purchase and sale process is much more complicated than on single-family homes.

7. **How many property transactions did you close in the past 12 months?**
   There are thousands of licensed real estate agents across the country, but it is important to understand if you are working with a successful agent who can get deals done. Ensure your agent didn't only close a couple transactions within the past year. If your agent has transacted numerous deals, ask how they manage workflow and ensure each of their clients, including you, receive quality service.

8. **In the majority of your transactions, do you act as a Seller's Agent or a Buyer's Agent? (US specific)**
   Real estate agents can represent the seller of a property, the buyer, or both. As an investor you will want to work primarily with a Buyer's Agent to ensure they are representing your best interests during negotiations. In most states, it's legal for an agent to have dual representation (represent both the buyer and seller on a transaction); however, the agent must obtain consent from both the buyer and seller. Be cautious during negotiations if you are working with a dual agent as what you share may not remain confidential during negotiations and it's difficult to truly understand if the agent is really working with your best interest in mind.

9. **Which geographical areas do you service? How long have you been working in this area?**
   Real estate agents are generally affiliated with a specific real estate association or board which covers a specific geographical area. Certain real estate agents also specialize in certain markets or neighborhoods. Be sure the agent you choose focuses on and understands the metrics of your chosen market.

10. **If I work with you, will you expect me to sign a buyer's agent agreement?**
    Some real estate agents will try to commit buyers to signing a Buyer Representation Agreement immediately. It is not mandatory for you to sign immediately, especially if you are just beginning to develop the relationship and haven't fully committed to working exclusively with this agent. Look for an agent who understands this agreement is a sign of trust. Instead of

signing a blanket Buyer's Representation Agreement that is vague with a long timeline, look to sign one with an agent specific to the property you are offering on, the specific neighborhood you are focusing on, and is specific to a shorter timeline. The agreement can always be expanded or extended as your relationship grows.

11. **What is the median property price in this area? What are the average rental rates?**
    These should be statistics that your real estate agent is very familiar with and can cite almost immediately. Your agent should also be able to clearly outline how average/median prices and rental rates differ by neighborhood and property type since most can vary greatly due to microeconomic factors.

12. **Which investing strategies are working well right now in this market?**
    Knowing that your real estate agent understands investing strategies and can help you understand which ones are being implemented successfully is key to knowing your agent is investor-savvy. Your agent should be able to outline why a strategy is or isn't currently working. For example, if the market is in the slump phase of the real estate cycle, the agent shouldn't be advocating Flipping without clear data to support it.

13. **How has the local market been performing in the past 6 months? What do you anticipate will occur locally in the next 6 months?**
    This is your agent's opportunity to show their knowledge and resources. Look for an agent who can speak to recent trends, infrastructure, and development growth. This is also where you should hear details about average property price growth, available inventory, average rental rates, and local cap rates. The agent should also be able to highlight areas that are not performing well, those that are gentrifying, those that are overpriced, and in each instance should be able to explain why and provide data to support their position.

14. **What systems do you have in place to help me evaluate investment properties and confirm the numbers provided by the seller during a transaction?**
    An investor-focused real estate agent should help you objectively evaluate an investment property and not simply encourage you take all information provided by the seller at face value. With their knowledge of the market, your agent should be able to help you independently verify market rents, average expenses, claims of legal status, etc.

15. **Are you familiar with commonly used real estate investing strategies including double offer, red herring clause, vendor take backs, and cash back at closing?**
    Investor-focused real estate agents should be familiar and comfortable with a number of commonly used investor strategies. Look for an agent who can confidently apply creative offer strategies in your negotiations and add value to you as an expert in this area.

16. **Can you set up a listing alert search for me so I can receive email/text notifications of new listings that align with my needs?**
    Real estate agents can create an automated search that informs you immediately when new properties are listed within set search parameters. This should be a standard service that your agent offers right away and can be tailored to your budget, preferred property type(s), location, and requirements.

17. **Do you have access to investment property pocket listings (exclusive listings)? If so, how many on average do you get per year and how can I get access to these?**
    Many investment properties are not listed on the MLS; instead, they are sold through real estate agent networks as pocket or exclusive listings. If your real estate agent has access to these, find out how you can access them so you don't miss out.

18. **Can you provide me with introductions to local contractors, property managers, property inspectors, etc.?**
    Investor-focused real estate agents should have access to a large network of local service providers and be able to act as your quarterback throughout the transaction. When you receive an introduction, remember to qualify the service provider and complete your due diligence to ensure they align with your business values and goals.

19. **Can you provide me with references to some of your real estate investor clients?**
    Be wary of businesses that don't want to share references. When checking references ask questions such as: Are you satisfied with their level of service? How long have you been a client? How have they helped you in your business? Is there anything you don't like about their service? Would you recommend them to your family, friends, and other real estate investors?

