

Keyspire<sup>®</sup>

Signature

Mastermind Program

Workshop Three:  
The Investment  
Filter<sup>™</sup>  
Workshop



# Agenda

## The Investment Filter™ Workshop

The Quarterly Focuser™ .....	2
<b>Part One: The Investment Filter™</b>	
Investment Criteria .....	4
The Investment Filter™ .....	6
The Investment Filter™ Worksheet .....	7
<b>Part Two: Investing Strategies</b>	
Investment Strategies .....	12
The Rent-Revenue Line™ .....	13
The Investor Experience Line™ .....	14
<b>Part Three: Finding Investments</b>	
Finding Investments .....	16
Property A .....	17 - 18
Property B .....	19 - 20
Property C .....	21 - 22
Qualifying a Real Estate Agent .....	23 - 26
<b>Part Four: Qualifying Investments</b>	
Three-Step Qualification Process .....	32
The 4 Ways to Win™ .....	33
The 4 Ways to Win™ Example .....	34 - 36
The 4 Ways to Win™ Case Study .....	37 - 40
The Income Analyzer™ .....	41 - 43
5Ws-1H Investment Evaluator Guide .....	44
5Ws-1H Investment Evaluator .....	45
Qualifying Investments .....	46 - 47
<b>Part Five: Getting Unstuck</b>	
Getting Unstuck .....	52 - 54



# 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?

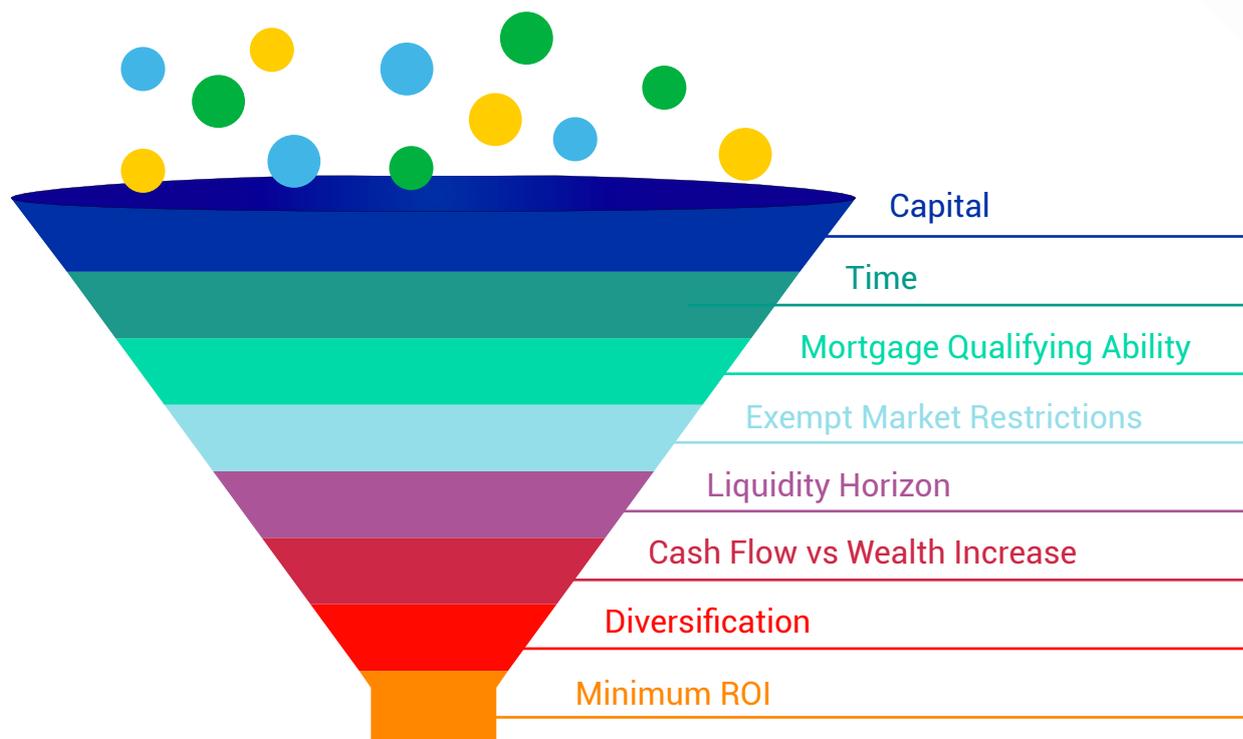
Name: \_\_\_\_\_ Date: \_\_\_\_\_



# PART ONE

The Investment Filter™

# INVESTMENT CRITERIA



## Available Capital

- What is the minimum or maximum you want to allocate to a single investment?
- What is the source of the capital (cash, borrowed funds, retirement savings)?
- How quickly can the funds can be accessed?

