# Your Ultimate Low Entry High Earnings Real Estate Business

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This Business is about Real Estate Investing, Wholesaling and Financial Management. By treating the process of Property Wholesaling, Investing, and Trading as a Business focused on the Economic and Financial Elements the following Major Objectives can be achieved:

- Multiple Earnings Streams
  - Earnings from Property deals
  - Returns on your own investments
  - Bonuses from Business Development - where others make money for you
- Investors can Make More Money per Property and
- Magnify overall profits in any timeframe
- Profits from Investing for Resale of Homes can be Managed
- All Holding Costs can be covered without being out of pocket - including home loan interest, rates and taxes, repairs and maintenance
- There is No Need to hold a property for 12 months in order to lower the tax rate on profits from reselling a home
- The velocity of compounding capital speeds up
- Real Estate Wholesalers can quickly become Investors
- Less Risk in Buy and Hold Strategies
- Capital Gains Tax can be reduced substantially, even eliminated
- Wholesalers can Make More Money
- Income Tax can be significantly reduced
- Net After Tax Earnings can average $30,000 per Contract Assignment
- Only 10 deals a year are needed to earn $300,000 after tax
- Home Sellers can Make More Money
- Investors and Wholesalers are in a position to make better offers to Home Owners - without extra cost, and still maintain their same profit margins

- Borrowers can lower their cost of financing property ownership
- The Seasoning Problem vanishes
- Borrowers can obtain 25% more finance on First Mortgage
- Leverage can be substantially increased at lowest cost
- Investment ROI is greatly enhanced
- There is no longer a reliance on Cash Buyers for a Wholesaler to make money
- You can cultivate your own Buyers - who will make recurring purchases from you over time - increasing the number and value of properties they buy from you at least every 5 years or sooner
- You are able to build a viable enduring business - with
- Ever increasing annual earnings
- You build an Asset which ultimately can be resold for substantial money - a multiple of annual earnings
- Early Retirement is facilitated - within 10 years if desired
- You create a lax Advantaged Retirement Income Stream

Most people involved with Homes have quite a different perspective concerning Real Estate Buying and Selling. Investors are intent on Buying and Holding Properties to generate rental income. They have little regard for tax on the resale of house they buy as investments, as there is no immediate intention to sell in under 12 months - and in fact look to hold long term, indefinitely.

Home Seekers rarely are concerned with the Economics of acquiring their residence and only become concerned with financial aspects when comes the time when they wish to sell their home. There is little thought given to long term financial planning relating to the mortgage they take out to purchase their home. As long as they can see they can meet the mortgage payments from their income they believe that buying their own home should be plain sailing. Unfortunate for 10 Million American families whose homes went to foreclosure as a consequence of the 2008 GFC.

RE Wholesalers are little concerned with the Economic or Financial aspects of either Real Estate Investing or Owning a Home to Live In. As long as they can make a quick buck they are happy to do whatever is necessary. Which at times can be quite unsavory to people with scruples. Although there are many decent people involved in wholesaling houses that part of the real estate industry often has a tarnished image due to the practices of quite a few neophytes.

RE Wholesaling has become quite prevalent across the nation - and with its development there is a proliferation of techniques used by wholesalers and investors, along with attempts by regulators and financiers to temper the excesses of the wholesalers vigor. For instance there is a seasoning problem created by Banks to limit their own risk when lending on homes which have been part of the wholesaling process. That problem is known as SEASONING - where lenders will not refinance properties which have been bought at a discount to market value - for a period of 6 months and sometimes longer.

