



# BUYING INCOME PROPERITES FOR MAXIMUM CASH FLOW



#### **Don Collins**

Using Fixer Jay's

Strategies









#### **MY BACKGROUND**

- ✓ (I.C.) Independent Contractor
- ✓ Started Buying Income Properties (Colonies) 9 Years Ago—
- ✓ Currently Own 42 Income Producing Units





#### **REAL ESTATE CYCLES – WHERE WE ARE TODAY**







## Why Start Investing Now?

# "Middle Class Families' Wealth Drops 39% In Last 3 Years"

USA Today June 12, 2012







# Let Renters Pay For Your Properties

"Local Rents Up 4% This Year"
Sacramento Bee – May 17, 2012

"3 Million Families To Become New Renters" Wall St. Journal – June 6, 2012





# Over 700,000 Foreclosures In California So Far (In Last Few Years)... Sacramento Bee, June 22, 2012



Arrange For These Folks To Pay Off
Your Rentals





# Picture Yourself Owning Valuable Income Producing Properties ---12 Months From Today

Are You Interested?



Yes



No





How Much Would It Be Worth To You?



- **√\$40,000**
- **√** \$30,000
- **√** \$20,000
- **√** \$10,000





# A Little Later On I'll Introduce You To Our "FAST TRACK"

### **INVESTOR TRAINING PROGRAM...**

I Think Many Of You Will Be Very Interested ... So Stay Tuned



## **Getting Started**

#### **MY FEELING:**

**Part-time & Newer Investors** 

Need Training & Experience In About Equal Proportions

#### **Stated Another Way:**

They Don't Need A Lot More Education
Than They Can Use Or Apply

They Need Enough Education & Know-how

To Begin; & Then More, On A Continuing Basis,

As They Gain Experience From Doing It







## **Very Important**

**Buy Only Properties** 

That Work For Your Plan!

**Not Simply Properties** 

Others Are Trying To Sell You!











Small Multiple Unit Properties, Like I Buy, Will Make You Wealthier, Much Quicker....

Cash Flow - Much Faster





"Boatload" of Cash or Experience

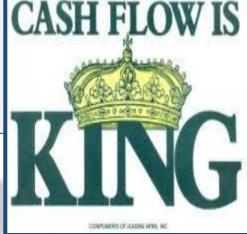
- ✓ Part-time----Learn As You Go
- ✓ Full-time----Income & Secure Retirement
- ✓ <u>New Career</u>----Best Home Business For Do-It Yourself Investors





## I Call Multi-Unit Investing "The Cash Machine Concept"

Multiple Rents Provide Quicker Financial Security For CASH FLOW You & Your Family...







## When Buying Properties <a href="Never Forget">Never Forget</a>



#### Your Time Has The Same Value As Money

But Unlike Money – When Time is Gone, You Can't Ever Get It Back



## My <u>Investment Goals</u> (Most Likely <u>Yours</u> Too)

- ✓ Investment Not Affected By Up & Down Economy
- ✓ I Earn Tax Sheltered Income
- ✓ Not Dependent On Bank Financing Or Credit Score MONEY
- ✓ Can Expand In Any Economy





# Do <u>Not</u> Leave Important Money And/or Value Decisions Up To...

- ✓ Accountants
- ✓ Lawyers
- ✓ R.E. Agents OR
- **✓**ANYONE ELSE!

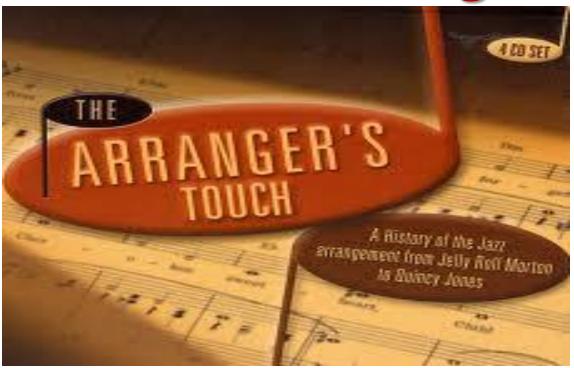




## **Getting Rich**

# Almost Entirely Dependent On How You Arrange Your Financial Affairs

Become an 'Arranger'





## As The Arranger You Must



- Design A Plan To Profit
- ✓ Position Yourself To Work <u>Your</u> Plan
- ✓ Implement Your Plan!