20. **Is there anything else I should know about you or working with your company if we decide to proceed with this relationship?**
    Ideally this is the real estate agent's opportunity to add value to you, explain more about their services, and outline next steps for you to confirm the business relationship. Look for answers that appear genuine, are informative, aren't a heavy sales pitch, and don't appear scripted.

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PART THREE

Qualifying Investments

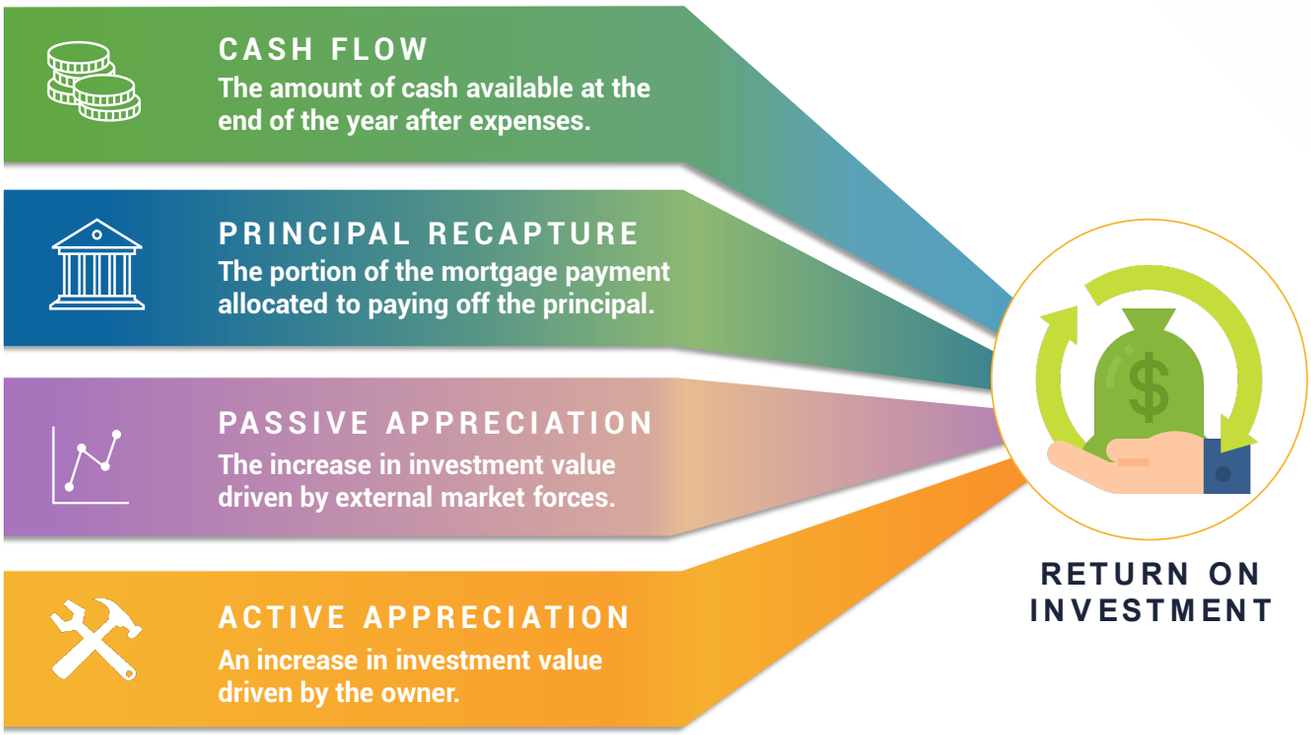
THREE-STEP QUALIFICATION PROCESS

1 Investment Criteria

2 Investment Evaluation

3 Investment Goals

THE 4 WAYS TO WIN™



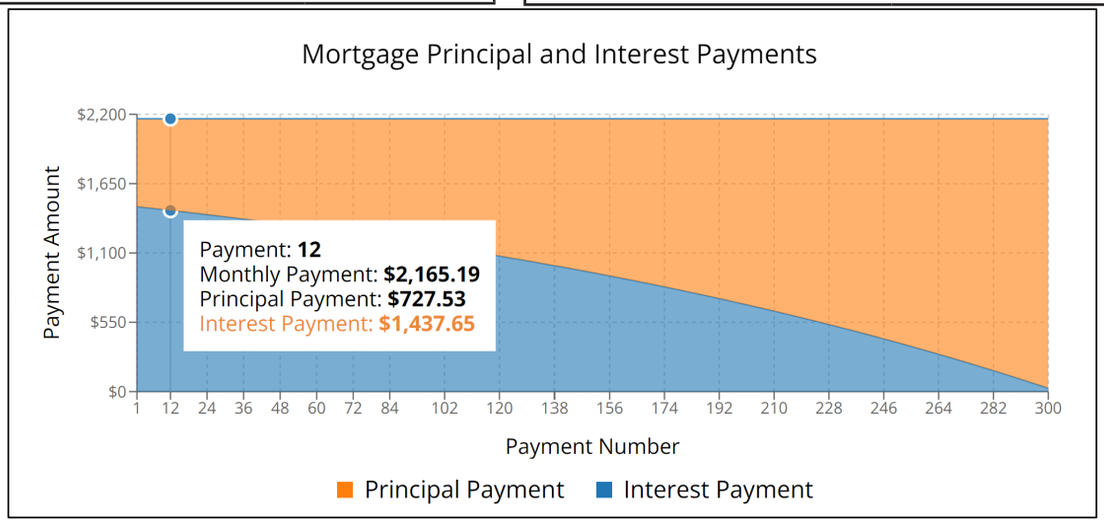
THE 4 WAYS TO WIN™ EXAMPLE

4 Mill St. Turnkey with a Legal Income Suite

Purchase Price		$489,000
Down Payment 20%		$97,800
Closing Costs		$1,500
Monthly Mortgage Payments*		$2,165.19
Market Rate		3%
Annual Rental Income		$41,100
Unit 1	$1,850/month	
Unit 2	$1,575/month	
Vacancy rate		5%
Annual Expenses		$9,792
Renovation Investment		$0
After Repair Value		NA

* 25 year amortization, monthly payments at 4.50%

Monthly Expenses	
Property Taxes	$156.00
Property management	$205.00
Insurance	$128.00
Utilities	$0
Condo fees	$0
Lawn/snow maintenance	$72.00
Cleaning	$40.00
Repair & maintenance	$180.00
Tenant gifts	$35.00
Other	$0
Monthly Total	**$816.00**
Annual Total	**$9,792.00**



THE 4 WAYS TO WIN™ EXAMPLE

Calculating Cash Flow

Cash Flow (CF) = Net Operating Income (NOI) – Debt Service (DS)
= _____ – _____
= _____

Net Operating Income (NOI) = Gross Operating Income (GOI) – Gross Operating Expenses (GOE)
= _____ – _____
= _____

Gross Operating Income (GOI) = Gross Scheduled Income – 5% Vacancy
= $_____ – ($_____ x 0.05)
= $_____ – $_____
