

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 our Learn to Earn with Real Estate 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.

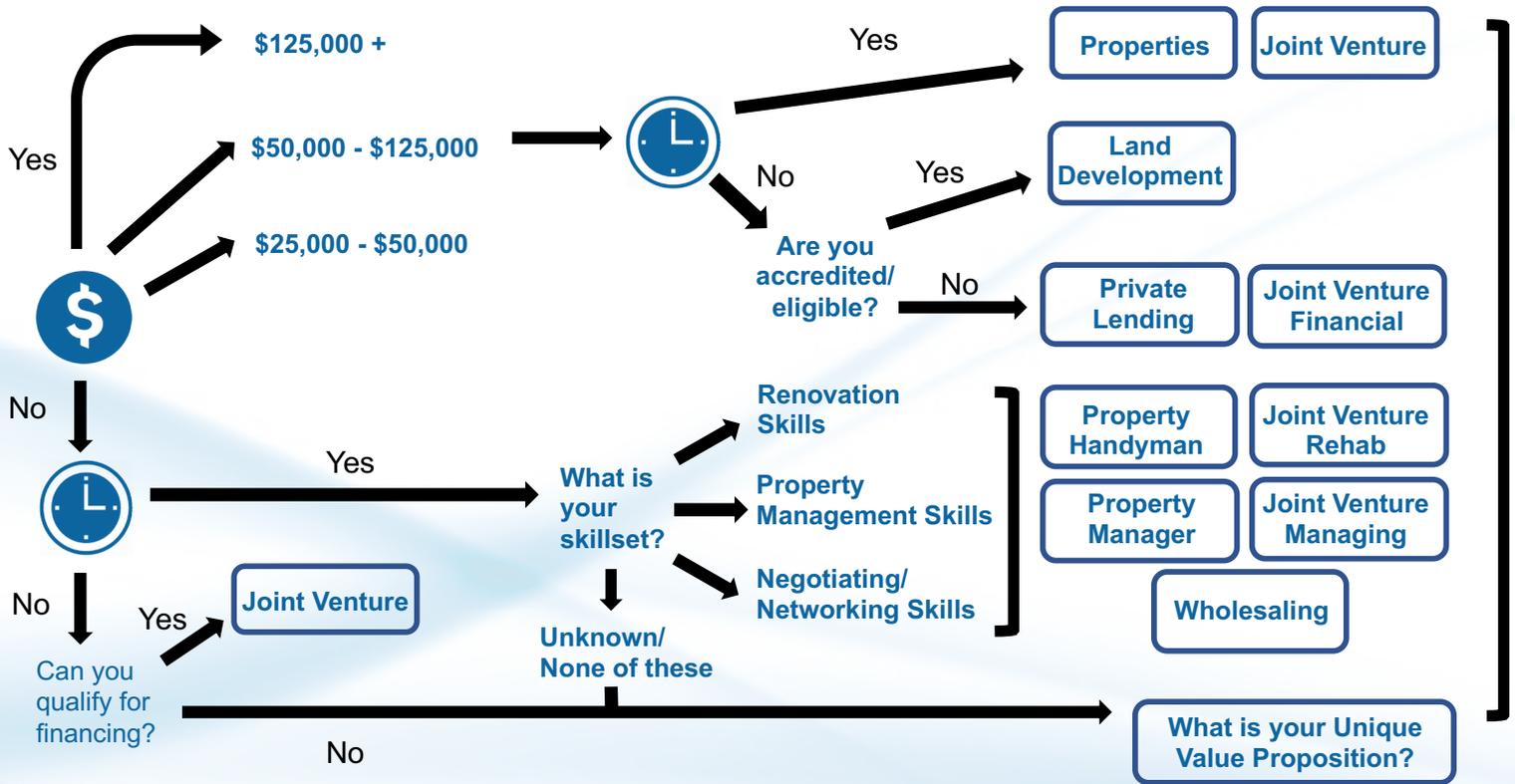
Three Ways To Get Extra Value

“

*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.*

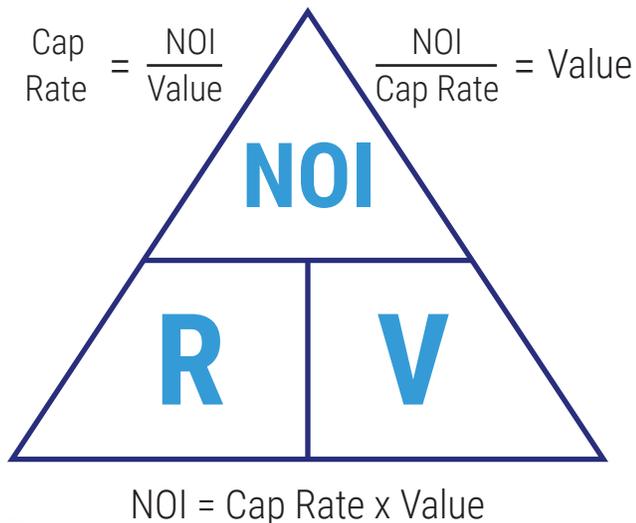
PA Passive Appreciation: *The increase in property value driven by external market forces.*

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

Keyspire Calculations

Formulas for your success

Income & Value

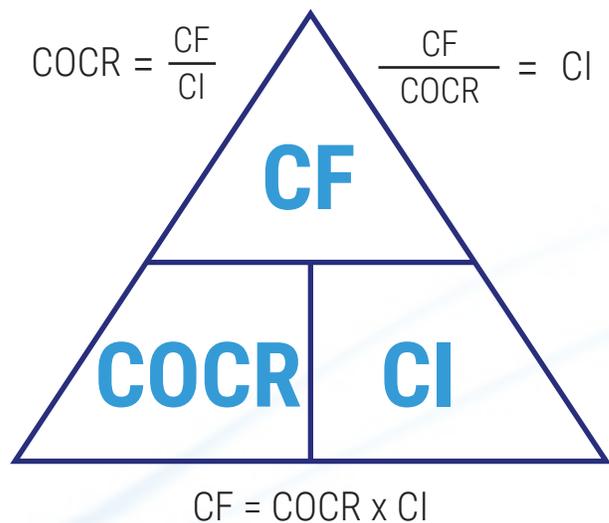


Net Operating Income (NOI) is the Gross Operating income (GOI) minus the Gross Operating Expenses (GOE).

