

M A T T M C K E E V E R

THE SECRET TO STARTING YOUR REAL ESTATE EMPIRE



Most people only ever talk about investing in real estate. Understand that no one becomes wealthy through real estate by accident.

In life, no one will give you permission to succeed. You must take ownership. Step one is developing a specific goal and then a clear plan.



Antoine de Saint-Exupery

A goal without a plan is just a wish



Thomas Edison

Good fortune is what happens when opportunity meets with planning



Winston Churchill

He who fails to plan is planning to fail



By the end of this eGuide you will have:

- Determined your **WHY** for real estate investing
- Learned how to set a **SMART Goal** so you have a clear path to satisfying your **WHY**
- Developed a clear real estate investing roadmap with milestones

NOTE: This eguide is based upon Matt McKeever's CashFlow Tribe course: **Discovering Your Why & SMART Goals** - checkout the full course at www.cashflowtribe.com

STOP falling victim to Shiny Object Syndrome or worse Analysis Paralysis!

Shiny Object Syndrome (SOS):

the tendency for a real estate investor **to chase a new market or new strategy** rather than staying focused on what they were previously committed to.



You might suffer from SOS if:

- You've switched investing strategies multiple times in a year
- You've studied airbnb, BRRRR, flipping, wholesaling, private lending, rent to own - but you've never bought a property

Analysis Paralysis (AP):

describes the tendency for new real estate investors **to overthink or over analyze a situation or opportunity** so much that they never take action, they become 'paralyzed'.




You might suffer from AP if:

- You're focused on how to get your 5th property when you don't own 2
- You've bought courses, read books and attended webinars but are not making offers
- You've been talking about investing for years but have never done it

The **root problem** for any investor suffering from SOS or AP is either:

- No clear path or goal
- No sense of urgency
- They don't believe in the goal



BEFORE YOU REACH YOUR DESTINATION, YOU NEED TO KNOW WHERE YOU'RE GOING.

This may sound obvious, but a lot of people decide to **'get into' real estate to 'make money' and never define what being a 'successful investor' actually means to them.**

Without a goal, it's difficult to hold yourself accountable or spot when you're drifting off course. Setting a specific goal will allow you to prioritize things and gain focus. Having a specific goal allows you to create clear milestones to base decisions off of to ensure you stay on your course - this will allow you to commit to one strategy and avoid analysis paralysis.

2 BIGGEST MISTAKES THAT 99% OF BEGINNER REAL ESTATE INVESTORS MAKE

- Choosing the market or strategy before setting a goal or discovering their why
- Setting a vague goal that has no accountability

Choosing a Market or Strategy First is Crazy

Too many investors choose a market, strategy or worse both without first determining their why and specific goal for real estate investing.

Your why & goal should determine the strategy and market you focus on as a real estate investor. All of these things may evolve and change overtime - but your why and goal should always come first when compared to the strategy or market you're investing in.

Your goal is what you want.

Example: I want \$1,000,000 to buy my dream cottage

Your why is the reason you'll put in the hard work to achieve for your goal.

Example: I want my dream cottage so I can spend time with my family because making memories with them is a personal top priority. (we'll explore how you can establish your why in a future exercise)



A FAILURE TO SET SMART GOALS IS A PLAN FOR FAILURE



Far too many investors start out with vague real estate goals.

'I WANT TO GET RICH' OR 'I WANT TO OWN APARTMENT BUILDINGS' are common goals of novice real estate investors.

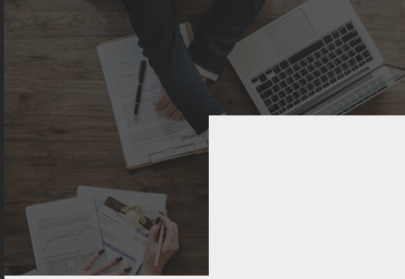
We'll explore and **HELP YOU DISCOVER YOUR GOAL** in a future exercise, but it's important to understand that your goal needs to be driven by your WHY. If you do not clearly identify how your goal **ALLOWS YOU TO SATISFY YOUR WHY** - you will not put the hard work and effort into achieving the goal.