= $_____

Gross Operating Expenses (GOE) = All operating expenses excluding debt service
= _____

Debt Service (DS) = Monthly debt service payments x 12
= _____ x12
= _____

Calculating Principal Recapture

Principal Recapture (PR) = Sum of 12 months principal payments
= _____

Calculating Passive Appreciation

Passive Appreciation (PA) = Market Value x Market Rate
= _____ x _____%
= _____

Calculating Active Appreciation

Passive Appreciation (PA) = After Repair Value (ARV) – Purchase Price – Renovation Investment
= _____

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THE 4 WAYS TO WIN™ EXAMPLE

Calculating Return on Investment

Return on Investment (ROI) = $\frac{(VF + PR + PA + AA)}{\text{Cash Invested}}$

= (_____ + _____ + _____ + _____)

_____

= _____

_____

= _____ x 100

ROI = _____

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THE 4 WAYS TO WIN™ CASE STUDY

28 Gray St. Newhurst, A0E 1J4

Active

MLS # 10008874361
DOM: 15
County: Newhurst
Subdiv/Neigh: Bridgeport
Taxes: $2,424
Zoning: RES4
Assessment: $565,500
Legal: 28 Gray PH28 C Lot 4

Residential $685,000

For: Sale
Dwelling Type: Fouplex
Structure Type: Detached
Style: Contemporary
Ownership: Fee simple (Freehold)
Occup: Tenanted
Poss: 60 Days

REMARKS

Turnkey brick fourplex in prime location. Three two-bedroom units and one one-bedroom unit. Each with large eat in kitchen, office nook, and 4-piece bathrooms. Windows and roof updated 2021. Walking distance to express bus line and Bridgeport commercial centre. Currently tenanted but unit #1 tenant leaving in March. Tenants pay personal electricity and water.
24 Hrs notice required for all showings.

Directions: Bay Ave at Wallings Rd. turn north onto Bay Ave. Left turn onto Gray. Property is on the right.