## Available Time

- How much time can you commit to the investment?

## Mortgage Qualifying Ability

- Can you qualify for a mortgage/refinance?
- How much do you qualify for?
- Have you talked to a mortgage broker?

## Exempt Market Restrictions

- Understand that there are different criteria levels to investing in Exempt Markets.
- Do you have any restrictions?

## Liquidity Horizon

- When do you want your money back?

## Cash Flow vs Wealth Increase

- Is cash flow a requirement right now? Or are you more focused on increasing your wealth?

## Diversification

- Consider increasing your diversification through different investing streams, providers, liquidity horizon, and geographical markets.

## Minimum ROI

- What is your minimum acceptable Return on Investment?
- Where is the capital coming from? Can you obtain a higher ROI from comparable investments?















# PART TWO

Investing Strategies

# INVESTMENT STRATEGIES



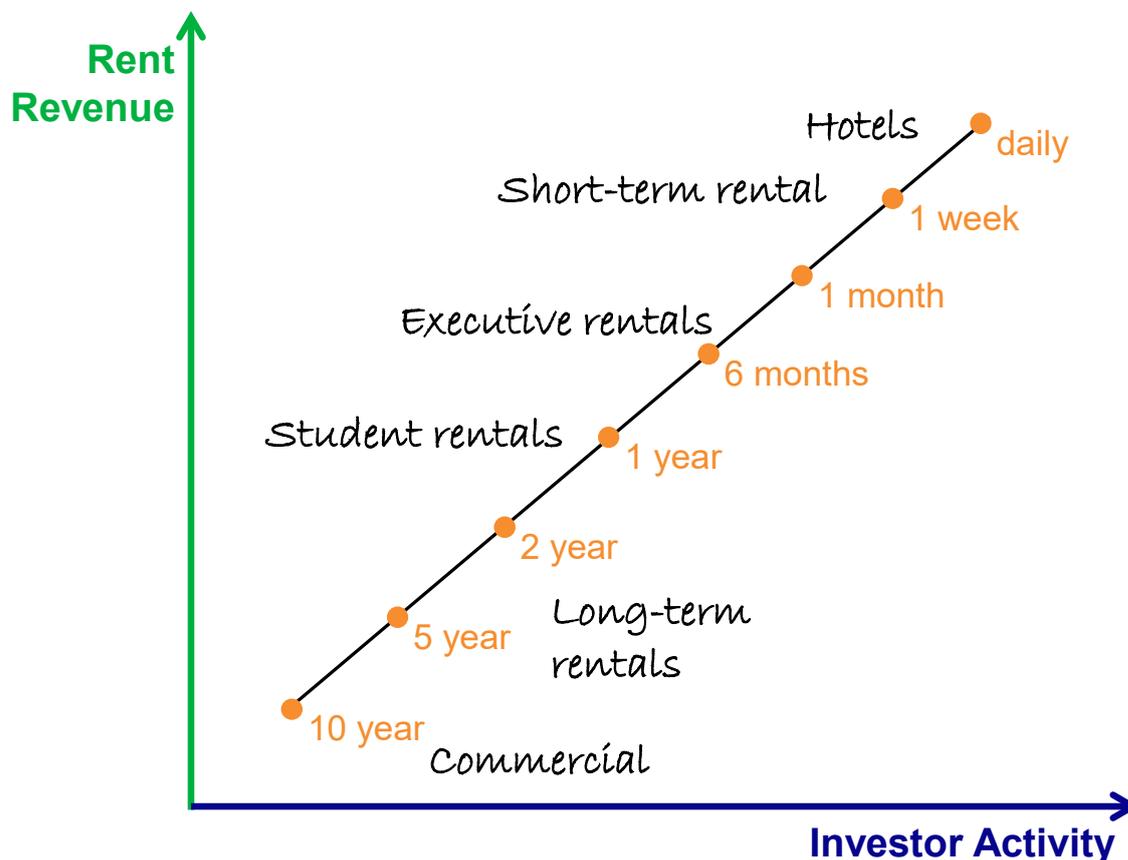
ACTIVE INVESTING	PASSIVE INVESTING



# The Rent-Revenue Line™

While higher tenant turnover can lead to increased rent revenue due to the potential for new tenants to pay higher rent, it also comes with a trade-off: increased investor activity.