If you currently have a goal that involves investing in a specific market or using a specific strategy - **I CHALLENGE YOU** to set it aside for now and go through the following exercises with an open mind while focusing **ON DISCOVERING YOUR WHY WHEN DETERMINING YOUR GOAL.**

WHY → SMART GOAL → STRATEGY → MARKET

WHY

First seek to understand your why, then develop a goal that achieves it, then divide that goal into milestones. When you approach investing or any endeavour in this manner it becomes easy to build a road map that you'll believe in, and that belief will see you through the hard times.



Book Recommendation: START WITH WHY

by: Simon Sinek

WHY - Your Purpose

What is your cause? What do you believe?

HOW - Your Process

Specific actions taken to realize your WHY

WHAT - Your Process

What do you do? The result of why. Proof.



WHY:

is the reason you exist and act as you do. It's the most important message you can communicate as it's what compels you forward. Think of it as: Why do you get out of bed? Why should anyone care? Why will you fight to win?

HOW:

is what makes you special or gives you an edge over the competition. Think of it as your strengths or competitive advantage. How's are often given to explain how something is different or better. New businesses or investors may need to develop their how.

WHAT:

is the product or service you provide. Every company knows what they do. Everyone can easily describe their products or services.

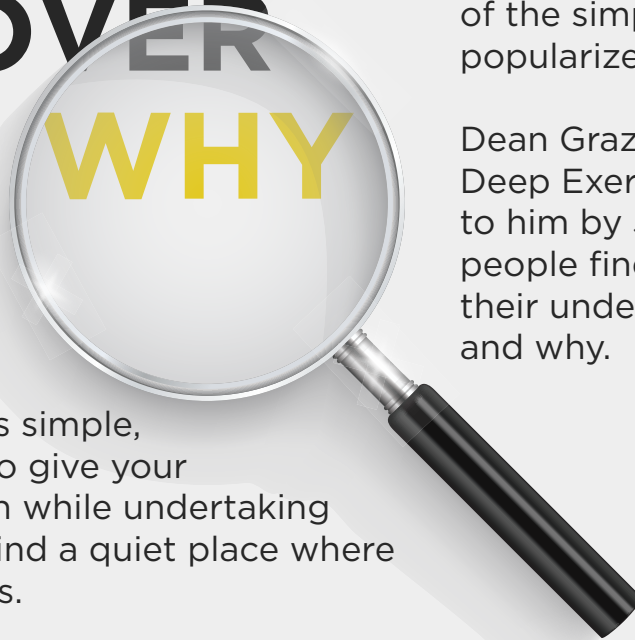
HOW TO DISCOVER YOUR WHY



Many people struggle their entire lives trying to discover their why. There are several approaches to helping you determine your why - perhaps one of the simplest and clearest was popularized from Dean Graziosi.

Dean Graziosi has a Seven Levels Deep Exercise, originally introduced to him by Joe Stump, that many people find helpful to truly discover their underlying purpose, motivation and why.

This exercise seems simple, but it's important to give your dedicated attention while undertaking this exercise and find a quiet place where you can really focus.



This short exercise has the power to shift your mindset and actions.

SIMPLY START WITH WHAT YOU THINK YOU WANT TO ACCOMPLISH OR ACHIEVE AND THEN ASK YOURSELF SEVEN TIMES, WHY IT IS IMPORTANT THAT YOU DO THAT.

The concept of seven levels deep is to ask another question based off of the answer to the previous question. With each level of why, you get deeper into the real meaning and purpose of what your intentions are. By the seventh level most people will have found their true why.

IN THE FOLLOWING SECTION WE'LL WALK THROUGH AN EXAMPLE OF THE 7 LEVELS DEEP EXERCISE.



7 LEVELS DEEP EXAMPLE EXERCISE

The following is an example 7 Levels Deep Exercise for someone wanting to invest into real estate.

Question: Why is real estate investing important to you?

Answer: Because I want to make money

Question: Why is it important to you to make money?

Answer: Because I want to quit my job

Question: Why is it important to quit your job?

Answer: Because I don't like my job, and want to spend more time with family, but have to make an income to live and want passive income

Question: Why is it important for you to quit your job and make a passive income?

Answer: Because I want to spend more time with my family

Question: Why is it important to you to spend more time with your family?

Answer: Because my parents never got to spend as much time with me as I would have liked and I want my kids to have a better childhood.