GENERAL INFORMATION

Built: 1982
Bedrooms: 7
Bathrooms: 4
Lot size: 0.7 acre
Sq Ft: 4800
Prop. Feat: Fenced Yard, Landscaping
School, Public Transit, Park
Technology: Cable, High Spd Internet avail

Parking: 6
Garage Parking: None
Basement: Full
Foundation: Concrete
Construction Finish: Brick
Roof: Asphalt shingle
Fireplace: N/A
Fence: Wood

Condo: No
HOA: No
Water/Sewer: City / City
Heat: Electric
A/C: N/A
Laundry: Coin Operated
Hot water tank: Electric, owned
Pool: No

MONTHLY INCOME AND UTILITIES

Unit 1	$1,200	Water	$ 102.00
Unit 2	$1,275	Gas	$ 0
Unit 3	$1,325	Electricity	$ 67.00
Unit 4	$1,400		
Laundry	$84		

Appliances: 4 – stoves, dishwashers, 3 – refrigerators, 1 – washer and dryer (coin), 5 – hot water tanks
Exclusions: Tenant belongings, lawn mower, unit 1 refrigerator

BROKER/AGENT DATA

Internet Listing: Y
Lock Box: Y, Rear Door
Sign: N

CB Comm: 2.5%
Condition: Active

Contract Date: 01/06
Expiry Date: 04/06
Last Update: 01/08/2022

Listed by: Keyspire Example Realty Brokerage
LA: Jake Grange Licence: 0711263 LA cell: 884-663-0017 LA email: jgrange@realty.com
LA website: www.examplerealty.com LA fax: 884-661-1001

FINANCING

- Trinity Bank has approved a mortgage commitment
- 80% LTV on appraised value
- 4.3% fixed interest rate on 5-year term
- Appraised value: $685,000

EXPENSES

Amounts based on average of three quotes:

Legal fees to close:	$1,500.00
Insurance:	$165.00
Property management:	8% of rental income
Lawn maintenance & snow removal:	$75.00
Cleaning for common areas:	$42.00

MARKET DATA

The Bridgeport neighbourhood of Newport is well established including a mixture of single family homes, purpose-built multi-unit buildings, and duplexes. The area is serviced by Newhurst transit, most properties are within a 5-10 minute walk to the nearest bus stop. Express line 98 runs Bay Ave. to downtown and the primary transit hub every 10 minutes.

Bridgeport is popular with retirees and empty-nesters but it has seen recent growth in young families. Many residents are well established, tenant turnover in rental units is rare which means neighbourhood vacancy is low. Available units are scarce and in high demand.

Average appreciation in the area over the past 5 years has been 6% for single family homes and duplexes, 4% for purpose-built multi-unit buildings.

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THE 4 WAYS TO WIN™ CASE STUDY

Calculating Cash Flow

Cash Flow (CF) = Net Operating Income (NOI) – Debt Service (DS)
= _____ – _____
= _____

Net Operating Income (NOI) = Gross Operating Income (GOI) – Gross Operating Expenses (GOE)
= _____ – _____
= _____

Gross Operating Income (GOI) = Gross Scheduled Income – 5% Vacancy
= $_____ – ($_____ x 0.05)
= $_____ – $_____
= $_____

Gross Operating Expenses (GOE) = All operating expenses excluding debt service
= _____

Debt Service (DS) = Monthly debt service payments x 12
= _____ x12
= _____

Calculating Principal Recapture

Principal Recapture (PR) = Sum of 12 months principal payments
= _____

Calculating Passive Appreciation

Passive Appreciation (PA) = Market Value x Market Rate
= _____ x _____%
= _____

Calculating Active Appreciation

Passive Appreciation (PA) = After Repair Value (ARV) – Purchase Price – Renovation Investment
= _____

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Calculating Return on Investment

Return on Investment (ROI) = $\frac{(VF + PR + PA + AA)}{\text{Cash Invested}}$

= (_____ + _____ + _____ + _____)

_____

= _____

_____

= _____ x 100

ROI = _____

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THE **INCOME ANALYZER™**

The main categories for investment property income are:

1. Rent
2. Utilities
3. Laundry
4. Parking
5. Storage

1. Rent

Market Research: You need to be familiar with the market you are investing in. Do your research and evaluate why you would like to invest in that particular city. Look into things such as:

- City/local government website
- Existing transportation, plans for future expansion
- Unemployment rates
- Vacancy rates
- Migration
- Local schools
- New housing developments
- New infrastructure or employment developments
- Local health care facilities

What did you find out from doing your market research?

Shop your competition:

1. Go online and look for a place to rent as if you were a tenant.
2. Look for rental units that are in the same category as yours.
3. Stay within your city and neighbourhood for an accurate comparison.
4. Find 5 properties and record their rental rates in the table below.
5. Beware of the rentals that do or do not include utilities or have extra features (i.e. garage, laundry, furnishings). Make sure you are accurately comparing your unit to others.
6. Calculate the average rent of the 5 properties you found. This average number is called AMR = Average Market Rent

Property Address	Rental Rate
	$
	$
	$
	$
	$
Average Market Rent (AMR) = Total Rents ÷ 5	$

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What did you find out about your competition?