More frequent tenant turnover means more time spent on tasks like advertising vacancies, screening applicants, and managing lease agreements. This increased involvement can demand more time and energy from the investor.



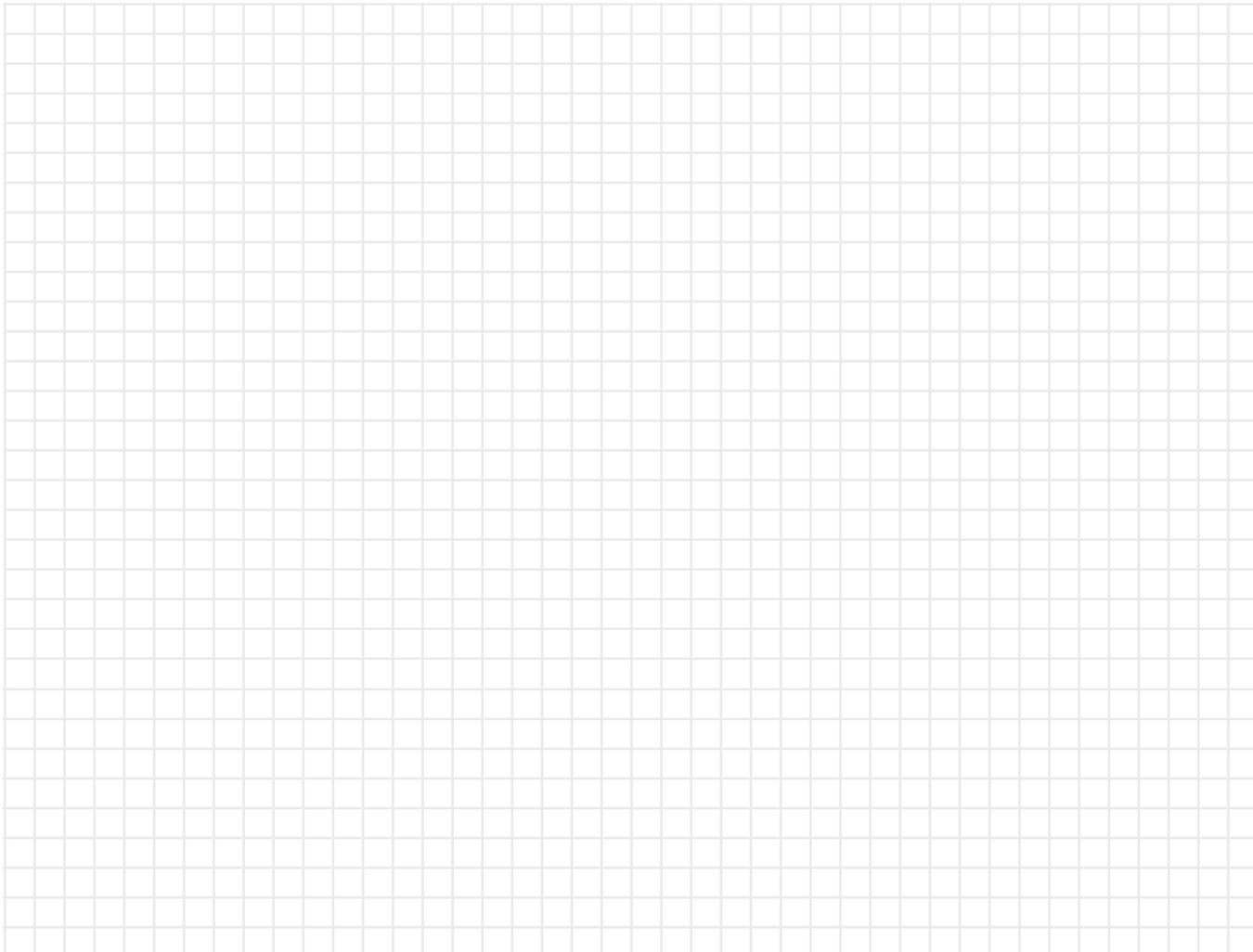
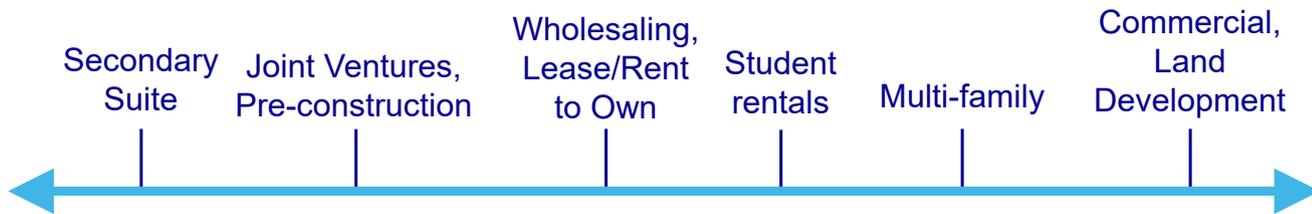