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.*

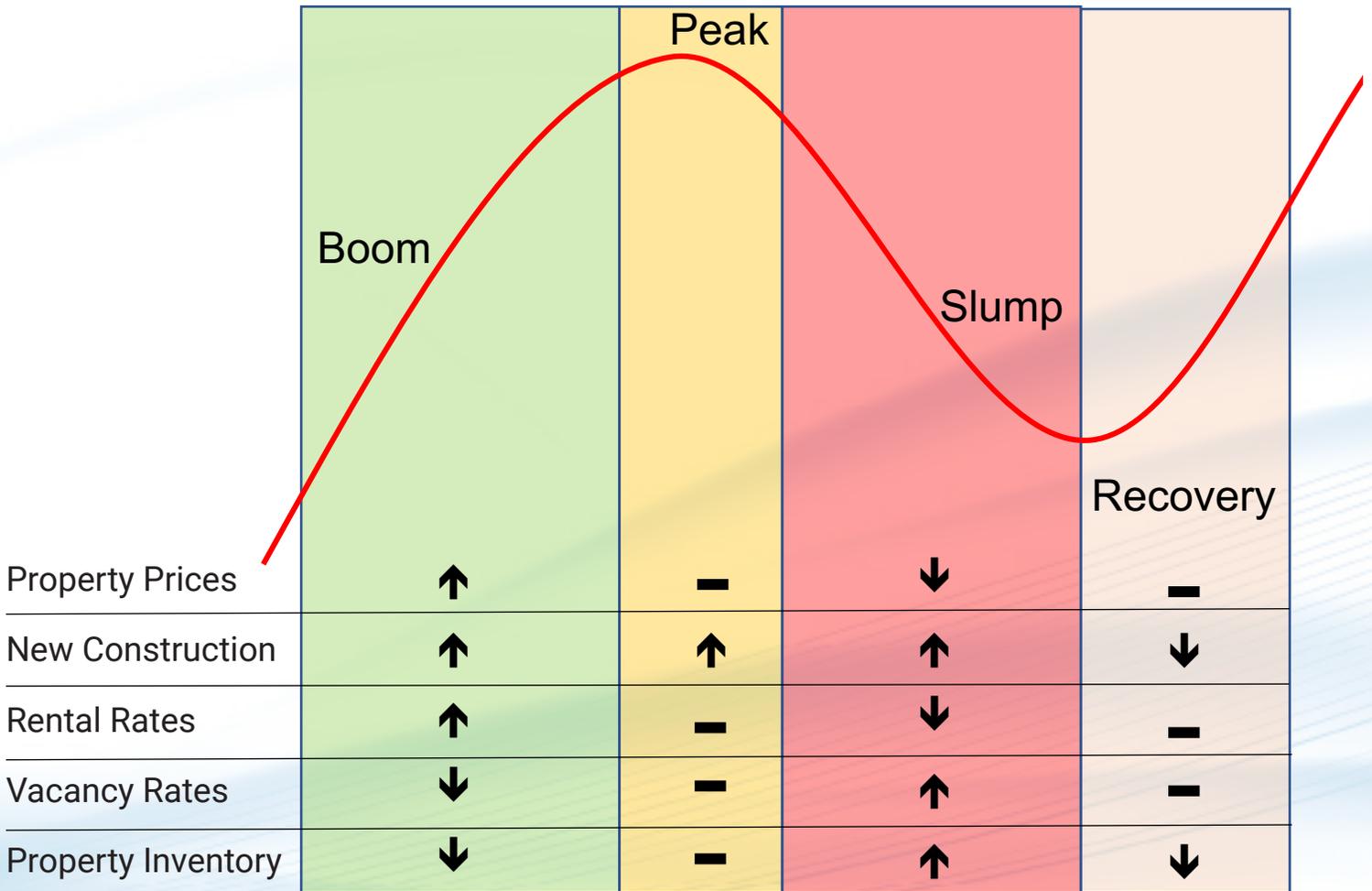
CRC Carry Costs: *The costs payable from the purchase date to refinance or sale date. i.e. taxes, utilities, etc.*

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.*

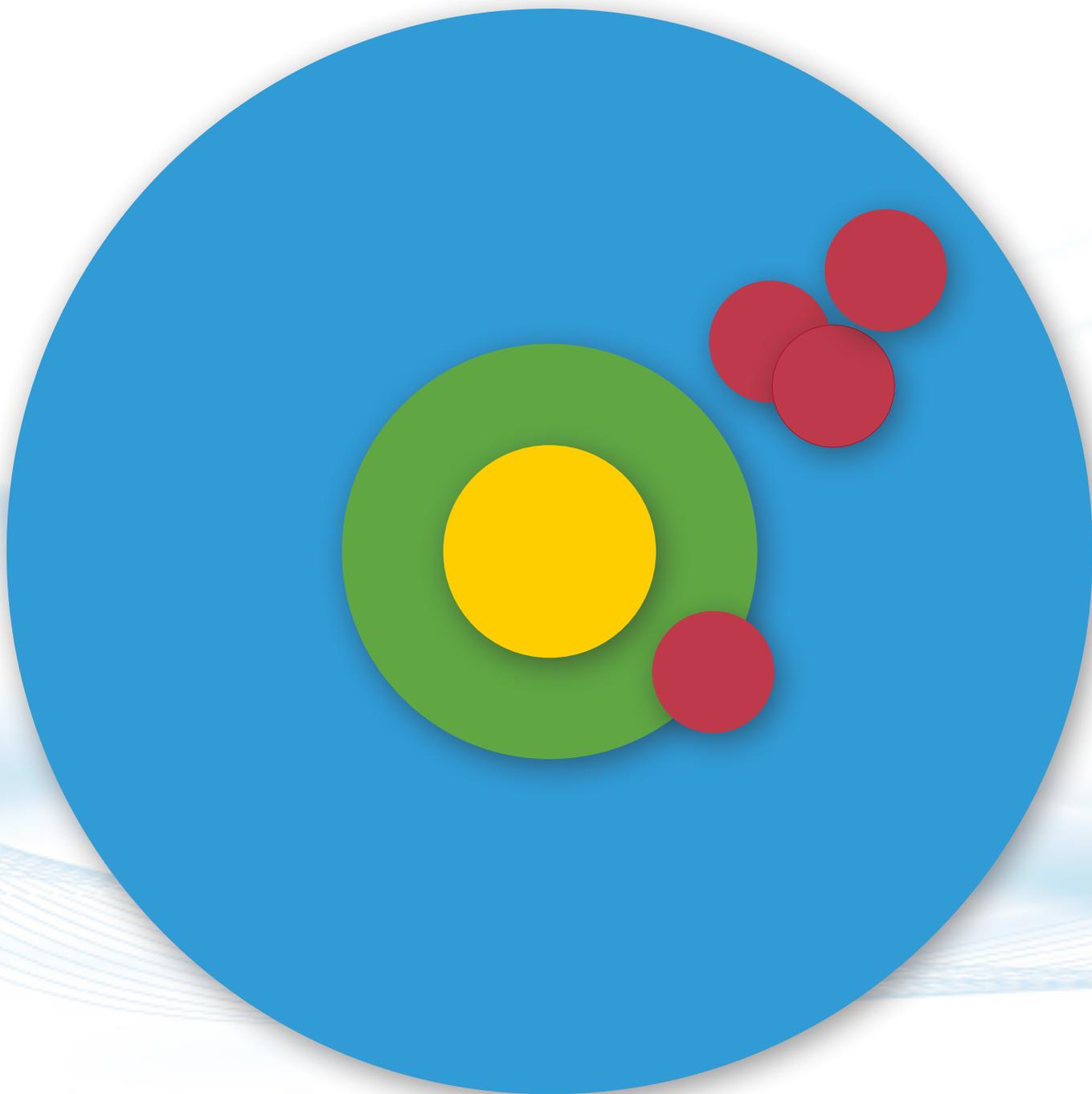
PP Purchase Price: *The amount paid for the property.*