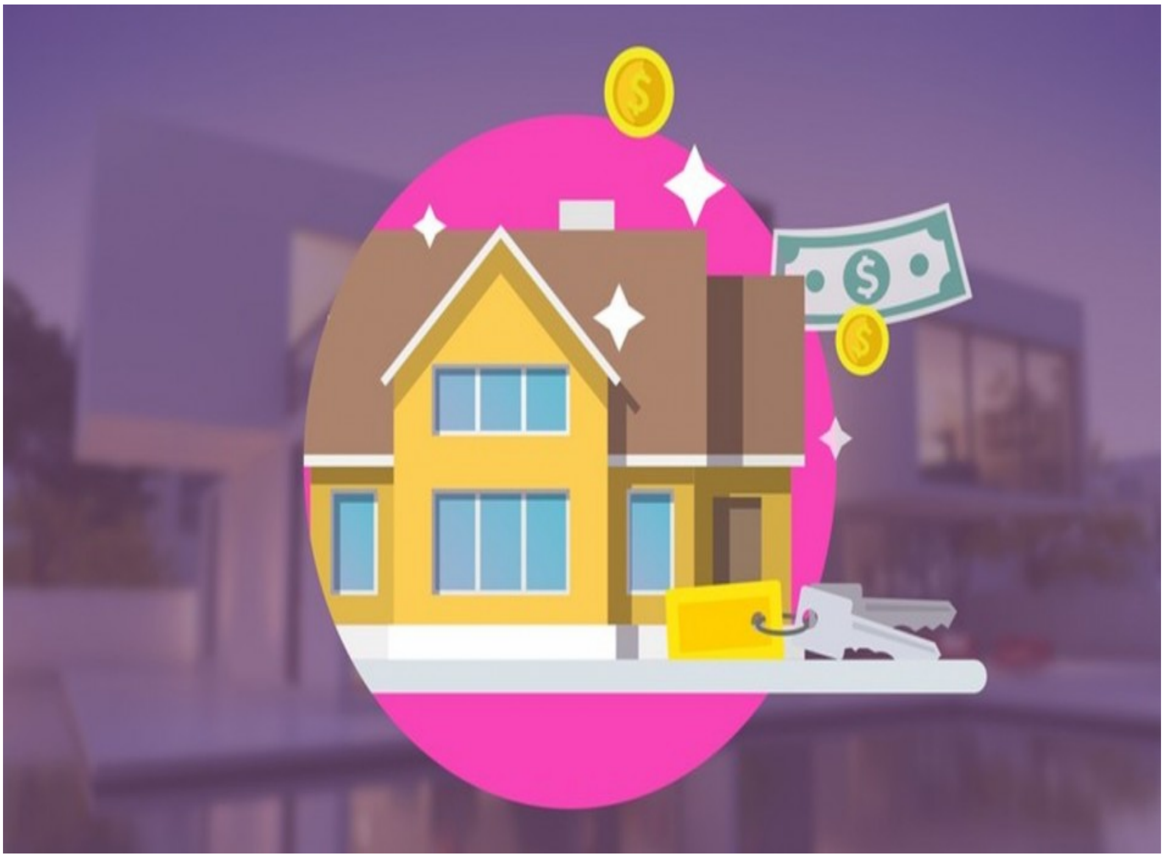
Looking at the Wholesalers perspective of buying and selling homes they have a focus on doing deals quickly - for two reasons.

- For them time is money. And so the more deals they can do in a space of time the more money they can make
- The other reason for haste is because they do not want the fish to swim away or be gobbled up by someone else - or for the sleepy home owner to wake up to their ploy of getting homes substantially below market value

As the housing market has picked up over the last few years there are fewer gullible home owners falling for steep discount offers - as it is much easier today to sell a home at or close to market value.

The consequence for Wholesalers is they see Inventory shrinking and their margins are reduced from that of a few years ago. The current average earn per deal for wholesalers is around $10,000 before tax. After tax they net around $7,000. Money is lost in tax and the lion's share of deal profit goes to Cash Buyers.

In stark contrast Investors, to whom wholesalers assign contracts of purchase make the lions share of profit - which before tax might be say around $90,000 (for a Nice Home in Nice Areas) out of potentially $100,000 of total deal profit. Numbers will vary at times with the Wholesaler making more and the Investor accepting less of a discount to market value.



**The Principal Objective of Our Business** is for each Partner to be doing ONE Real Estate Deal per month in order to earn $300,000 a year.
The amount a partner earns depends on the number of deals, the value of the properties and how well they complete each action in the business process.