# The Investor Experience Line™

Your choice of real estate investment strategies should be influenced by both your personal experience and your real estate investing experience.

If you're new to real estate investing, you should opt for a strategy that can be executed with little experience while still ensuring you're getting the foundational knowledge required. As you gain a proven track record, you might consider more advanced real estate investing strategies.

The key is to align your strategies with your level of expertise and comfort.





# PART THREE

Finding Investments



# FINDING INVESTMENTS



## The Seeker

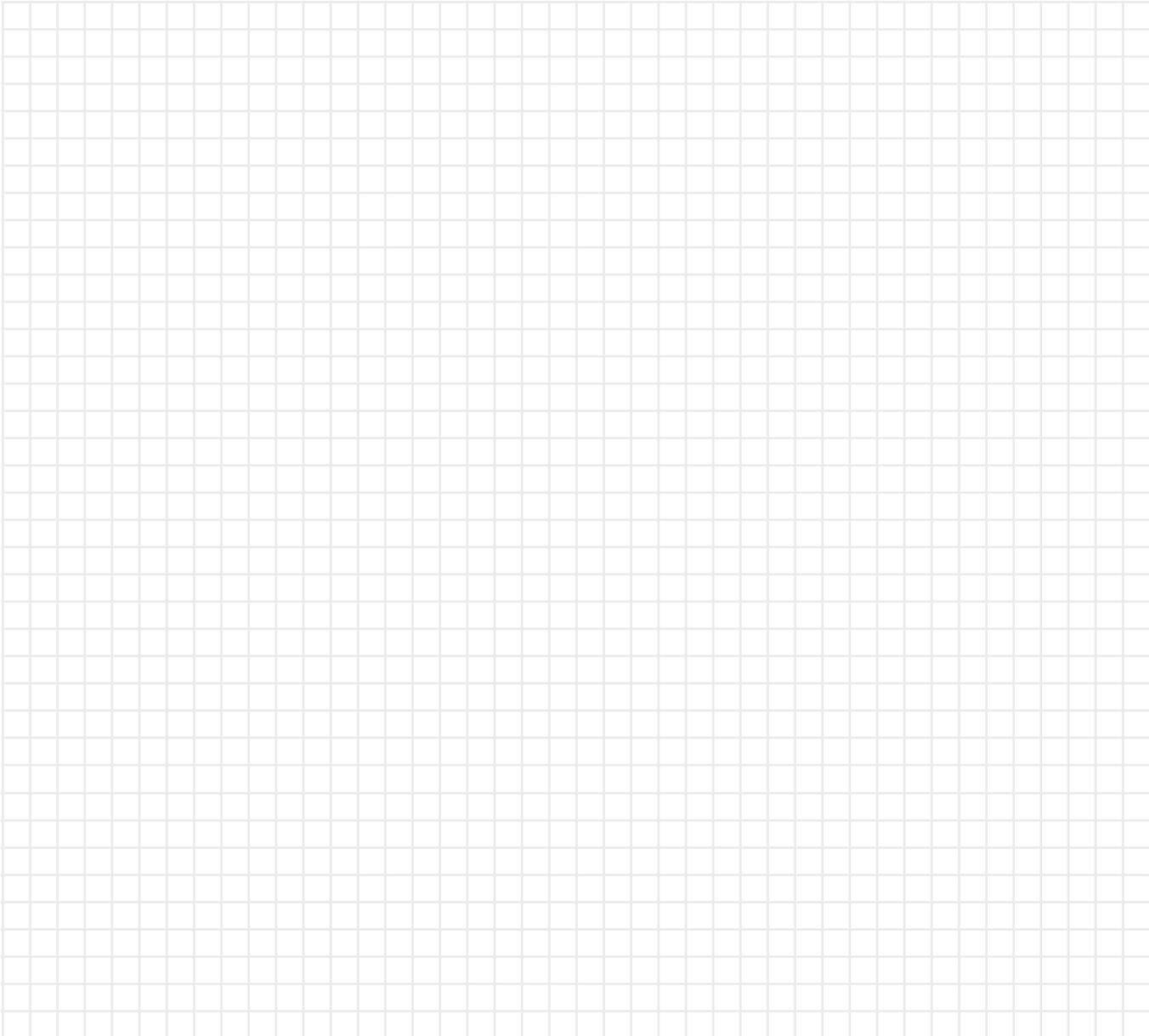
- Value Add Statement
- Knock on doors
- Cold calls
- Direct mail
- Search listings
- Join groups