_____

_____

Setting your Rental Rate: Consider the neighbourhood your rental is in, how close it is to amenities, schools, parks, transportation etc. Consider what features the property itself has, and maybe what is missing.

List the main features of your rental unit (i.e. close to transit, fireplace, A/C)

_____

_____

List any features that may be viewed as drawbacks to your unit (i.e. no parking, no laundry on site)

_____

_____

Post a phantom ad:

1. Post an ad online on a free website or app.
2. Start your rent at the highest amount you think you could obtain.
3. Record the number of serious tenant inquiries you receive.
4. Make adjustments to your ad wording and rental rate as you feel suited.
5. Answer your calls and emails and start to pre-qualify.
6. Take potential tenants to see the property with your real estate agent, and have them agree to rent the property from you.
7. If someone is serious and wants to view the property, you can kindly let them know it is no longer available.
8. Discuss with your lawyer or attorney to see best way to approach this situation.
9. Once you are ready to close on your property, you already have a tenant ready to move in.

Evaluating your phantom ad results: If you get a large numbers of leads (more than 5 per day), then your price may be a little low. If you get zero or few leads (fewer than 3 per day), then maybe your price is too high. You are looking for around 3–6 leads per day.

What did you learn from posting a phantom ad? Did your estimated rent range change?

_____

_____

Maximize your real estate agent: Many real estate agents also offer property management services and can help guide you with pricing. A good real estate agent will know their markets and should be able to share more information with you.

Additional information and/or suggestions from your real estate agent:

_____

_____

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2. Utilities

What is your plan for utilities at your rental property? Will tenants be responsible for paying rent or will the rent be inclusive? If there are not separate electric meters, heat sources, or water meters at the property how will you divide utilities amongst tenants?

_____

_____

3. Laundry

Is there an opportunity to capture more income from laundry at your rental property? Yes or No

If yes, how much more income could you obtain, either from adding en-suite laundry and raising rents or putting coin laundry in a common area?

_____

_____

4. Parking

Is there an opportunity to capture more income from parking at your rental property? Yes or No

Can you add more parking legally or do you have extra parking spaces that could be rented out individually? How much additional rent could you obtain from parking?

_____

_____

5. Storage

Is there an opportunity to capture more income from storage at your rental property? Yes or No

Could you rent out a garage, add a storage shed, or separate common space in the basement to create storage lockers for tenants? How much additional rent could you obtain from renting storage space?

_____

_____

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5Ws-1H INVESTMENT EVALUATOR GUIDE

Evaluating an investment starts by asking important questions: Who? What? When? Where? Why? How? Here's an introduction to some of the questions you should be asking about any investment you're considering.

	Investment:
Who?	• Parties involved • Experience and reputation
What?	• Investment type • Capital required • Loan to Value (LTV) • Return on Investment • Alternate exit strategies
When?	• Term • Funds required by • Additional timeline considerations
Where?	• Location • Do the Market Scorecard
Why?	• Investing strategy • Goal alignment
How?	• Investing plan • Exit strategy • How is it secured? • How are the funds going to be utilized?

5Ws-1H INVESTMENT EVALUATOR

Evaluating an investment starts by asking important questions: Who? What? When? Where? Why? How? Refer to the 5Ws-1H Investment Evaluator Guide to ensure you're asking the correct questions about any investment you're considering.

	Investment:
Who?	
What?	
When?	
Where?	
Why?	
How?	

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QUALIFYING INVESTMENTS

Properties		Private Lending
Added Value	Turnkey	Individual

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Private Lending	Private Equity	
Group	Individual	Group