Keyspire Calculations
Formulas for your success



Invest Where Returns Are Best™

Market Cycles



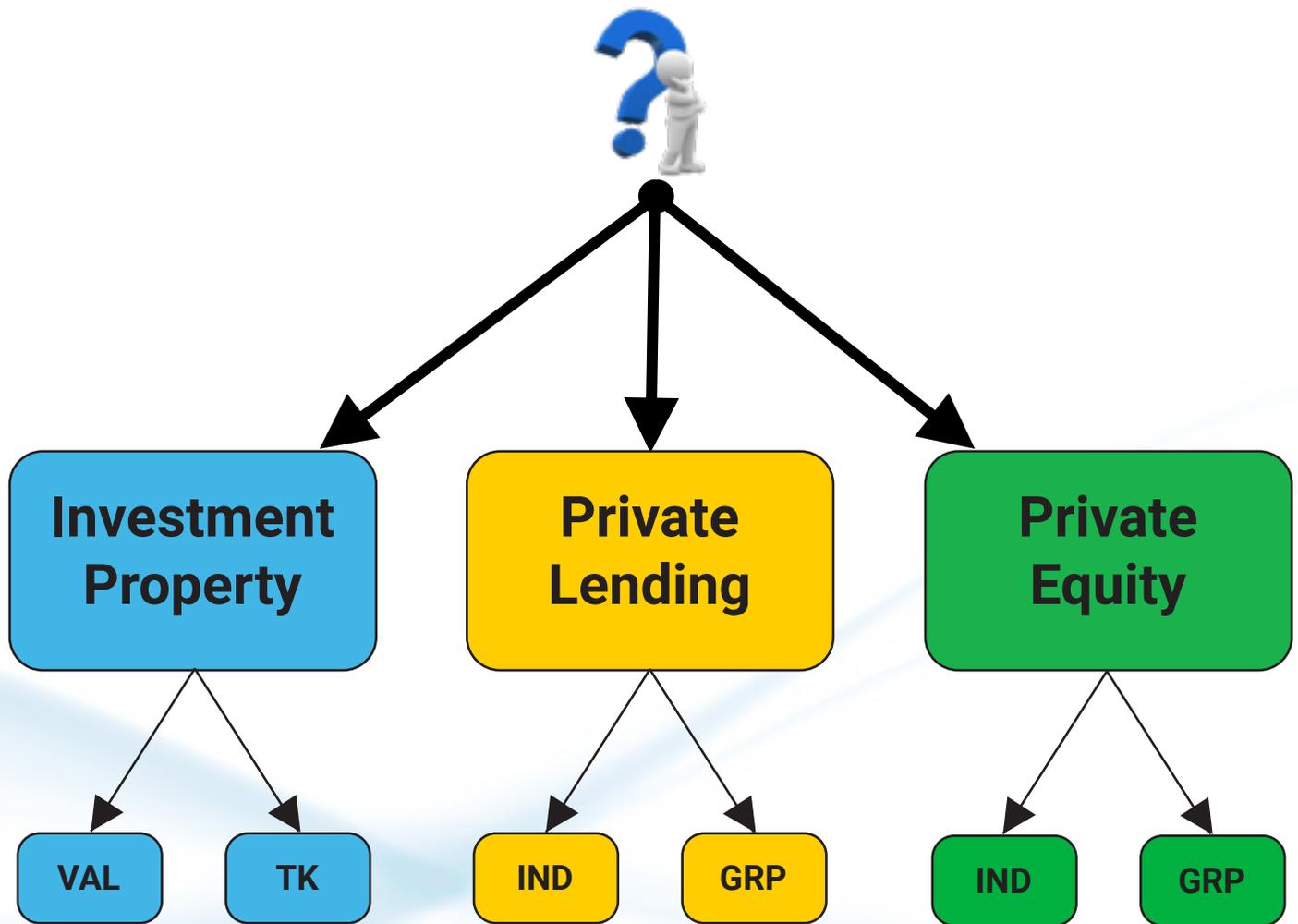
Invest Where Returns Are Best™
Expansion Circles

“

*Money moves
or it dies*

”

Success Leaves Clues...



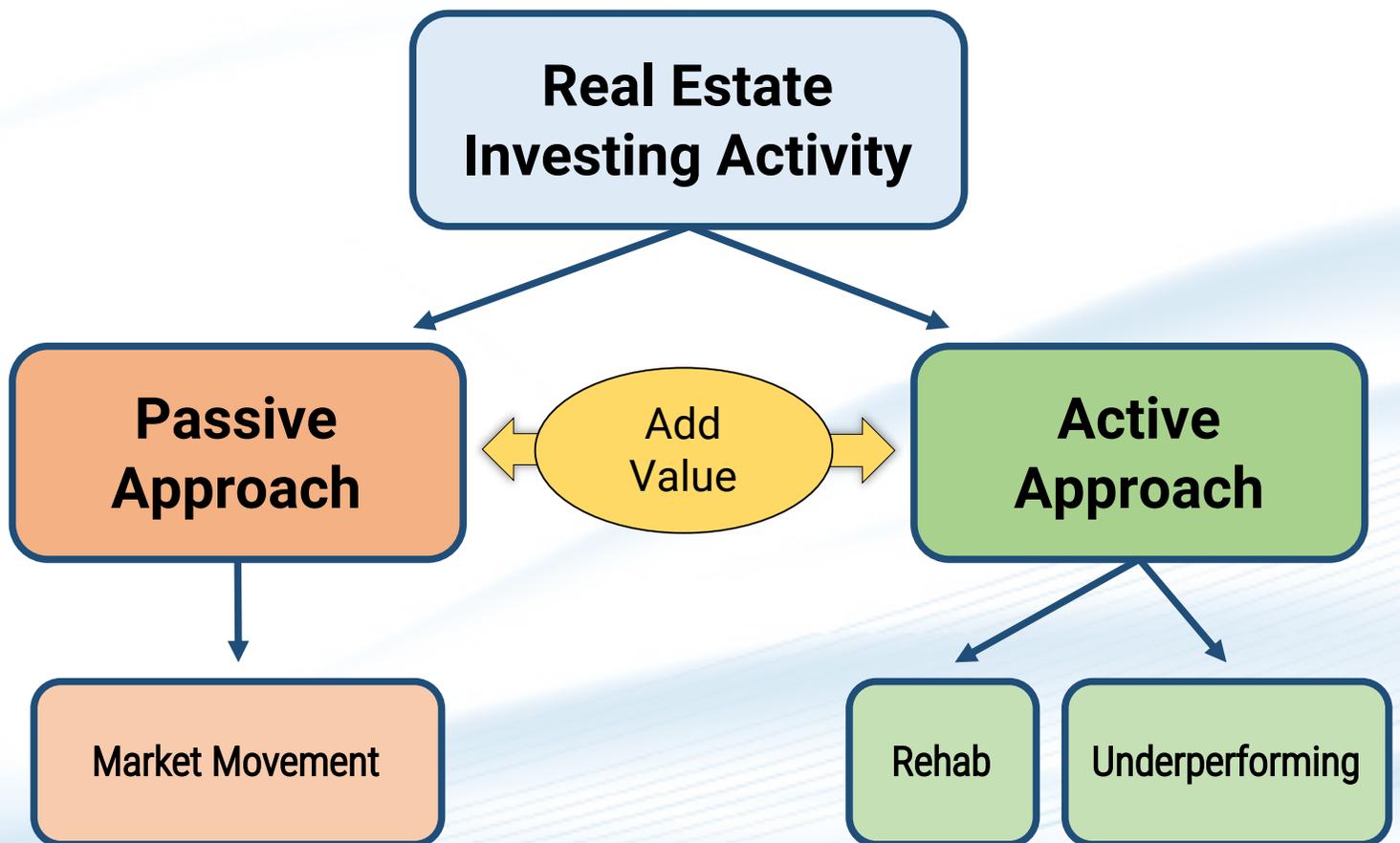
VAL Value Added: Major or minor renovations. Adding value can also come from creating business efficiencies.