In the above example - by even going 5 levels deep in regards to the why behind the desire to invest in real estate - we're able to hit a much stronger emotional nerve.

The person who wants to get into real estate to make money, will struggle to act with purpose. Whereas the person who knows that real estate investing will allow them to build a passive income so they can quit a job they don't like to spend more time with their kids to ensure their kids have a better childhood than they had - should never lack motivation or clarity of purpose in regards to becoming a real estate investor.

For the above scenario, this individual's golden circle may look like:

Why: I want to build a better lifestyle for myself and my family and provide my children the childhood I never had.

How: ??? This still needs to be determined (and we'll show you how to later in this guide and future courses)

What: Real estate investing (still needs to become more specific, we'll show you how to become more specific later in this guide and future guides)

7 Levels Deep Exercise

Question: What is IMPORTANT to you about becoming a successful real estate investor?

Answer:

Question: Why is it important to you to _____?

Answer:

Question: Why is it important to you to _____?

Answer:

Question: Why is it important to you to _____?

Answer:

Question: Why is it important to you to _____?

Answer:

Question: Why is it important to you to _____?

Answer:

Question: Why is it important to you to _____?

Answer:

**ONCE YOU'VE DISCOVERED
YOUR WHY, IT'S THEN TIME TO
BUILD A SMART GOAL
TO SATISFY YOUR WHY.**

COMMON TYPES OF REAL ESTATE GOALS

Why an investor chooses to invest in real estate will be specific to them, however the goal associated with the why can often be placed into one of a few categories:

- Income replacement (quit job before typical retirement age)
- Retirement fund (allow to retire decades from now)
- Lump sum or nest egg (accomplish a specific goal)
- Building a business (purpose through providing housing, jobs or both)

The type of real estate goal (which is determined by your why) will determine what business models or real estate strategies you should focus on, and these strategies will dictate the markets you choose to focus on as an investor.

Below are a few examples to illustrate this concept.

.....

Why → Quit Job, Passive income, Family focused →
Goal → Build Up Cashflow or \$5,000/month to quit job
→ Strategy → Invest in Cashflowing Rental Properties
→ Market → Invest in Markets with Cashflowing
Rental Properties _____

Why → Buy Family Dream Cottage or Home ASAP →
Goal → Cash Lump Sum of \$500,000 for Downpayment
→ Strategy → Wholesaling/Flipping or Other Active
Income Stream → Market → Invest in a Market Where
Wholesaling or Flipping Works. _____

SMART

G

O

A

L

S



Specific

What do
you want
to do?



Measurable

How will
you know
you have
reached it?



Achievable

Is it in your
power
to finish
it?



Realistic

Can you
realistically
achieve it?



Time
Based

When
exactly do
you want to
accomplish it?

SMART GOALS refers to an approach to goal setting that lays out a criteria to guide the investor in setting objectives.

Specific: Your goal needs to be clear and specific

Measurable: You need to be able to track your progress to stay motivated

Achievable: Are you in control, is it in your power to accomplish it

Realistic: Given the available resources and time, is the goal realistic

Timely: Set specific timelines or deadlines to your goals

When trying to set SMART Goals for yourself - consider the following questions for each aspect of a SMART Goal.

S

Specific:

Who is involved?

What do I want to specifically accomplish?

Where is it located?

Why is the goal important?

Which resources or limits are involved?

M

Measurable:

How much?

How many?

How will I know when it is accomplished?

How do I know I won?

A

Achievable:

Is it within my control to accomplish this goal?

*Do I have the resources and capabilities
to achieve the goal?*

Have others done it before?

R

Realistic:

Do you believe this goal is possible?

*Do you believe enough in your why that
you'll put in the work to achieve this goal?*

