

CHAPTER 1

A DIFFERENT APPROACH THAT CREATES HUGE REAL ESTATE PROFITS

Congratulations. You're now reading a book that can change the way you think and invest in real estate. And it's a change for the better, because there are big profits awaiting the action-takers who follow the steps inside this book.

I must warn you: I'm a contrarian. If you're looking to get the same old advice from this book that will reinforce all the other things you've heard about real estate, I will disappoint you.

Are you also a contrarian? If you are, you'll understand what I mean when I say that it can sometimes be scary to *zig* when everyone else is *zagging*.

But the biggest profits are to be made when you buy low and sell high. And to *buy low*, that means you're buying when everyone is telling you how crazy you are. When you *sell high*, you're dumping properties just when everyone else thinks the party's just getting started.

If you stick with me, get used to two things:

1. You'll feel like a head case when everyone else is telling you how you're investing wrong; and
2. You'll make a whole lot more money than all the naysayers and backseat drivers put together!

That money will allow you to have what I call *The Attitude*: You can do *what* you want, *when* you want, *where* you want, for *as long as* you want, and *with whom* you want!

After all, isn't that a great way to live your life? That's the freedom that serious wealth brings.

HOW THIS BOOK IS DIFFERENT

Not only am I a contrarian, but I'm also different from the vast majority of real estate *gurus*. I believe you'll find those differences to be a breath of fresh air.

I'm Not a One-Trick Pony

Some authors have done two or even 20 deals and made a few bucks. Suddenly, they become *experts*. I've done more than 540 deals, and now control more than \$142 million in real estate.

Other experts have worked in one real estate market only. Here's the problem with that: What worked for them in San Diego might not work 2,353 miles away in Sandusky, Ohio.

I've been buying real estate across the United States for 14 years now. I've enjoyed good times, like buying an apartment complex that resold for a \$4 million profit after only two years of holding it. I've also suffered through bad times, like when a city task force tore down one of my buildings without giving me notice and not compensating me for it. Fortunately, I had just bought it and there was no one living there at the time.

There's a saying: *To the person who has only a hammer, the whole world looks like a nail*. If a real estate guru knows only how to do, say, single-family rehab deals, then you'll be getting lots of advice on how they're *the best* type of deal to do.

No, you need an entire tool belt of real estate power tools, so you can apply just the right one for the task at hand.

This book will give you another extremely powerful tool to add to your belt: How to make money repositioning multi-family properties. Is it the best approach in every market, at any given time? No. Then again, no one tool will ever do that.

But I'm handing you a tool that can make you a great deal of money in markets throughout the United States.

My Techniques Will Make You Money in Soft Markets

Just like seasons of the year and the economy in general, real estate has its own cycle. When you listen to an expert who's made money in only one part of that cycle, you're taking a big risk.

Have you ever read a real estate investing book, been proactive, and started using the material only to find out that you couldn't get any deals done? It probably wasn't a flawed technique. Most likely, you were trying an okay technique in the wrong phase of that market.

What if *your* market is in a different part of the real estate cycle? What if you have no idea where your market is in the cycle?

My system is based on:

- Buying and selling properties in any market
- Using the right strategy for the particular phase a market is in to maximize your profits

There are four different phases of a market cycle. Some strategies will work great in one phase, while others will not work at all—until perhaps the next phase, when they'll be just the right ones to use.

You can continually make great profits in your own backyard as long as you know what phase your market is in, and what strategies you should use right then. I explain in this book when just the right time is to apply the techniques you'll be discovering.

I Assume You're Holding Down a Day Job, with Very Little Spare Time to Get Your Real Estate Career Going

When I first started thinking about buying real estate, I had a start-up landscaping company that kept me going from morning to night. I also had family obligations and was part of several community groups.

Many other systems assume that you have all the time in the world to invest in real estate. They assume that you can complete long lists of tasks so you can become successful.

How unrealistic is that?

I'm betting you're in the position I was: You definitely want to get ahead and break out of the 9-to-5 grind, but your *time tank* is running on empty.

This is where my system shines. I will show you—in literally 30 minutes a day—how you can get started on your way to enjoying a lifetime of prosperity.

Sure, once you have your sights on a great deal, it will take more than 30 minutes a day. But then, you'll be working on a great deal! Even then, I'll show you how to get the very most done in the shortest possible time. I'm a time fanatic, and you're going to benefit from that.

This is not a *get-rich-quick* scheme. You'll see big benefits quickly, but still, it will take more than one deal to reach financial freedom. Here's the great part: I've discovered that if you will do for three to five years what most people *won't* do, then you can do for the *rest of your life* what most people *can't* do.

Think about that: Having financial freedom in three to five years. It doesn't matter how old you are, or what color your skin is, or what kind of education you have or don't have. And I'm *not* talking about quitting your job now. (If you follow the steps, you should be able to do that soon enough, but that will be your choice.)