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...

Team

Support Network
like-minded people

Deals, Investments
property, mortgages,
development

Success Circle

Coach
guide

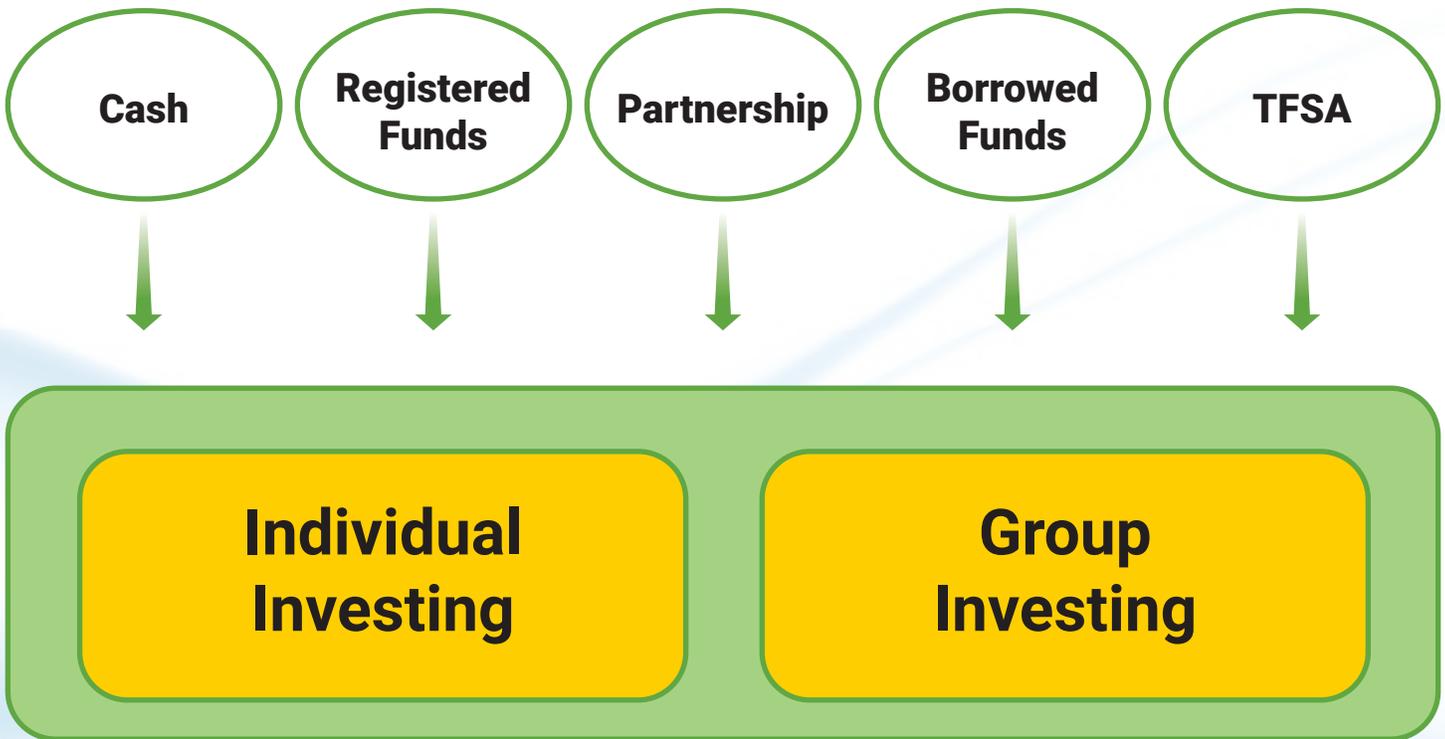
Plan
lifestyle, retire

Asset Protection
Insurance

Taxes
Accounting

***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 Glossary of Real Estate Terminology



Term	Definition
#	
1% Rule	A rule of thumb used to determine if the monthly rent earned from a piece of investment property will exceed that property's monthly mortgage payment. The aim of the 1% rule is to have the property have rental rates equaling no less than 1% of the property's purchase value.
A	
Accessory Apartment	An accessory apartment is defined as a separate legal dwelling unit that is located within the structure of a principal dwelling unit and which is secondary to the principal dwelling.
Active Appreciation	The increase in property value driven by the property owner. Active appreciation may be obtained in multiple ways including cosmetic updates, renovations, the addition of an accessory apartment, etc.
After Repair Value (ARV)	The appraised value of a property after all repairs or renovations are completed
Amortization	The period of time required to reduce a mortgage debt to zero when payments are made regularly.
Anniversary	Most lenders allow borrowers to make a payment on the anniversary of the mortgage. This payment is normally applied against the principal and is a good way to reduce a loan (i.e. For a mortgage assumed on June 1, a payment may be made every subsequent June 1 for the term of the mortgage)
Appraisal	A process that determines the market value of a property.
Appraised Value	An estimated value of a property that is completed by a certified appraiser for mortgage financing.
Approved Lender	A lending institution authorized by the Government of Canada to make loans under the terms of the National Housing Act. Only approved lenders can negotiate mortgages that require mortgage insurance.
Average Market Rent (AMR)	The average rental rate for a specific property or unit type in a specified real estate market or neighbourhood.
B	
Balanced Market	Where demand for property equals the supply of available property. Sellers usually accept reasonable offers and houses generally sell in sufficient time periods. Prices remain stable and there is usually a good number of homes to choose from.
Bare Trust	A specific type of trust that involves a separation of the legal title to an asset, held by the trustee, and the beneficial ownership enjoyed by the beneficiaries. Trust assets are held in the name of a trustee, but the trustee has no control over these assets and has no say or discretion in directing the trust's income or capital. This is also known as a simple trust.
Blended Payment	A mortgage payment that includes principal and interest. It is paid regularly during the term of the mortgage. The payment total remains the same, although the principal portion increases over time and the interest portion decreases.
Boom Stage of Real Estate Market Cycle	The period of the real estate market cycle characterized by continued prosperity and growth. During the "boom" property prices and rental rates increase, supply decreases as buyer demand increases and speculators begin to enter the market. Passive appreciation is highest during the Boom Stage of the market cycle.
Building Code	A set of standards established and enforced by local/provincial government(s) that specify the minimum standards for constructed objects such as buildings and nonbuilding structures.
Building Permit	A certificate that must be obtained from the municipality by the property owner or contractor before a building can be erected or repaired. It must be posted in a conspicuous place until the job is completed and passed as satisfactory by a municipal building inspector.