T

Timely

Do you have timelines

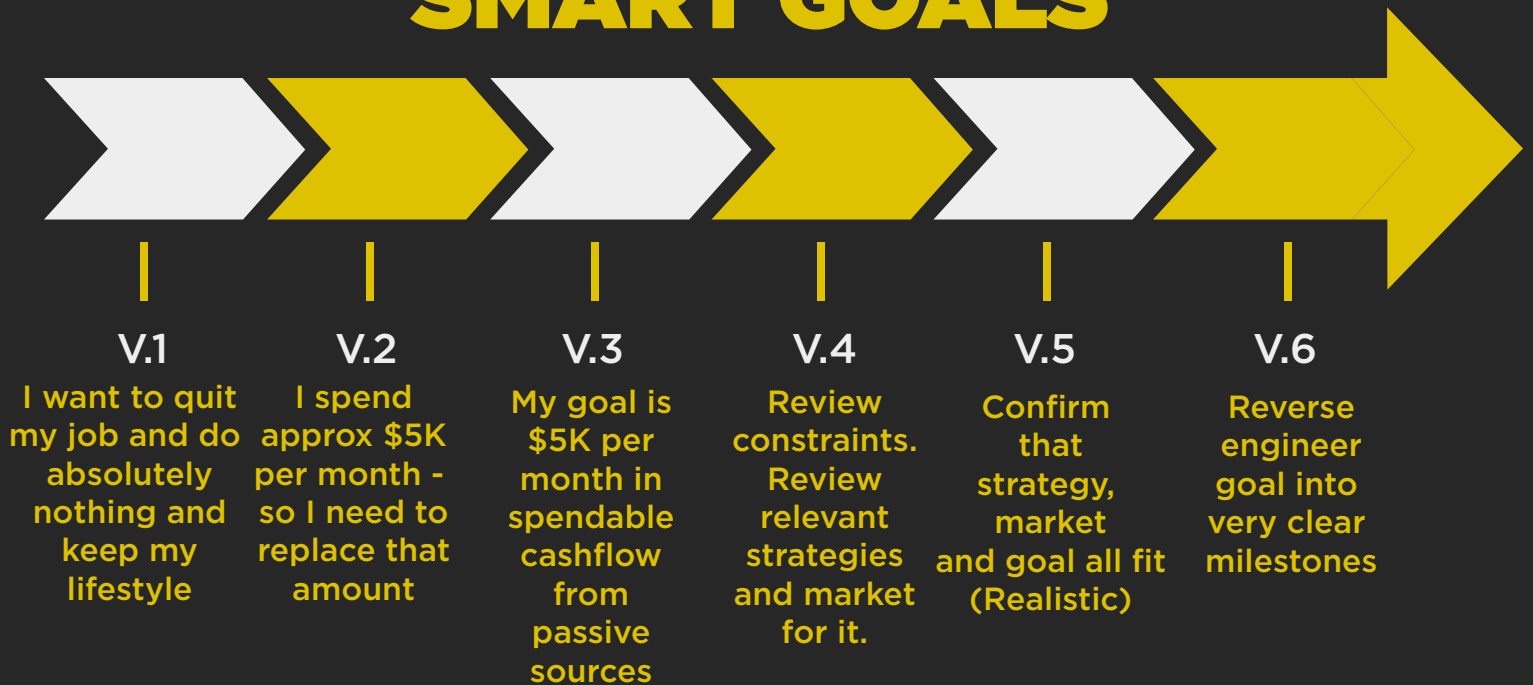
Do you have due dates



HOW SMART GOALS EVOLVE

TO SET EFFECTIVE SMART GOALS you may need to go through a refinement or evolution process in regards to your goals.

TIMELINE of Evolution of SMART GOALS



Example SMART Goal: Goal of \$5,000 per Month Passive

Initial Goal: I want to quit my job and have passive income pay for my lifestyle so I can spend time with my family.

Example Refinement Process:

How much money do I need for my lifestyle?

- I need \$5,000 a month to maintain my current lifestyle

How can I accomplish generating \$5,000 a month in spendable passive income?

- I can build up a portfolio of real estate or be a private lender on real estate deals

Is it possible or realistic to earn \$5,000 a month in passive income?

- Yes, other investors have achieved this before, I can too

When do I want to quit my job?

- I want to quit in 5 years.

How will I know when I'm successful?

- I'll know when I'm generating \$5,000 a month in money that I can spend on my lifestyle.



Do I have the resources and capabilities to do this?

- To generate \$5,000 a month in lending income will depend upon the amount of money available and the interest rate charged. To generate \$5,000 a month in cashflow will depend upon the cashflow per property or unit and the number of properties or units.