## The Magnet

- Build your brand
- Advertise
- SWAG
- Attend events

## The Delegator

- Qualify a real estate agent
- Bird dog
- Wholesaler



# 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?

Name:

Date:

# 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 five 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?

Name:

Date:

# 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?

Name:

Date:

# 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.







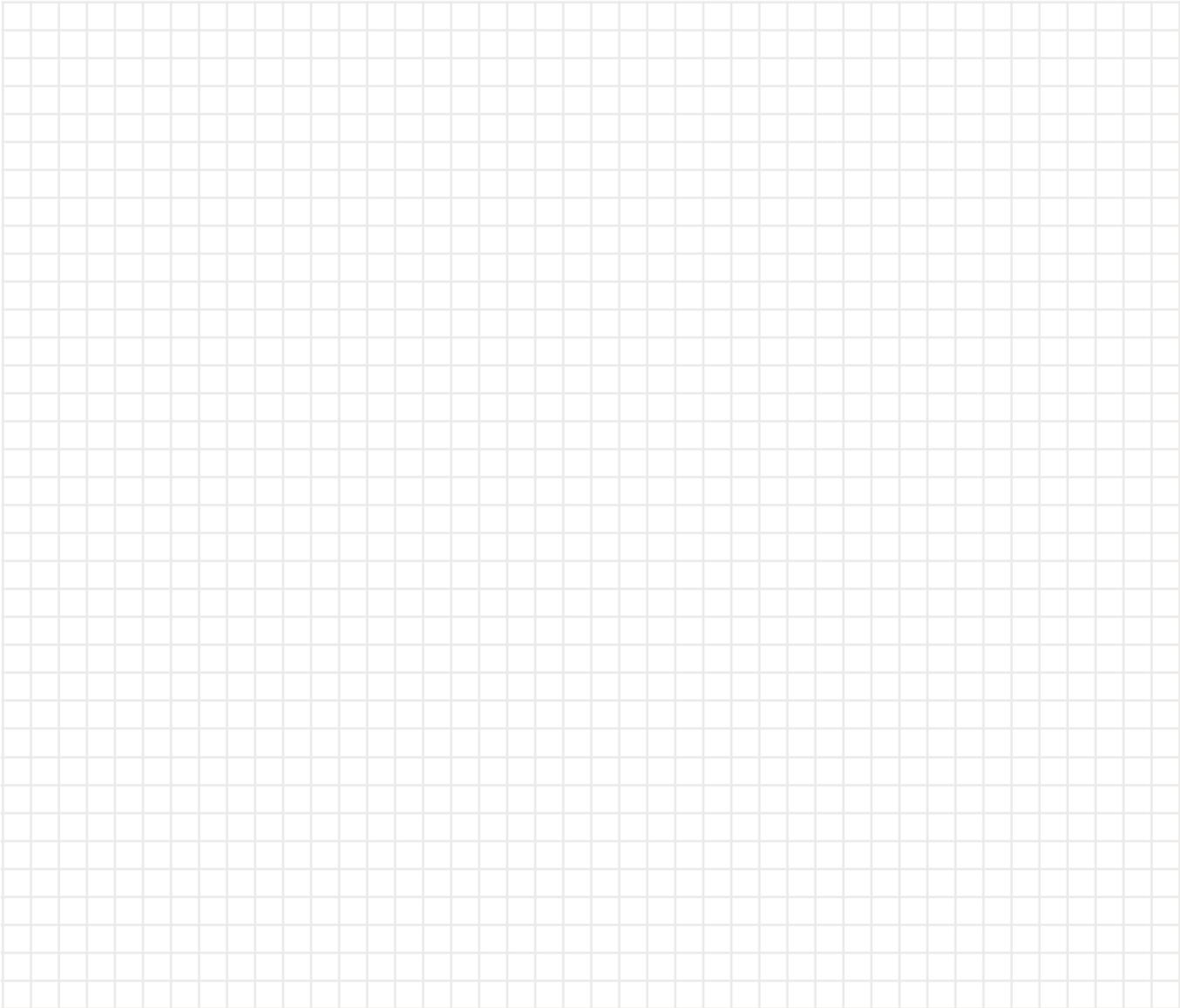




# PART FOUR

Qualifying Investments

# THREE-STEP QUALIFICATION PROCESS





# 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%	

<b>Monthly Expenses</b>	
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
<b>Monthly Total</b>	<b>\$816.00</b>
<b>Annual Total</b>	<b>\$9,792.00</b>

Year	Principal Outstanding	Principal & Interest Payment	Interest	Principal	New Principal Outstanding	Extra Payments Added
1	\$391,200	\$25,982.28	\$17,264.49	\$8,717.79	\$382,482.21	
2	\$382,482.21	\$25,982.28	\$16,867.77	\$9,114.51	\$373,367.70	
3	\$373,367.70	\$25,982.28	\$16,453.00	\$9,529.28	\$363,838.42	
4	\$363,838.42	\$25,982.28	\$16,019.36	\$9,962.92	\$353,875.51	
5	\$353,875.51	\$25,982.28	\$15,565.99	\$10,416.29	\$343,459.21	



# THE 4 WAYS TO WIN™ EXAMPLE

## Calculating Cash Flow

$$\begin{aligned} \text{Cash Flow (CF)} &= \text{Net Operating Income (NOI)} - \text{Debt Service (DS)} \\ &= \underline{\hspace{2cm}} - \underline{\hspace{2cm}} \\ &= \underline{\hspace{2cm}} \end{aligned}$$