Bully Offer	Making a pre-emptive offer ahead of other buyers when a seller is holding off offers or multiple offers are anticipated. A Bully Offer is normally full asking price or higher with zero or minimal conditions
Buy and Hold	Purchasing a property with the intention to own the property for an extended period of time with no short term intention to sell.
Buy and Sell	Purchasing a property with the intention to sell the property within a specified timeline, normally short term.
Buyer's Agent	The Realtor who represents only the buyer of a property in a real estate transaction.
Buyer's Market	When there is a higher number of homes to choose from than buyers in comparison. Prices of homes tend to be lower and they remain available for sale longer. Buyers usually have more leverage in negotiating a purchase.
C	
Capital Expense	An expense that generally gives a long lasting benefit or advantage. Capital expenses generally repair and improve the property beyond its original condition (i.e. replacing wood steps with concrete steps)
Capitalization Rate	The ratio between the net operating income (NOI) produced by an asset and its capital cost or alternatively its current market value. This is also referred to as Cap Rate.
Capital Reserve Account	An account established for an investment property that is reserved for future capital improvements, unexpected large expenses, and/or extended periods of vacancy. Initial contributions are normally funded by the investor at closing, then an agreed upon percentage of gross rental income is set aside ongoing to maintain and replenish the account to a minimum balance. This is also called a Capital Reserve Fund.
Capital Stack	The different layers of financing sources that go into funding the purchase and improvement of a real estate project.
Carrying Costs	The expenses associated with maintaining a property including debt service, utilities, taxes, insurance, maintenance, etc.
Cash Back at Closing	A term in the Contract of Purchase and Sale whereby the buyer and seller agree that the seller will refund some specified amount of money to the buyer in case upon closing. A common use for such clauses is to allow the buyer to obtain cash to carry out some repair or renovation of the property.
Cash Flow	The amount of cash available at the end of the year after expenses, debt service, and vacancy is subtracted from income
Cash on Cash Return	The ratio of annual before-tax cash flow to the total amount of cash invested, expressed as a percentage
Closed Mortgage	A mortgage loan that has a locked-in payment schedule, which does not vary over the life of the closed term. A buyer who uses a closed mortgage will likely have to pay the lender a penalty if you fully repay the loan before the end of the closed term.
Closing Costs	Costs, in addition to the purchase price of a home, such as legal fees, transfer fees, and disbursements, that are payable on the closing date
Closing Date	The date of a real estate transaction's completion, when the parties involved agree that all legal and financial obligations have been met, and the deed to the property is transferred from the seller to the buyer.
CMHC	Canada Mortgage and Housing Corporation. A Crown corporation that administers the National Housing Act for the federal government and encourages the improvement of housing and living conditions for all Canadians. CMHC also creates and sells mortgage loan insurance products.
Collateral	Property or another asset offered by a borrower as a way for the lender to secure the loan against default.
Collateral Mortgage	A mortgage that secures by way of a promissory note. The money borrowed can be used to buy a property or can be used for another purpose, such as a home renovation or vacation.
Commercial Property	A building or parcel of land used solely for business purposes and intended to generate a profit either through capital gain.

Commercial Tenancies Act	A provincial, territorial, or state law covering the rights, responsibilities and obligations of landlords and tenants pertaining to commercial rental properties/units. Commercial Tenancies Acts are normally different and separate from acts outlining rights pertaining to residential properties.
Commitment Letter/Mortgage Approval	Written notification from the mortgage lender to the borrower that approves the advancement of a specified amount of mortgage funds under specified conditions
Compound Interest	Interest that is calculated on the initial principal and also on the accumulated interest of previous periods of a deposit, mortgage, or loan.
Conditional Offer	An Offer to Purchase that is subject to specified conditions, for example, the arranging of a mortgage. There is usually a stipulated time limit within which the specified conditions must be met.
Condominium	Shared ownership in a property. Owners have title (ownership) to individual units and a proportionate share in the common elements.
Condo Reserve Fund	The portion of a condominium maintenance fee that is set aside to cover major repair and replacement costs.
Conventional Mortgage	A mortgage loan up to a maximum of 80% Loan-to-Value. Mortgage loan insurance is not required for this type of mortgage.
Corporation	A legal entity that is considered separate from its shareholders. When a corporation is created each owner is issued shares proportional to the percentage of ownership. A corporation can be created at a federal or provincial level.
Counteroffer	One party's written response to the other party's offer during negotiation of a real estate purchase between buyer and seller.
Covenant	A clause in a legal document, which, in the case of a mortgage, gives the parties to the mortgage a right or obligation. For example, a covenant can impose the obligation on a borrower to make mortgage payments in certain amounts on certain dates. A mortgage document consists of covenants agreed to by the borrower and the lender.
Conveyancing	The transfer of ownership of any property or real estate from one person to another.
Co-venturer	A party or business entity that participates in a joint venture agreement.
Current Expense	An expense that generally reoccurs after a short period of time. Current expenses generally repair the property to its original condition and are considered part of the ordinary maintenance of property ownership (i.e. painting interior walls, fixing a broken wooden step)
D	
Debt Service	The payments made to service all debt on the property. Debt Service payments include both principal and interest.
Deed	A legal document, which is signed by both the seller and the buyer transferring ownership. This document is registered as evidence of ownership.
Default	Failure to abide by the terms of a mortgage loan agreement. A failure to make mortgage payments, defaulting on the loan, may give cause to the mortgage holder to take legal action to possess (foreclose) the mortgaged property.
Deposit	A sum of money placed in trust by the buyer when an Offer to Purchase is made typically. The real estate representative or lawyer holds the sum until the sale is closed, and then it is paid to the seller.
Determine your Investor Profile	The Keyspire process of determining your investor type based on your individual circumstances and preferences, then choosing the investing stream and investment type that best fits your personal situation.
Discharge of Mortgage	A document signed by the lender and given to the borrower when a mortgage loan has been repaid in full.
Diversification	Is an investing strategy designed to increase the security of an investor's portfolio through deploying capital into a variety of investment types.
Days on Market (DOM)	An acronym for Days on Market. Days on Market is the length of time a real estate listing is for sale (on the market).