#### **Clearly Define:**

When, Where, How And What Kind Of Income Properties You're Willing To Buy

This Is The First Step When You Ask For Help From Real Estate Agents Or Other Helpers....





## **Definition of a Colony**

Multiple Houses Or Units

Most Likely Single APN Number single Lot

Or Tax Parcel Or

Also Can Be Several **APN's Joined Together** 





## The Right Vehicle

## Jay's View - Properties We Buy Average Size 5 To 9 Units (Colonies)

- ✓ Houses Detached Groups Single Lot
- ✓ Duplexes
- **✓ Small Apartments**
- **✓Old Motels Motor Lodges**
- ✓ Mobile Homes (Not In Parks)
- **✓ Combination Of The Above**





Since <u>Pictures</u> Tell A Better Story – Here's The Kind Of Multi-Units (Colonies) Purchased By Jay & Most Of His Students.

It's Also What I Do – And Teach You About































At Very Modest Rents Of \$695,
In My Town, These Units Produce Roughly
\$60,000 Every Month

In A Few Minutes, I'll Show You A Very
Achievable Plan To Own Less Than Half As Many
Units That Will Guarantee \$100,000 Profit
Annually For Life





#### With Multi Units (Colonies)

- 2 Powerful Wealth Tools Are Working Full Strength To Help You
- 1. <u>Leverage</u>: Control Many Units With 10% Down



1. Compounding: Fast Equity With Small Money Making Improvements









### **Smart leverage**

Purchase 6 Units Or Duplexes For \$20,000 Down

\$3,333 Down Per Unit

Rents = \$695 Each X 6 = \$4,170/Month

= \$50,040 Annually

250% Return On Investment

### Compounding Chart

Amount Invested: \$10,000 Time invested - 10 Years

Various Rates	Length of Time	Principal + Int.
05%	After 10 Years	\$16,288
15%	After 10 Years	\$40,455
25%	After 10 Years	\$93,132
30%	After 10 Years	\$137,858
50%	After 10 Years	\$576,635
100%	After 10 Years	\$10,240,000



#### **Annual Returns - Colonies**

Ap	preci	at	ion	
(I fo	rced	lt	Up)	

20 - 100%

Cash flow

5 - 40%

**Equity Build-Up** 

10 - 70%

5 - 40%

Tax Benefits

TOTALS 40 - 250%



#### **Think About Benefits**

Don't Get Bogged Down With Size, Shape, Fix-up, Upstairs Or Down, Or Even Location If It's A Decent Rental Property.

Remember, In Non-slum Neighborhoods,

Think Like A <u>Business Person</u>
-What's The Bottom Line?



**Benefits Are What's Important!** 



# My Kind of Multi-unit Investing is <u>High Profit</u>

- ✓ Works Almost Anywhere
- ✓ Not Affected By Up And Down Markets – Or Economy
- ✓ Does Not Require A Lot Of Money Or Credit
- ✓ Don't Require Banks Mostly



## Primary Financing For COLONIES Is The Seller....

## SELLER FINANCING, BY ITSELF, OFFERS MAJOR PROFIT OPPORTUNITIES

- ✓ Sellers Provide Creative Deals
- ✓ Seller Financing Is Always Available
- ✓ Seller Financing Is Much Safer Than Banks
- ✓ Seller Financing Almost Always Cheaper





### **Typical Purchase**



- √ 10% Down Payment
- ✓ Existing Debt- Take Over Subject to
- ✓ Equity Seller Financing or Trades