$$\begin{aligned} \text{Net Operating Income (NOI)} &= \text{Gross Operating Income (GOI)} - \text{Gross Operating Expenses (GOE)} \\ &= \underline{\hspace{2cm}} - \underline{\hspace{2cm}} \\ &= \underline{\hspace{2cm}} \end{aligned}$$

$$\begin{aligned} \text{Gross Operating Income (GOI)} &= \text{Gross Scheduled Income} - 5\% \text{ Vacancy} \\ &= \$\underline{\hspace{2cm}} - (\$ \underline{\hspace{2cm}} \times 0.05) \\ &= \$\underline{\hspace{2cm}} - \$\underline{\hspace{2cm}} \\ &= \$\underline{\hspace{2cm}} \end{aligned}$$

$$\begin{aligned} \text{Gross Operating Expenses (GOE)} &= \text{All operating expenses excluding debt service} \\ &= \underline{\hspace{2cm}} \end{aligned}$$

$$\begin{aligned} \text{Debt Service (DS)} &= \text{Monthly debt service payments} \times 12 \\ &= \underline{\hspace{2cm}} \times 12 \\ &= \underline{\hspace{2cm}} \end{aligned}$$

## Calculating Principal Recapture

$$\begin{aligned} \text{Principal Recapture (PR)} &= \text{Sum of 12 months principal payments} \\ &= \underline{\hspace{2cm}} \end{aligned}$$

## Calculating Passive Appreciation

$$\begin{aligned} \text{Passive Appreciation (PA)} &= \text{Market Value} \times \text{Market Rate} \\ &= \underline{\hspace{2cm}} \times \underline{\hspace{2cm}}\% \\ &= \underline{\hspace{2cm}} \end{aligned}$$

## Calculating Active Appreciation

$$\begin{aligned} \text{Passive Appreciation (PA)} &= \text{After Repair Value (ARV)} - \text{Purchase Price} - \text{Renovation Investment} \\ &= \underline{\hspace{2cm}} \end{aligned}$$

Name:

Date:



# 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: Fourplex

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 gas bills.