Double Offer	An offer strategy of submitting two different offers on the same property simultaneously, each with a different price or conditions.
Down Payment	The portion of the house price the buyer must pay up front from personal resources before securing a mortgage. This can generally range from 5%-35% of the purchase price.
Due Diligence	A buyer's process of thoroughly investigating a property or investment within a specified period of time to determine whether he/she remains satisfied with the property/investment before finalizing their purchase or participation in the investment.
E	
Easement	A right acquired for access to or over, or for the use of, another person's land for a specific purpose, such as a driveway or public utilities.
Encumbrance	A registered claim for debt against a property, such as a mortgage.
Equity	The difference between the current fair market value of the property and the amount the owner still owes on the mortgage. Equity is the amount the owner would realize after selling the property and paying off the mortgage. Also referred to as Real Property Value.
Exit Strategy	A definition of the final business goal, specifically outlining the business exit and how profit will be realized.
F	
First Home Loan Insurance (FHLI)	A CMHC product of particular interest to people looking for their first home. It allows qualified first-time buyers to purchase a home with as little as 5% down payment. In these cases, CMHC will insure mortgages for up to 95% of the home's purchase price or the market value of the property, whichever is less.
Financial Co-venturer (partner)	The joint venture party(s) that contribute some or all financial capital required to fund the business task or acquire the investment.
Firm Offer	An Offer to Purchase that is irrevocable and includes no conditions.
Fixed Rate Mortgage	A mortgage that has a fixed interest rate for the entire term of the loan.
Flipping	A buy and sell investment strategy that involves purchasing a property, completing a short term renovation to add active appreciation, then selling the property with the goal of gaining a profit.
Flip to Yourself™	A Keyspire investment strategy that enables to access active and passive appreciation repeatedly while using the Buy and Hold exit strategy.
Foreclosure	A legal procedure in which the lender gets ownership of the property if the borrower defaults on the mortgage loan.
Freehold	A freehold title gives the holder ownership of land and buildings for an indefinite period of time
G	
Gross Debt Service Ratio (GDS)	The percentage of the borrower's gross income that will be used for monthly payments of principal, interest, taxes, heating costs, and half of any condominium maintenance fees.
Gross Operating Expense (GOE)	The sum of all expenses associated with operating the property. This does not include any debt payments.
Gross Operating Income (GOI)	The Gross Scheduled Income minus 5% for vacancy allowance
Gross Rent Multiplier (GRM)	The ratio of the price of a real estate investment to its annual rental income before expenses. GRM is often used as an easy calculation for initial comparison of properties, but not as a precise analytical formula for ascertaining value.
Gross Scheduled Income (GSI)	The amount of income the property is scheduled to collect as per the rental agreement(s)

H	
Home Equity Line of Credit (HELOC)	A loan in which the lender agrees to lend a maximum amount within an agreed period, where the collateral is the borrower's equity in his/her house.
High-Ratio Mortgage/Insured Mortgage Loan	A mortgage loan in excess of 80% of the lending value of a property. This type of mortgage must be insured, for example by CMHC, against payment default.
Holdback	An amount of money withheld by the lender or homeowner during construction of a house or renovations to ensure that construction is satisfactory at every state. A standard holdback is 10% of the total cost of the project.
Housing Starts	The number of privately owned new houses on which construction has been started in a given period.
I	
Inflation	A rise in the general level of prices of goods and services in an economy over a period of time.
Interest	The cost of borrowing money for a given period of time. Interest is usually paid to the lender in installments along with the repayment of the principal loan amount.
Interest Rate	The rate at which you pay interest to the lender. More frequent payments often result in a different interest rate.
Investable Capital	Money available to invest. A person's amount of investable capital available is determined by the person holding the capital.
Investment Team	Members of your team who bring you investments: properties, mortgages and land development
Investor Profile	An Investor Profile defines the type of investor you are based on your individual circumstances and preferences
Invest Where Returns are Best	The Keyspire practice of choosing to participate in real estate investments based on how closely the investment aligns with an one's individual investor profile and the total Return on Investment (ROI) obtained, regardless of where the actual investment is located.
Irrevocability	A clause in a property Purchase and Sale Agreement which specifies a time period during which the offer is incapable of being changed or altered. Typically a buyer or seller will specify an irrevocable time and date in their original or counter offer. If the offer is not accepted before the date and time specified it becomes null and void.
J	
Joint Tenant Partnership	A partnership with survivorship. When one partner dies, full ownership goes to the remaining partner. Interest held in a joint tenancy cannot be conveyed in a will to another party. This type of partnership most often occurs between spouses.
Joint Venture	A joint venture (JV) is a business arrangement in which two or more parties agree to pool their resources for the purpose of accomplishing a specific task.
K	
L	
Lease to Own	An arrangement where an individual enters into a lease agreement with an owner with the inclusion of an additional "Option to Purchase" agreement. The Option to Purchase typically gives the tenant the right to purchase the property at a predefined future date for a prespecified purchase price. Also called "Rent to Own."
Lease Agreement	A written agreement between an owner (landlord) and a tenant under which the owner allows the tenant the right of exclusive use of the property for a specified time, rent and terms
Leasehold	A leasehold title gives the holder a right to use and occupy land and buildings for a defined period of time. In a leasehold arrangement, actual ownership of the land, sometimes along with the buildings, remains with the landlord.