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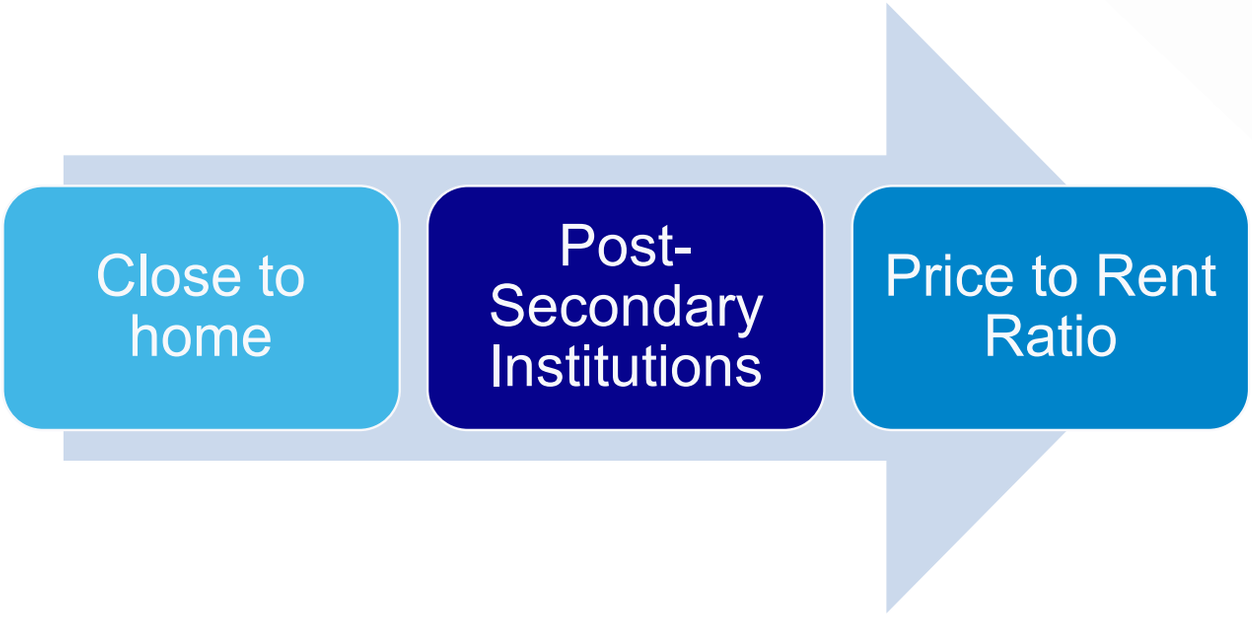
PART FOUR

The Market Scorecard™

SELECTING A MARKET



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THE **MARKET SCORECARD™**

1	2	3	4	Score
POPULATION				
= (Current population – previous population) / Previous population x 100				
No to very little population increase in the last 5 years	Increased 1% to 3% in the last 5 years	Increased 4% to 6% in the last 5 years	Increased over 6% in the last 5 years	
TRANSPORTATION				
No public transit systems operating	Limited public transportation	Access to public transportation but limited to core area	Easily accessible public transportation	
LOCATION				
International airport located more than a 2-hour drive away	International airport located within a 1-2 hour drive	International airport located less than an hour away by drive	International airport located within the market	
POST-SECONDARY EDUCATION				
No post-secondary schools or at least 1 school more than a 30-minute drive away	At least 1 post-secondary school in the market or at least 1 school less than a 30-minute drive away	At least 3 post-secondary school	More than 5 post-secondary schools	
EMPLOYMENT				
Maximum of 1 main type of industry (e.g., manufacturing)	A few different industries that make up a high percentage of employment	Several industries and employers in the market	An abundance of industries and employers in the market	
Businesses moving out of the area	Some industry turnover	More businesses moving into the area	Diversified businesses and growth	
Higher unemployment rate in comparison to the national average	Slightly higher than average unemployment rate	Average unemployment rate	Low to average unemployment rate in comparison to the national average	

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1	2	3	4	
MARKET APPRECIATION				
= (Median Sale Price Last Year –Median Sale Price 5 years ago) x 100 Median Sale Price 5 Years Ago				
No appreciation or depreciation over the last 5 years	Under 3% average annual appreciation over the last 5 years	3.1-4.9% average annual appreciation over the last 5 years	Over 5% average annual appreciation over the last 5 years	
CASH FLOW CONFIDENCE				
Price-to-Rent ratio: 21+	Price-to-Rent ratio: 16-20	Price-to-Rent ratio: 11-15	Price-to-Rent ratio: 1-10	
Vacancy Rate over 7%	Vacancy Rate between 5.1-7%	Vacancy Rate between 3.1-5%	Vacancy Rate under 3%	
NEW HOUSING DEVELOPMENT				
No new development	Very few new developments	Increasing new developments	Increasing as well as steady new housing developments for various housing types	
AFFORDABILITY				
= Median Annual Rental Income x 100 Median Household Income Before Tax				
Over 50%	41-49%	30-40%	Under 30%	

			Total Score =	
			= (Total Score / 48) x 100 = _____%	
			Market Scorecard =	
0-50% Proceed only with extreme caution. There may be a better market to consider instead of this one.	51-70% Be careful in this market as there is less margin for error.	71-89% This market has good fundamentals. Proceed with The 4 Ways to Win™.	90-100% You found a high-scoring market! Run the numbers on the property.	

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EXAMPLE MARKET: **BRIGHTWAY**

Where opportunity grows.