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 website: [www.exampler Realty.com](http://www.exampler Realty.com)

LA cell: 884-663-0017

LA fax: 884-661-1001

LA email: [jgrange@realty.com](mailto:jgrange@realty.com)



## 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.

Name:

Date:



# THE 4 WAYS TO WIN™ CASE STUDY

## Calculating Cash Flow

$\begin{aligned} \text{Cash Flow (CF)} &= \text{Net Operating Income (NOI)} - \text{Debt Service (DS)} \\ &= \underline{\hspace{2cm}} - \underline{\hspace{2cm}} \\ &= \underline{\hspace{2cm}} \end{aligned}$
--

$$\begin{aligned} \text{Net Operating Income (NOI)} &= \text{Gross Operating Income (GOI)} - \text{Gross Operating Expenses (GOE)} \\ &= \underline{\hspace{2cm}} - \underline{\hspace{2cm}} \\ &= \underline{\hspace{2cm}} \end{aligned}$$

$$\begin{aligned} \text{Gross Operating Income (GOI)} &= \text{Gross Scheduled Income} - 5\% \text{ Vacancy} \\ &= \$\underline{\hspace{2cm}} - (\$ \underline{\hspace{2cm}} \times 0.05) \\ &= \$\underline{\hspace{2cm}} - \$\underline{\hspace{2cm}} \\ &= \$\underline{\hspace{2cm}} \end{aligned}$$

$$\begin{aligned} \text{Gross Operating Expenses (GOE)} &= \text{All operating expenses excluding debt service} \\ &= \underline{\hspace{2cm}} \end{aligned}$$

$$\begin{aligned} \text{Debt Service (DS)} &= \text{Monthly debt service payments} \times 12 \\ &= \underline{\hspace{2cm}} \times 12 \\ &= \underline{\hspace{2cm}} \end{aligned}$$

## Calculating Principal Recapture

$$\begin{aligned} \text{Principal Recapture (PR)} &= \text{Sum of 12 months principal payments} \\ &= \underline{\hspace{2cm}} \end{aligned}$$

## Calculating Passive Appreciation

$$\begin{aligned} \text{Passive Appreciation (PA)} &= \text{Market Value} \times \text{Market Rate} \\ &= \underline{\hspace{2cm}} \times \underline{\hspace{2cm}}\% \\ &= \underline{\hspace{2cm}} \end{aligned}$$

## Calculating Active Appreciation

$$\begin{aligned} \text{Passive Appreciation (PA)} &= \text{After Repair Value (ARV)} - \text{Purchase Price} - \text{Renovation Investment} \\ &= \underline{\hspace{2cm}} \end{aligned}$$

Name:

Date:



# 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	\$

Name:

Date:



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:

---

---

Name:

Date:



## 2. Utilities

What is your plan for utilities at your rental property? Will tenants be responsible for paying utilities 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?

---

---

Name:

Date:



# 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.

<b>Investment:</b>	
<b>Who?</b>	<ul style="list-style-type: none"><li>• Parties involved</li><li>• Experience and reputation</li></ul>
<b>What?</b>	<ul style="list-style-type: none"><li>• Investment type</li><li>• Capital required</li><li>• Loan to Value (LTV)</li><li>• Return on Investment</li><li>• Alternate exit strategies</li></ul>
<b>When?</b>	<ul style="list-style-type: none"><li>• Term</li><li>• Funds required by</li><li>• Additional timeline considerations</li></ul>
<b>Where?</b>	<ul style="list-style-type: none"><li>• Location</li><li>• Do the Market Scorecard</li></ul>
<b>Why?</b>	<ul style="list-style-type: none"><li>• Investing strategy</li><li>• Goal alignment</li></ul>
<b>How?</b>	<ul style="list-style-type: none"><li>• Investing plan</li><li>• Exit strategy</li><li>• How is it secured?</li><li>• How are the funds going to be utilized?</li></ul>



# 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?	

Name:

Date:

# QUALIFYING INVESTMENTS



Properties		Private Lending
Added Value	Turnkey	Individual

Name:

Date:

Copyright 2024 Keyspire Group Inc. All Rights Reserved. No part of this document may be reproduced or distributed in any form, or by any means whatsoever, whether in whole or in part, without written permission from Keyspire Group Inc.



Private Lending	Private Equity	
Group	Individual	Group

Name:

Date:

Copyright 2024 Keyspire Group Inc. All Rights Reserved. No part of this document may be reproduced or distributed in any form, or by any means whatsoever, whether in whole or in part, without written permission from Keyspire Group Inc.