There are additional earnings streams - one being the result of investing a portion of earnings, the surplus above your living costs; the other, the result of your business development activity and that of your business partners.

Investment earnings success depends on markets, your preferences and your skills.

The Business Development Program kicks off with your own efforts in building a team of partners who may share the work. How many people you introduce to the business is up to you entirely. A nice number to work with is 5 people although an easier to extrapolate and more profitable number is 10. There is no limit to how many partners you may introduce. The only restriction is a requirement that you  produce results by doing real estate deals personally.

An ex-gratia bonus will be credited to your Bonus Account - from which you may draw 10% of the accumulation each year. As the accumulated balance should increase yearly so too does the amount you can draw off - with the proviso that in order to draw the maximum each year you must have done 10 deals in the last 12 months. If the number of deals you did falls short of 10 the permissible drawings is prorata - such that for 5 deals you may only draw half (i.e. 50%) of the maximum provided for.

Note: The bulk of your Bonus earnings which you derive from business development comes from what your partners produce - without any contribution from yourself, apart from having first introduced them to the business.

Say you introduce 10 Business Partners who each complete 10 deals during a year, your bonus account being credited with $1,000 for each of their deals will have $100.000 added to it for the year. Which means in the following year you may qualify to draw $10,000 and the same every subsequent year until the entire $100,000 is drawn. In year 2 if your partners production is the same as the prior year there will be another $100,000 added to your bonus account - which means you should be able to draw off $20,000 each year. As each years production adds $100,000 in the above scenario to your bonus account annual drawings should be increasing by $10,000 every year for 10 years.

Once year 10 is reached and assuming your partner production remains constant you should be able to draw $100,000 a year from your Bonus Account provided you maintain your own production level at 10 deals a year.

There are two Partner Levels in the organization - the Base Level, who are classified as Associates, and the Major Level - who are the Managers. Managers receive $1,000 on every deal done by every Associate under their wing. This includes not only those whom they directly introduced as business partners but also those who may have been introduced by:

- any associate under their wing,
- by any manager whom they directly introduced,
- by any associate introduced by the first tier of managers under their wing, and
- by any associate under the wing of a tier 1 Manager.

For a Manager the numbers can become quite huge, especially when associates and first tier managers introduce even just 5 business partners. And Astounding when 10 partners are introduced on any layer. In view of the straight line recruitment bonus system the numbers will still be significant even when only one or two associates are ever introduced on any or all layers of partners - as the bonus is paid out indefinitely until the occurrence of a second tier manager.

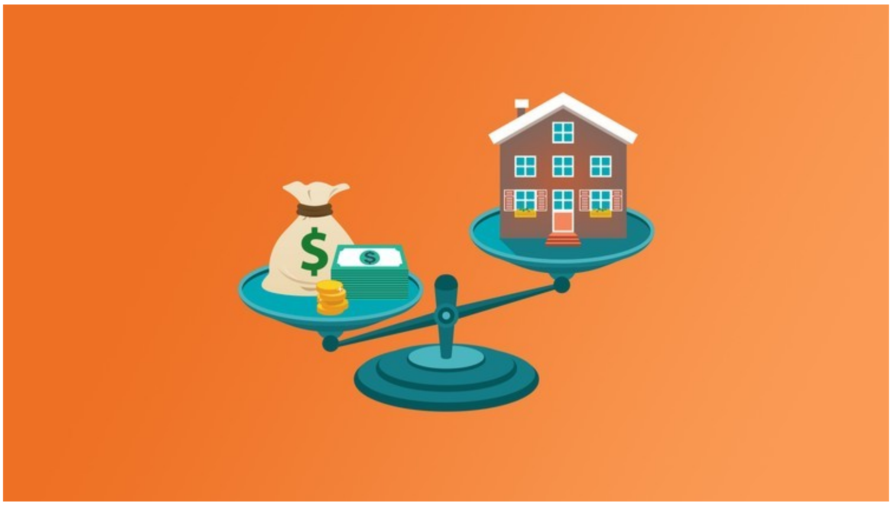
If you like playing with numbers you could build a spreadsheet to do the modeling. A better approach is to just build your business and count the dollars it produces.