### **Adding Value \$ - Forced Appreciation**

- ✓ Making Improvements
- ✓ Build Your Wealth
- ✓ Increase Your Income



**ALL WITHIN YOUR CONTROL** 



#### Who Can Do Work?



Most Rundown Properties
(Multi-Unit Colonies)
Require 10-15% Skilled Work

85-90% Is Non-Skilled
Stuff I Call "GRUNT WORK"
(Clean-up, Hauling & Painting)







# A Few Minutes Ago I Said I'd Show You Jay's 40 Unit Colony Model

**Only 6 Multi-Unit Properties** 

#### **Are All You Need To:**

- ✓ Set You Financially Free
- ✓ Put You In A 6 Figure Income Bracket
- ✓ Give You Financial Security
- **✓ & Worry Free Retirement**



**Location 6** 

## Jay's Teaching Model 6 Properties, 40 Units

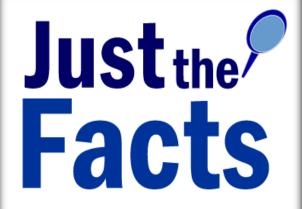




#### **Colony House Concept**

**Average Rents \$695 (My Town)** 

Loca- tion	Description	No. Units	Avg. Mo. Rents	Total Mo. Rents	Annual Rents
#1	Duplex + Houses	7	\$695	\$4,865	\$58,380
# 2	<b>Detached Houses</b>	5	"	\$3,475	\$41,700
#3	<b>Detached Houses</b>	7	46	\$4,865	\$58,380
# 4	Houses + 2 Mobiles	8	"	\$5,560	\$66,720
# 5	Small Apartment + Houses	6	u	\$4,170	\$50,040
#6	Houses + Mobile	7	"	\$4,865	\$58,380
6 Locations	Duplexes, Houses, Mobiles	<u>40</u>	<u>\$695</u>	<u>\$27, 800</u>	\$333,600





## **COLONY FACT SHEET 6 PROPERTIES** – **40 UNITS**

Gross Annual Income	\$333,600
Owner / Operator Share (30%)	\$100,000 +
Tax Shelter	\$80,000 +

This Means <u>Very</u> Little Income Tax Average Rent = Modest \$695 (My Town)



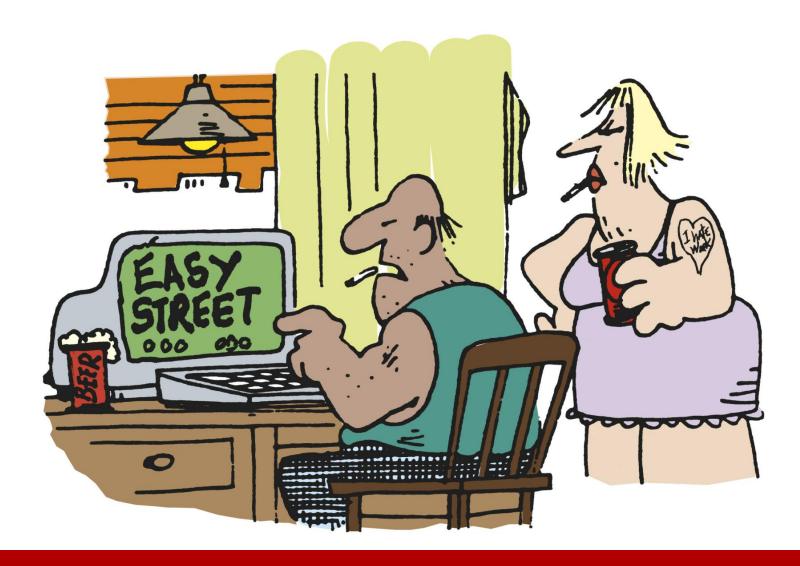
# HOW TO LEVERAGE YOUR FUTUTE INCOME

If You Will Spend 10%
Of Your Earnings On
Education Today...

You Can Multiply Your Earnings
By 10 TIMES In The Future



## Sorry Gang! This Won't Work!







#### That's It! Thank You For Being Here...

As Always...

The Right Decision <u>To Action</u> Is Yours!

- The End -