Legal Description	The official description of land used for legal purposes. Municipalities use Plan, Block and Lot for legal land descriptions. Legal Subdivisions are used for the legal description of rural properties and Condominium Plan Numbers are used for the legal description of condominiums. A legal address is not the same as a municipal address.
Legal Non-conforming	A "legal nonconforming use" is a use of land or structure which was legally established according to the applicable zoning and building laws of the time, but which does not meet current zoning and building regulations. If the property is renovated or rebuilt it would require all changes to meet current regulations.
Lender Fee	A fee charged by banks, other financial institutions, or private lenders for processing and funding a loan. Lenders fees can include application fees, attorney fees, underwriting fees, and more. Lender fees are payable in connection with a loan and contribute to the total amount of the borrower's costs.
Lending Value	The purchase price or appraised value of a property, whichever is less.
Leverage	Controlling a large asset with a relatively small amount of cash. In real estate for example, \$20,000 down payment (or less) can be used to purchase (control) a \$100,000 property.
Lien	Any legal claim against a property, filed to ensure payment of a debt. A lien must be properly filed by a claimant and lien statutes vary from province to province.
Limited Liability Partnership (LLP)	A partnership with the same benefits and limitations of a general partnership but in which liability of the general partners is limited.
Line of Credit (LOC)	An arrangement of standing credit extended to a borrower by a financial institution, normally a bank. A line of credit has a pre-set maximum level and interest rate, it can be borrowed from and repaid at the borrower's discretion.
Liquidity	The degree to which an asset can be quickly bought or sold in the market without affecting the asset's price. Cash is the most liquid asset while fine art and collectibles would be examples of illiquid assets.
Listing	A property for which the seller has entered into a written service agreement with a real estate brokerage to market his or her property for sale
Listing Agent	The Realtor who signs a contract with an owner to sell the property.
Loan to Value (LTV)	The amount of mortgage loan(s) against the total appraised value of the property on which the loan is secured. Normally expressed as a percentage.
M	
Market Cap Rate	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.
Market Expert	An investor who chooses to focus on investing in one particular real estate market. Market experts employ different investing strategies within the same market and adapt as real estate market conditions change.
Maturity Date	The last day of the term of a mortgage agreement. On this day the mortgage loan must be paid in full or the agreement renewed.
Mezzanine Financing	A hybrid of debt and equity financing that gives the lender the rights to convert to an ownership or equity interest in the investment in the case of a default.
Mixed-Use Property	A type of building development that blends residential, commercial, cultural, institutional, and/or industrial uses and where those functions are physically and functionally integrated within the same building or development.
Mortgagee	The lender who provides the mortgage loan.
Mortgage Fraud	A material misstatement, misrepresentation or omission relied upon by a lender or insurer to underwrite, approve, fund or insure a mortgage loan. It is any scheme designed to obtain mortgage financing under false pretenses
Mortgage Loan Insurance	Government-backed or privately-backed insurance protecting the lender against the borrower's default on high-ratio (and other types of) mortgages.
Mortgagor	The borrower who pledges the property as security for the loan.

Mortgage Term	The length of time during which a mortgagor pays a specific interest rate on the mortgage loan. The entire mortgage principal is usually not paid off at the end of the term because the amortization period is normally longer than the term.
Motivated Seller	A seller who is compelled to list a property for personal reasons or has a property listing that is not attracting potential buyers and is proving unusually difficult to sell. The seller is often driven by outside factors such as finances or life events to sell a property for a price or conditions more favourable to the buyer.
Multiple Listing Service (MLS)	A co-operative selling system for relaying information to realtors about properties for sale.
Multi-residential Property	A property/classification of housing where multiple separate housing units for residential inhabitants are contained within one building or several buildings within one complex. Provincial and municipal jurisdictions may designate properties with more than a specified number of units as multi-residential (i.e. 5 or more units).
Municipal Address	The address of a property, which has been provided by the municipality, and typically is the city, street and number of the property on the street. It may often be used as the mailing address as well. However, it is not the legal address of the property.
Municipal By-law	A regulation, rule or law created by the local authority or municipality
N	
Net Operating Income (NOI)	The Gross Operating Income (GOI) minus Gross Operating Expenses (GOE)
Net Worth	A person's total financial worth, calculated by subtracting total liabilities from assets.
NSF Fee	A processing fee charged to an individual whose checking account did not have enough money to cover a payment or written cheque. NSF refers to Non-Sufficient Funds, a term used in the banking industry.
O	
Open Mortgage	A type of mortgage loan where the borrower can make partial or full payment of the principal amount at any time, with minimal or zero penalty.
Operations Team	Members of your team required to operate the business ongoing including: contractor, designer, property manager, handyman, accountant
Opportunity Cost	The return foregone by choosing one investment over another investment
Option to Purchase Agreement	A document stipulating that, in exchange for a deposit, a specified individual is to be given the first chance to buy a property at or within a specified period of time. An option holder who does not buy at or within the specified period loses the deposit and the agreement is cancelled. This document is normally used as part of the Lease to Own strategy.
Owner Occupied	The individual who owns and holds title of the property also resides in the property as their primary place of residence.
P	
Passive Appreciation	The increase in property value driven by external market forces
Peak Stage of Real Estate Market Cycle	The period of the real estate market cycle characterized by plateauing property prices and rental rates and an over supply of inventory. During the "peak" supply, especially in new construction begins to outpace demand and vacancy rates begin to stagnate or increase.
Phantom Ad	An tool used by Keyspire investors as part of The Income Analyzer™ to gauge tenant demand for a specific unit at a specified rental rate. The investor creates a test rental ad based on a property or unit they plan to purchase and measures the response to the ad within the first days of posting.
Power of Attorney	A legal document that authorizes another person to act on one's behalf. A power of attorney can grant complete authority or can be limited to certain acts and/or certain periods of time.

Pre-Approved Mortgage	When a lender approves the potential mortgagor for a specified amount, based on how much money the lender is prepared to lend to the borrower. This allows the buyers to shop for homes they already know they can obtain financing for and not homes that are potentially too expensive or out of the borrower's means to finance
Pre-payment Penalty	A fee that may be charged to a borrower who pays off a loan before it is due.
Price-to-Rent Ratio	The ratio of the purchase price of a property divided by the annual rent of a similar property. This ratio is often used to measure the relative affordability of renting versus buying in a given housing market.
Prime Rate	The interest rate that banks charge to their preferred customers. Changes in the prime rate are normally widely publicized in the media and used as the indexes for variable rate products such as mortgages and lines of credit.
Principal	The amount of money borrowed.
Portfolio	A group of financial assets and investments held by a person or business entity.
Portability	An option available on a mortgage that enables the mortgagor to take their current mortgage loan with them to another property without penalty.
Principal Recapture	The portion of the mortgage payment that is allocated to principal balance payoff
Property Assessment	The value of a property, set by the local municipality, for the purposes of calculating property tax.
Property Purchase or Land Transfer Tax	A fee paid to the provincial and/or municipal government(s) for transferring property to the buyer from the seller.
Purchase Agreement	A written contract setting out the terms under which the buyer agrees to buy. If accepted by the seller, it forms a legally binding contract subject to the terms and conditions stated in the document.
Q	
Qualifying Ratio	Calculations that are used in determining whether a borrower can qualify for a mortgage.
R	
Real Estate Market Cycle	The movement of the real estate market over time based largely on economic, demand, supply, and population factors. The real estate market cycle is often defined as having four phases: Boom, Peak, Slump, Recovery
Realtor	A trademark name for a real estate representative who is a member of an organization of persons engages in the business of buying and selling real estate, such as the Canadian Real Estate Association
Red Herring Clause	A non-vital clause included in a property offer that is meant to distract the seller from other clauses with the purpose of negotiating a more favourable sale for the buyer.
Recovery State of Real Estate Market Cycle	The period in the real estate market cycle during which the market begins recovering from its last "slump" or downturn. The market is no longer moving downward and begins to look upward. Property prices, rental and vacancy rates plateau and begin to move toward slow, incremental increases.
Refinance	"To pay off a mortgage and arrange for a new mortgage often at a higher appraised property value than the original purchase price." "
Refinance fees	Any payable fees or penalty costs associated with the refinancing process including but not limited to those from a financial institution, appraisal, legal and/or administrative fees.
Rehab Property	A property that requires renovations.
Renewal	At the end of a mortgage term, the borrower re-negotiates the loan for a new term.
Residential Tenancies Act	A provincial, territorial, or state law covering the rights, responsibilities and obligations of landlords and tenants pertaining to residential rental properties.