For a manager who recruits 10 Associates who in turn introduce 10 Associates there will be 110 Associates under the wing of the manager. Assuming each does 10 deals in a year that means 1,000 deals and at $1,000 per deal there is a bonus allocation of $1million *plus $100,000 from tier 1 - going to the manager. What happens when some of the tier 2 Associates introduce others? Just multiply by ten - and that is only on the 3rd tier.

Note: if you are perceptive you should notice that the first tier of 10 associates is left off the figures - as their $100,000 contribution can not be added on to the multiplier in determining production by tiers. Similarly as additional tiers are developed each time leave off the tiers above and just multiply out the tier whose production you care to examine. To calculate total production then add back production of all the preceding tiers.

It is important to realize that an Associate is only eligible for a bonus based on one tier of Associates - resulting from those partners whom they directly recruited. Only Managers derive Bonus Receipts from Multiple Tiers. Thus there are significant benefits in choosing to become a Manager.

**Which do you wish to be - An Associate or A Manager?**



All Associates need to do is focus on doing real estate deals and introducing a few partners. The Managers role is more demanding. In addition to the same activities as Associates managers must co-ordinate the activities of Associates, matching properties with investors and managing the processes involved in the interchange of homes from sellers to buyers. Although that too is a part of the Associates activities there are more exacting aspects, especially when there are two Associates involved sharing a deal - as occurs when one Associate has found a Home Seller while the other has found the Buyer.

The Business Model gets a little complex for most deals as not only is an Investor needed to acquire title to the homes of sellers but also there should be a tenant or tenant buyer lined up on behalf of our investors. Our Business Model involves us managing our clients investment properties - which includes finding tenants, collecting rents, paying investment loans, rates and taxes, and attending to repairs and maintenance of all properties in which we participate. The management responsibility is ours as clients are not required to do any loan servicing or to meet on-going expenses involved in holding properties.

We select all properties, negotiate with sellers as principal, find investors, assist with mortgage financing and manage the entire investment process together with the subsequent resale of all investment properties to ultimate end buyers.

Most properties will be held for 5 years and then sold. At that time the released funds will be employed to buy 2 new properties or one home whose value is equivalent to two properties like the one sold. Thus over time each of our clients will be increasing the number and value of properties they own.

For both Associates and Managers there is a need to establish a funding corporation that will provide gap financing for each deal. There is a once only establishment cost. Annual maintenance, accounting, administration and filing costs will be met by the organization - which means there is no further out of pocket amount for any Associate. All other outlays will be met from operating capital released by the business - although in respect of marketing costs you may choose to incur and overheads there will be a timing difference. Zour business operating costs should be recouped from earnings - which are expected to start flowing in month 3. You need to ensure you have sufficient funds to meet your living costs and expenditures for that period of time. Thus it is important for you to establish a Budget and develop a Business Plan. Initially this can be very basic and modified as your business develops.

**Managers** must be cognizant of their responsibilities to clients and the significance of the impact they will have on the financial position of others - sellers, investors and end buyers. Managers are expected to make a financial commitment commensurate with their business plan and intended scale of operations. Over time this may need to be adjusted or adequate insurance effected as a protective device.

There is a relevance in selecting a specific figure of the population size and demographics of the geographic catchment in which you intend to principally operate. With the use of the internet for marketing there really are no geographic limitations as to where customers and homes may come from. However in order to effectively manage properties systems must be developed, which in most instances will define geographic areas of business operations.

To assist you in managing personal liability and tax structuring it is necessary for you to establish your own C Corporation. Set up and management of that is entirely your own responsibility. Provided you pay attention to the detail in your early training the benefits will be amazing.

**Which do you wish to be - An Associate or A Manager?**

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For a preliminary chat to determine if you are a good fit for our business - Please include your SKYPE Id, email and Geographic Location.

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