Recent Headlines

"City council approves 15% tax break for downtown revitalization and development projects."
~ Brightway Times

"Lazor Automotive Supply opens their new state-of-the-art warehouse in the east end." ~ News Star

"Mill St. LRT station project delayed 12 months due to budget negotiations at townhall." ~ Brightway Times

Federal government holds interest rates steady during recent fiscal announcement.
~ Econo Zone

Brightway Quick Facts

Population: 783,100

Official Language: English

Most popular languages spoken at home:

English 53%
Punjabi 13%
Spanish 8%
Mandarin 6%
Other 20%

Average Household Income: $103,000

Land Area: 2,806 km2

City Walk Score: 68

Average commute: 26 min

Top 10 Employers:
1. RPM Auto Manufacturing
2. Lazor Automotive Supply
3. GRZ Transmissions
4. Sandfield College
5. The City of Brightway
6. Karafe Brewery
7. Bridge Construction Group
8. Brightway Board of Education
9. Epic Transportation
10. Stanton IT Solutions

Post Secondary Institutions:
Sandfield College

Welcome to Brightway!

The city of Brightway is known for its bright, diverse population, lovely green spaces, and innovation in automotive excellence.

Founded in 1907 on the Stanton River, Brightway is the second largest city in the district. A quick, 30-minute drive away from the capital city of Ashton, our city prides itself on its walkability and vibrant neighbourhoods.

The Old Village is known for it's historic homes and quaint main street full of cafes, restaurants, craft studios and independent shops.

Park Heights is popular with young families due to its new housing developments, parks, and easy access to Hwy 208 or 210 for commuting to Ashton or Merriton.

We encourage you to explore all of Brightway, including our revitalized downtown area, which is easily accessible by the newly opened Green LRT Line and SWFT bus transit.

Education

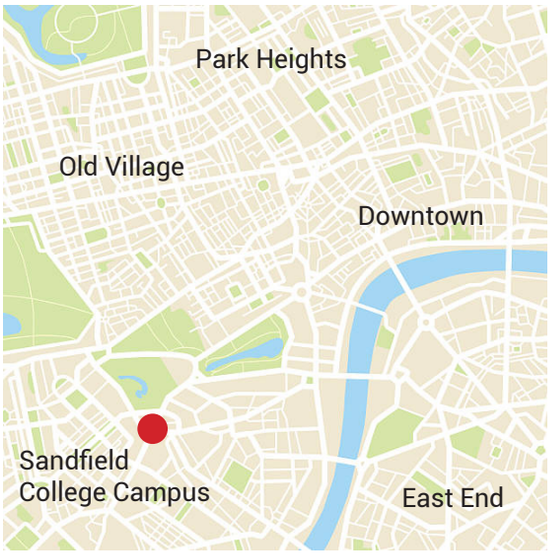
Brightway is home to 21 elementary and 16 secondary schools.

Sandfield College attracts students from across the country for its specialized trade and IT programs. The college enrolls over 18,200 students annually and is popular for its co-op qualification programs with local employers.

Employment

We encourage you to explore Brightway's employment opportunities. The East End is our industrial hub centered around RPM Auto Manufacturing, the city's largest employer. Take advantage of the city's industrial development tax grants or you can choose to base your head office in our downtown core.

Brightway's unemployment rate is lower than the national average at 4.1% with multiple opportunities for full-time, contract, and part-time employment available.



Housing

Median purchase price:	$535,000
National median:	$582,900
Average DOM:	49 days
Median purchase price, 5 years ago:	$505,600
Price to Rent Ratio:	8.3
Median Rental Income	$1475
Vacancy rate:	5.9%
National vacancy rate:	5.0%

Brightway's average housing prices have increased over 5% this year helped by brisk home sales in the Park Heights neighbourhood.

Annual housing starts are on par with last year. 198 applications are currently approved for new residential detached and townhouses.

Bridge Construction Group has applied for re-zoning approval for a new 34 home development in the city's west end. Council will debate the motion in Q2 of this year.

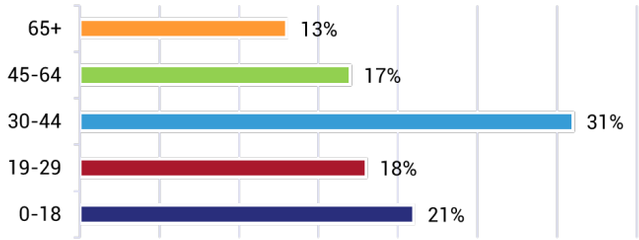
Sandfield College's new Oak Campus House is now open to residents which has freed rental units up for new tenants in the south quarter of the city.

Brightway council voted 5-2 against a motion to limit short-term rentals in the city in hopes to promote local tourism.