Rental License	A municipal or city by-law requiring landlords of specified rental properties to complete certain applications and requirements, normally including the payment of a licensing fee, to obtain a legal license to rent to tenants.
Repair and Maintenance	An estimated amount set aside to repair the property during the year.
Return on Investment (ROI)	The measurement of return on an investment, relative to the capital invested. ROI is calculated as the 4 Ways to Win over Capital Invested and expressed as a percentage.
Right of First Refusal	A provision in an agreement that requires the owner of a property to give another party the first opportunity to purchase or lease the property before the owner offers it for sale or lease to others.
S	
Sandwich Leasing	An investment strategy in which one party rents property from the property owner and then subsequently leases it to another tenant.
Second Mortgage	An additional mortgage on a property that already has a mortgage.
Secondary Market	A city, municipality, or neighbourhood that is smaller, has less real estate activity, and/or lower prices than a primary market.
Secured loan	A loan that is backed by collateral.
Seller's Market	More buyers are looking for homes than there are homes for sale. There is a smaller inventory of homes available for sale and many buyers looking to purchase. House prices generally increase and homes sell quickly.
Shotgun Offer	Submitting an offer on a property sight unseen in order to put it under contract before other potential buyers can. A Shotgun Offer is normally conditional to allow for additional due diligence to be completed.
Simple Interest	Interest paid or computed on the original principal of the loan, mortgage, or deposit. Simple interest does not compound or calculate on interest earned or incurred.
Slump Stage of Real Estate Market Cycle	The period in the real estate market cycle during which supply outweighs demand. Property values and rental rates decrease, vacancy increases, and new construction/development decreases.
Sole proprietorship	A business entity that is owned and operated by own person and there is no legal distinction between the owner and the business. All profits, debts, liability and obligations are the responsibility of the sole owner.
Statement of Adjustment	A balance sheet statement that indicates credits to the seller - for example, the purchase price - and any prepaid taxes and credits to the buyer, such as the deposit, and the balance due on closing.
Strata/ Condominium Fee	A payment made by all owners of condominiums or townhouses within a particular complex that is allocated to pay expenses such as maintenance, repairs and management costs.
Strategy Expert	An investor who chooses to focus on one particular real estate investing strategy. Strategy experts choose identify key market conditions to maximize their strategy returns and move real estate markets as market conditions change.
Survey	A document that illustrates the property boundaries and measurements, specifies the location of buildings on the property, and indicates any easements or encroachments.
SWOT Analysis	A structured planning method that evaluates the strengths, weaknesses, opportunities and threats of a project or business venture.
T	
Tenants In Common Partnership	A partnership with no right of survivorship. When one co-tenant dies, their percentage is converted to the estate, not the other partner.
The Income Analyzer™	A two-step process used by Keyspire investors to determine the average market rent and gauge tenant demand for a particular property or rental unit.

The R-Zone™ of the Real Estate Market Cycle	The period in the real estate market cycle after the Peak Stage at the beginning Slump Stage during which investors move their focus away from acquiring investments and instead focus on building their network and relationships with service providers.
The 3 Investing Streams™	Keystone's real estate investment classification system which categorizes investments into Properties, Private Lending or Private Equity
The 4 Ways to Win™	Keystone's straightforward, universal system for evaluating real estate investments impartially. The 4 Ways to Win are: Cash Flow, Principal Recapture, Passive Appreciation and Active Appreciation. The 4 Ways to Win apply to all three investing streams.
Title	The legal evidence of ownership of a property.
Title Search	A detailed examination of the ownership documents to ensure there are no liens or other encumbrances on the property, and no questions regarding the seller's ownership claim.
Total Debt Service Ratio (TDS)	The percentage of gross annual income required to cover all payments for housing and all other debts, such as car payments.
Transaction Team	Members of your team who are required to facilitate the transaction of property,
Turnkey Property	A property that is full renovated or in move-in condition. The property may be purchased fully tenanted, with property management in place or ready for tenants to move in immediately
U	
Unannounced Visit	A property management strategy used by Keystone investors to determine the suitability of a tenant applicant by visiting their current residence under the pretext of reviewing the lease agreement or to meet their pet(s). This enables landlords to assess how tenants maintain and live in their current property.
Underperforming Property	A property that is not performing to its full potential and has the opportunity to be better managed or better utilized in order to increase return on investment and garner higher income. A property may be underperforming due to poor property management, an inattentive landlord, tenants paying below market rent, or have the opportunity to be split in additional rental units.
Underwriting	The process of raising money by either debt or equity. The underwriter assesses factors for the deal that are important to determine the suitability of the investment. For investors, the information contained in an underwriting is crucial to understanding the risks and potential rewards from investing in an asset.
Unique Value Proposition (UVP)	"The unique attributes and skills you bring to your business or investments to add value and find success"
Unsecured Loan	A loan that is issued and supported only by the borrower's creditworthiness, rather than by any type of collateral.
V	
Value Add Statement (VAS)	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. The Value Add Statement is used by Keystone investors when networking to explain what the investor can do for you, or how the investor can solve your problem and add value at the same time.
Variable Rate Mortgage	A type of mortgage with fixed payments but fluctuating interest rates. The change in current interest rates doesn't alter the amount of the mortgage payment, but determines how much of each payment is applied against the principal amount and how much goes to pay interest to the lender.
Vendor Take-Back Mortgage (VTB)	A vendor take-back mortgage is a type of mortgage in which the seller offers to lend funds to the buyer to help facilitate the purchase of the property. A vendor take-back mortgage may provide full financing for the property or be combined with conventional financing.
Video Walkthrough	A property management strategy in which the landlord/property manager completes a video-recorded pre-move-in inspection with the new tenant. The video inspection notes the condition of the property at the time of tenant move-in and can be used as evidence in the event of a landlord-tenant dispute. A copy of the video walkthrough is given to the tenant as part of their welcome package with a written inspection report and copy of their lease agreement.

W	
Wholesaling	A real estate strategy where an investor puts a property under contract, markets the home to potential buyers and then assigns the contract to a buyer. The wholesaler assigns the contract for a consideration and the property transaction is closed by the buyer.
Working Co-venturer (partner)	The joint venture party(s) that contribute time and skills to oversee, manage and operate the business task or investment.
X	
Y	
Z	
Zoning Regulations	Strict guidelines set and enforced by municipal governments regulating how a property may or may not be used.

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from a rich family,
a rich family must
come from **YOU***

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