You'll soon discover—as many of my students have around the country—that when you follow the rules and steps in the order I give them, this is a very easy game to play. When you see for yourself how easy it is to make big profits on a regular basis, you won't want to stop!

I Assume You Don't Have a Bankroll

Most real estate books assume you have access to cash. You probably don't—am I right? I know I certainly didn't.

When I started investing in real estate, I had less than \$800 in my bank account. I was 29 years old. I once had a depressing thought: It took me 29 years to save up 800 bucks! In reality, I owed more than \$800 on my credit cards, so I was actually in the red.

I lived in a one-bedroom apartment. Had been there for almost eight years! Oh, I tried to scrimp and save my money, and tried to cut my expenses. My mom always told me I needed to live off a budget and write down everything I did with my money. (Boy, did I hate that.) Still, no matter how hard I tried, something always came up that brought me back down to even.

I realized if I was ever going to be a real estate investor, it would happen from a standing start, with no dough behind me.

Many of the buying techniques you will discover in this book require *zero money down*. It's not because there's some extra merit in doing no-money-down deals; it's because I discovered a wealth formula a long time ago. It goes like this:

The more properties you can control with the least amount of money out of your pocket, the faster you will become wealthy.

When I started investing, I had to use no-money-down techniques just to get going because I *had* no money. Then, after a short period, I created a ton of cash flow coming into my one-bedroom apartment. Within 14 months, I had more than \$10,000 a month in positive, spendable cash flow coming to me, month after month, like clockwork!

That monthly cash flow very quickly became down payments for more properties. I began to fund my own deals and didn't need to get into deals with no money down, because now I had money!

Then a funny thing happened: As I got better at playing this game, I had more deals flowing in, and they were good ones. I started getting into cash crunches again! This time, though, it was not because I was broke, but because I was so successful.

I didn't just pass on those good deals; I reverted back to buying them with little or no money down, just like when I started.

Eventually—no matter how rich you are—you will run out of money to do all the deals you want to do. You will need to use other people's money to fund at least some of those deals.

Not only that, I also learned that if you always use your own money to get into a deal, you live your life in a feast-or-famine cycle. You feast after you sell a property and get a chunk of cash, but more often than not, you are in famine mode while your money is tied up in properties that are getting ready for sale or refinance.

And there you are, worried again about how you're going to pay your bills. Real estate was supposed to eliminate that feeling. Using other people's money wisely means you can avoid this cash-flow crunch.

Another reason to use other people's money is to be able to act very quickly. Once you're into my system and on a roll, you'll see a great property that will evaporate if you don't act right away. Even if you're rich, if your money is tied up and unavailable, you'll watch that sweet deal and sweeter profit slide into your competitor's hands.

I know what you're thinking: "Dave, I couldn't sleep one night, and saw that late-night infomercial guy shouting *No Money Down!!!!* Isn't that just a scam? Don't banks require that you put 20 to 30 percent down on properties?"

Your statement is partly true: Banks usually do require you to put 20 to 30 percent down on property. But I will show you where to get that money to put down!

In Chapter 8, I discuss the many options for finding all the money you need.

My System Is Proven to Work Not Only for Me, but for My Students

Not only will I show you how to use my techniques, I'll also give you real-life examples from lots of people who started with no money, no experience, and no time.

Esther Bass from San Francisco, for instance. This 58-year-old widow took charge of her future and bought her first three properties with no money down. Now Esther gets over \$8,200 in monthly cash flow! I will show you exactly how she did it, too.

Jacqueline Hughes from Los Angeles is another example. Jacqueline lost her husband defending your and my freedom. She was left with three young daughters, an empty bank account, and an apartment she could barely afford.

Jacqueline took the concepts you're getting in this book, and with no money of her own, bought two properties. They now give her spendable cash flow each month of more than \$7,000! Oh, and she

has equity (that is, potential profit) of more than \$2 million! She tells me she's about to buy a horse farm to raise her daughters on.

This book will also show you the land mines you must avoid while you're doing your deals. I spent many years studying at the School of Hard Knocks. I'll tell you about the mistakes I made. By learning from those mistakes, you avoid making them yourself. This alone will save you tens or hundreds of thousands of dollars.

You Can Be the Next Real Estate Millionaire

They say that *success breeds success*. Each year, I present my techniques to beginning, intermediate, and advanced real estate investors through my seminars.

If I'm so successful, why do I bother to do these events? Great question. I'll be honest with you: I have all the toys I need. They've been fun to dream about and now to own. But like all toys, they eventually lose their sizzle and go up on the shelf (or in the driveway).

Now, what do I care about even more than toys? It's the amazing feeling of gratitude from other people who act on my step-by-step techniques and become financially free. It's a big ego boost, let me tell you! Plus I'm paid a fair price for my knowledge, and that's nice, too.

You have the chance to become the very next freshly minted millionaire. You have everything you need in your hands right now. Later, you'll want to take the step-by-step actions I explain. But for right now, just sit back, refill that coffee, and let's dive in.

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