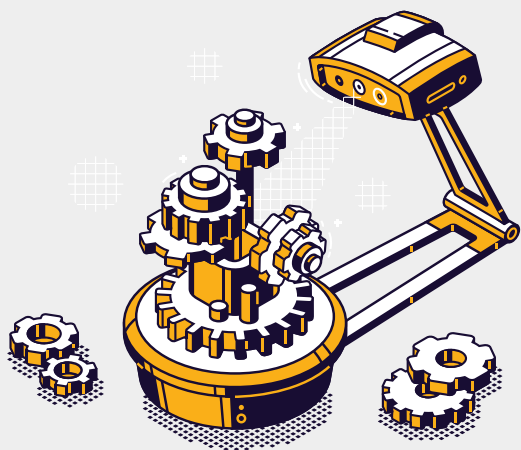
Examples of Refining the What/How:



\$5,000/Month lending business

- *What's possible in regards to lending businesses?*
- *What are common interest rates charged by lenders?*
- *What is the corresponding risk of losing the principle or not collecting the interest?*

Perhaps you discover that the average private lender doing 2nd place mortgages to borrowers is able to earn 12% per annum on average and after factoring in bad debt expenses etc - that they can normally expect to earn real returns of 10% per year.



From this information we can reverse engineer your goal of making \$5,000/month passively

$\$60,000/\text{year income} / 10\% \text{ Interest Rate} = \$600,000 \text{ in capital to lend.}$

Some investors will then decide to add a safety margin or a margin for error in case one of the variables is off - this is a personal choice that you will have to make for yourself.

Your goal is now to build up capital of \$600,000 within 5 years so that you can become a private lender and lend out at a net effective rate (after bad debt) of 10% per year.

From this goal we can then begin to **reverse engineer our goal into milestones.**

First we can take an inventory of our existing resources - do you have any money/capital that you could use towards your private lending business?

If we assume that you're starting with \$0, then we know that you're going to have to build up capital of \$600,000+ in the next 5 years to achieve your goal. This could be accomplished by flipping, wholesaling or a variety of other strategies. At this stage you should then take a personal inventory of skills and competitive advantages etc - and use this information to determine what business model you'll select and what market you'll implement it in.

\$5,000/Month Cashflowing Portfolio



What's possible in regards to cashflowing rental properties?

What are common rates of return: cash on cash, cashflow per unit, return on invest etc?

What is the corresponding risk of properties not performing as expected?

Perhaps you discover that the average rental unit in your region can generate from **\$0-\$400 a month** depending upon the exact city, neighbourhood and condition of the property and based upon tenant profile. *For example - in London Ontario, many investors can consistently generate approximately \$200/mo per unit in cashflow.*

**From this information
we can reverse engineer
your goal of making
\$5,000/month passively**



$\$5,000/\text{mo} / \$200 \text{ cashflow per unit} = 25 \text{ Units needed}$
to produce \$5,000 a month in cashflow.

Some investors will then decide to add a safety margin or a margin for error in case one of the variables is off - this is a personal choice that you will have to make for yourself.

Your goal is now to build up a portfolio of 25 units within 5 years so that you can quit your job and live off of the passive cashflow.

From this goal we can then begin to reverse engineer your goal into milestones.

First we can take an inventory of your existing resources - do you have any money/capital that you could use towards cashflowing business.

If we assume that you're starting with \$0, then we know that you're going to have to build up capital or partner with someone else with capital to allow you to build your portfolio of rental properties. For example if you were to undertake a 50/50 partnership you would need to build up a portfolio of 50 units (instead of 25 units) to generate the \$5,000 a month in cashflow, or alternatively you could look at investing in a higher cashflowing rental market.

‘MOST PEOPLE **OVERESTIMATE** WHAT THEY
CAN DO IN ONE YEAR AND **UNDERESTIMATE**
WHAT THEY CAN DO IN TEN YEARS’

- Bill Gates



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5 Star Rating

www.cashflowtribe.com

NEXT STEPS

If you haven't already completed the above exercises for yourself and your real estate business - now is the time to do so.

- Take the 7 Levels Deep Exercise for yourself and real estate investing.
- Review Simon Sinek's Golden Circle in regards to your why & goal.
- Finally create a SMART Goal that will satisfy your why.

Still Not Sure How to Get Started?

Take the course this eguide is based upon at **www.cashflowtribe.com**

Watch Matt McKeever teach real estate to fellow Canadian investors on his Youtube channel

www.youtube.com/mattmckeever