Census Data

	Current	Prev	National
Population:	783,100	759,880	40,623,118
Immigrant population:	21.6%	16.7%	37.1%
Median Age:	37	40	41
Average Household Size	3.86	3.61	2.8
Homeownership Rate:	69.4%	72.3%	64.3%
Median Household Income:	$103,000	$99,750	$101,300
Median Individual Income:	$57,900	$52,150	$55,860

Population by Age



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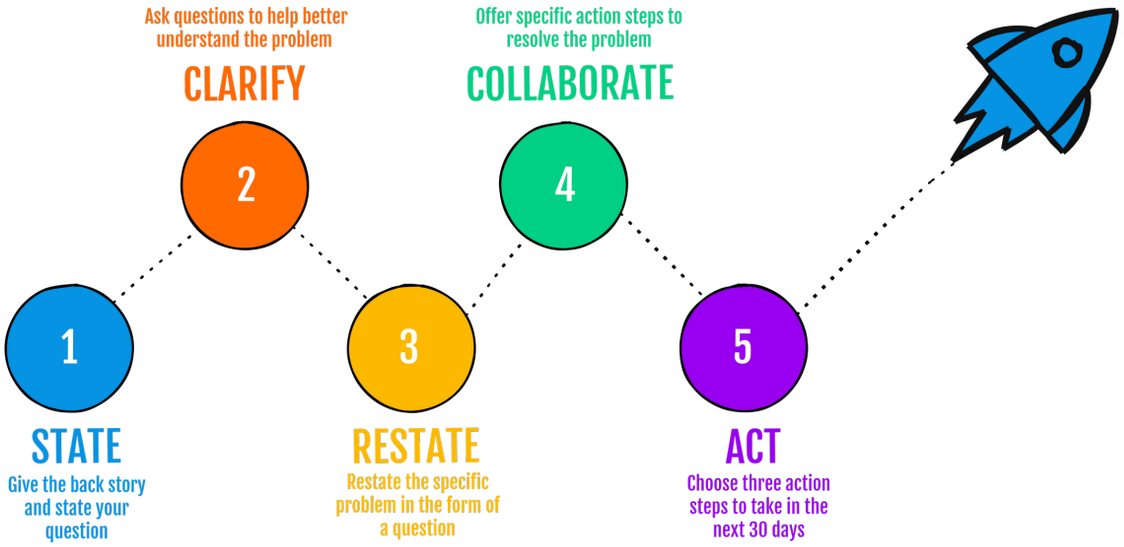
PART FIVE

Getting Unstuck

Getting Unstuck



1 STATE

2 CLARIFY

3 RESTATE

4 COLLABORATE

5 ACT

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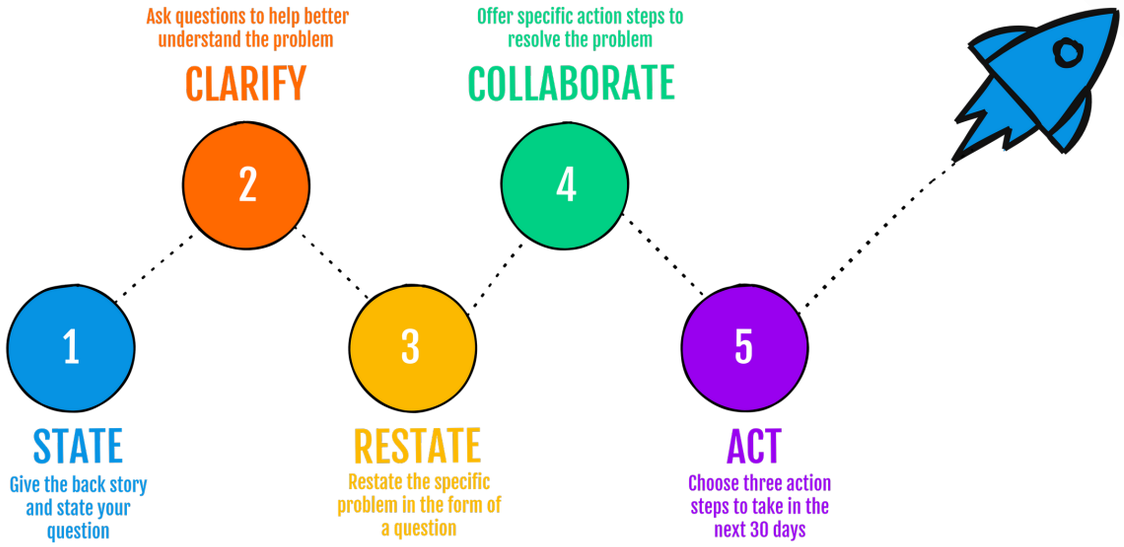
Getting Unstuck



1 STATE

2 CLARIFY

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