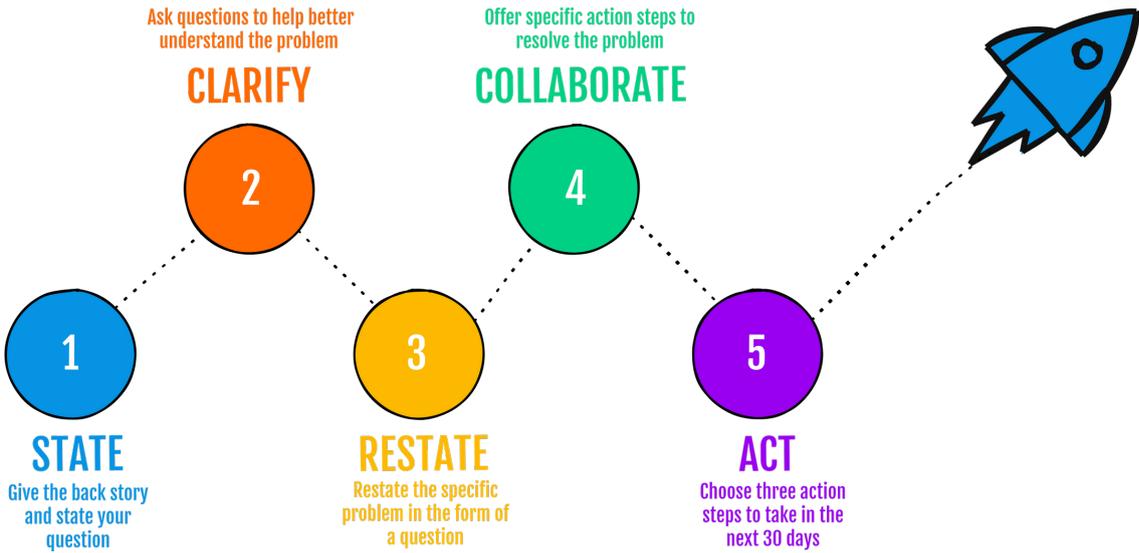
# PART FIVE

Getting Unstuck





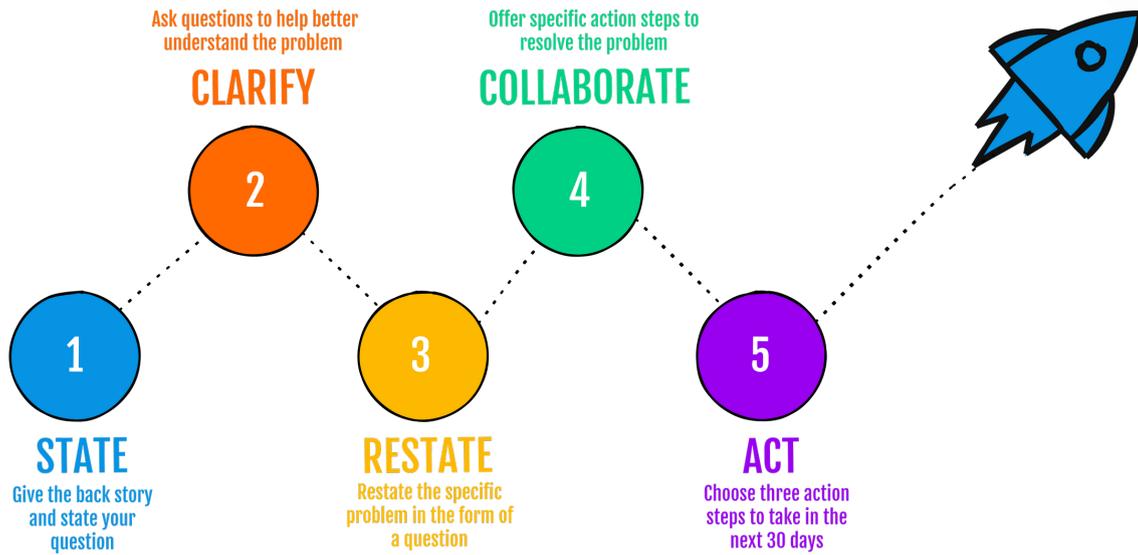
# Getting Unstuck



<b>1</b>	<b>STATE</b>
<b>2</b>	<b>CLARIFY</b>
<b>3</b>	<b>RESTATE</b>
<b>4</b>	<b>COLLABORATE</b>
<b>5</b>	<b>ACT</b>

Name: \_\_\_\_\_ Date: \_\_\_\_\_

# Getting Unstuck



<b>1</b>	<b>STATE</b>
<b>2</b>	<b>CLARIFY</b>
<b>3</b>	<b>RESTATE</b>
<b>4</b>	<b>COLLABORATE</b>
<b>5</b>	<b>ACT</b>

Name:

Date:









