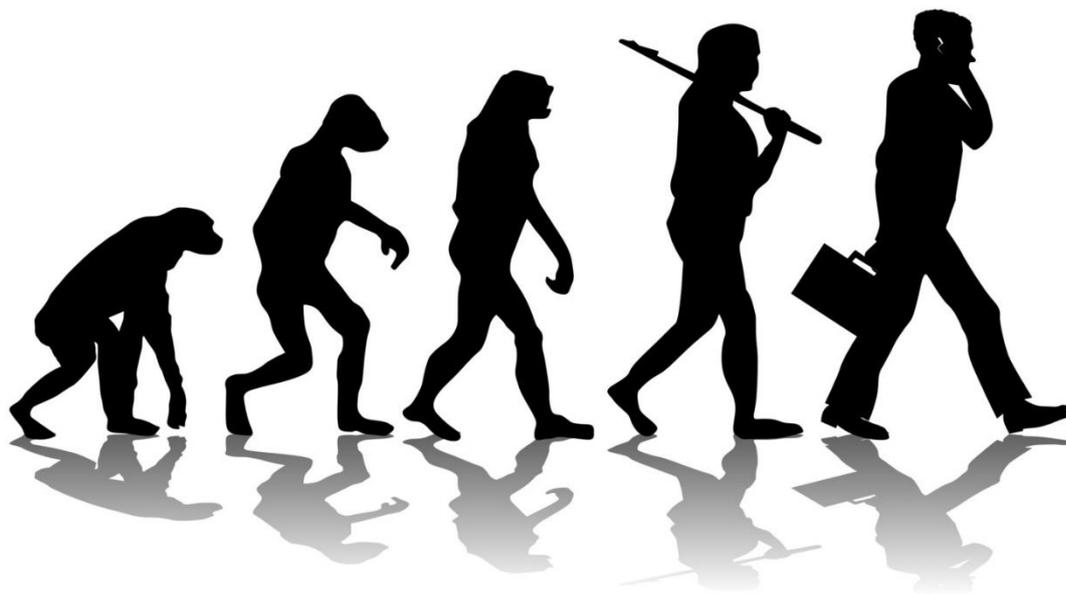


LESSON 1 – WHY INVEST?



SO WHY INVEST?

Well, don't we all do it for the same reason, to get rich? Well, yes and no. That is the overall idea for most I suppose, However, if that is your only **why** then you probably won't get there, well not on that alone anyway.

To really achieve what we desire, we need to know what it is in-fact we want. Getting filthy rich is not a definite chief aim to steal a quote from Napoleon Hill. What we need instead is a measurable and, of course, a realistic destination like: "I want to own 20 properties by the time I am 45"

We're not being pessimistic here, getting rich is, of course, a destination and something you can undoubtedly achieve through property investing (*That is, providing you can define what rich is to you*).

We will allow you to get excited about your journey and its destination. Still, we will always encourage you to remain grounded. This approach will help you achieve your goals without the catastrophe of being blindsided by the shiny get rich quick schemes out there, trust us on that!!

LET'S HAVE SOME CLARITY THEN!

Great idea, but only you can answer the question of why.

You'll most likely have different desires, needs and wants to us.

Not everybody wants the same thing from property so getting this clear for yourself right from the outset is vital to your success. Of course, this can, will and in most cases, probably should change throughout your journey.

However, you still need to determine your goals and your **WHY** right from the word go. Without these two essential factors, you're more likely to fall on the hurdles along the way.

No book, training course, friend, guru, YouTube video, blogger, podcast, fad pusher or financial advisor should tell you what these are (especially the fad pusher, don't get us started!). This is something that **you** need to determine; it comes from deep within, be honest with yourself so that you can understand why it is you want to invest in property.

BUT WHY IS IT WISE TO INVEST IN THE PROPERTY MARKET?

Ok, so this is something we can certainly help you with. As a generalisation, the main reasons why most of us invest in property are usually time, financially or lifestyle bounded.

1. Freedom from the restraints of exchanging your time for money otherwise known as a JOB
2. To replace the fragility of current employment income with the security of bricks and mortar
3. For a much higher' return on investment' ROI's
4. It is perhaps the only industry that allows you to recycle stretch or even reuse your initial investment capital over and again.
5. You can buy it with other people's money
6. To boost your current employment income with some immediate cash flow
7. To reap the benefits of capital growth
8. To fully take advantage of compounding
9. To allow you to control your business and your future
10. As a hedge against inflation (see lesson x)
11. As a retirement pot or pension fund
12. For the security of their children's future
13. BECAUSE ANYONE CAN DO IT!!

BACK TO THE ORIGINAL QUESTION, THEN. WHY INVEST?

Suppose you have savings in hard cash available, maybe investment funds that are not growing, a monthly surplus from your employment income, drive, determination, and a burning desire for wealth or dare I say it, money tied up in your mortgage. Well, you may want to use this wisely and buy some investment property.

Remember all of the wealthiest people in the world invest in property, what is it they know that you don't?

I quote this in his audiobook, but having money sitting in a savings account or any of the other avenues mentioned above for that matter is, and I adopt my no-nonsense approach here, '**A Fools Game**' These funds are merely eroding each year with the current rate of inflation. You've worked so hard to build them up only to have them stripped away, is that what you want?

If you desire financial freedom, passive income or the freedom that having time brings, then you need to allocate those dwindling funds & start planning your strategy immediately.

If you have any of the above, including or even limited to, desire, drive and determination, then this is where your journey gets exciting... very exciting.

Done right, investing in property can make anyone who commits to a working strategy a great deal of money & wealth.

CAVEAT:

The rules of the industry have changed so much in the last few years, so your approach needs to evolve from the old-fashioned landlord way of doing things if you want to be successful within this industry.

That's why we keep mentioning little caveats such as 'done right' or 'with the correct approach' and its why we preach the need for solid training or guidance from credible sources.

THE PROPERTY CYCLE

One of the best incentives for property investors is the comfort that the property cycle brings.

This is something that has continued to prove itself in all the aeons that property has been around, and we can say, hand on our hearts with almost 99.62% statistical accuracy that this will never change in our lifetime. *(It is worth mentioning that 67.4% of all statistics are made up..... but seriously guys it's not going to change!!)*

THE 'PROPERTY CYCLE' EXPLAINED



Image By Banksy

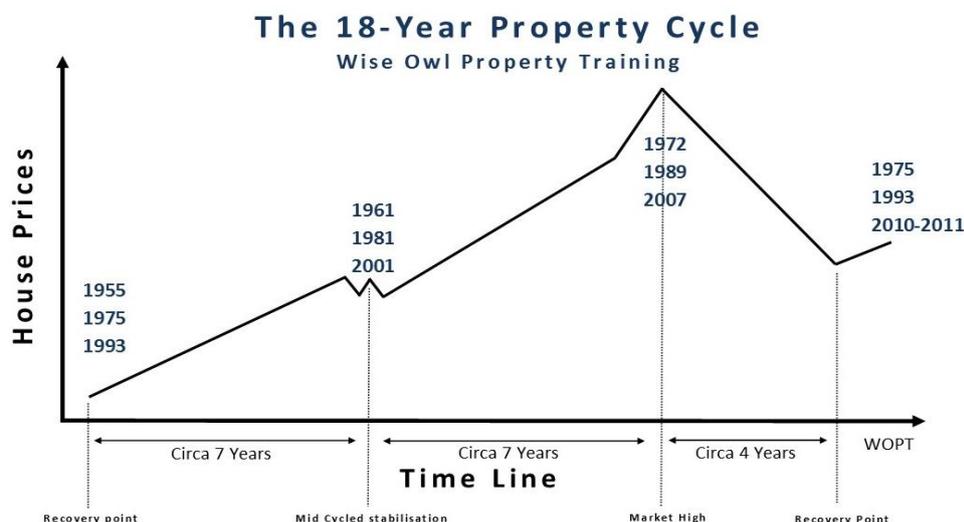
What a stroke of genius, Albert Einstein takes Newton's laws, questions them, improves them and then explains it in one of the most straightforward equations in mathematical history **$E=mc^2$** .

BUT WHAT IF WE COULD DO THAT WITH THE PROPERTY CYCLE?

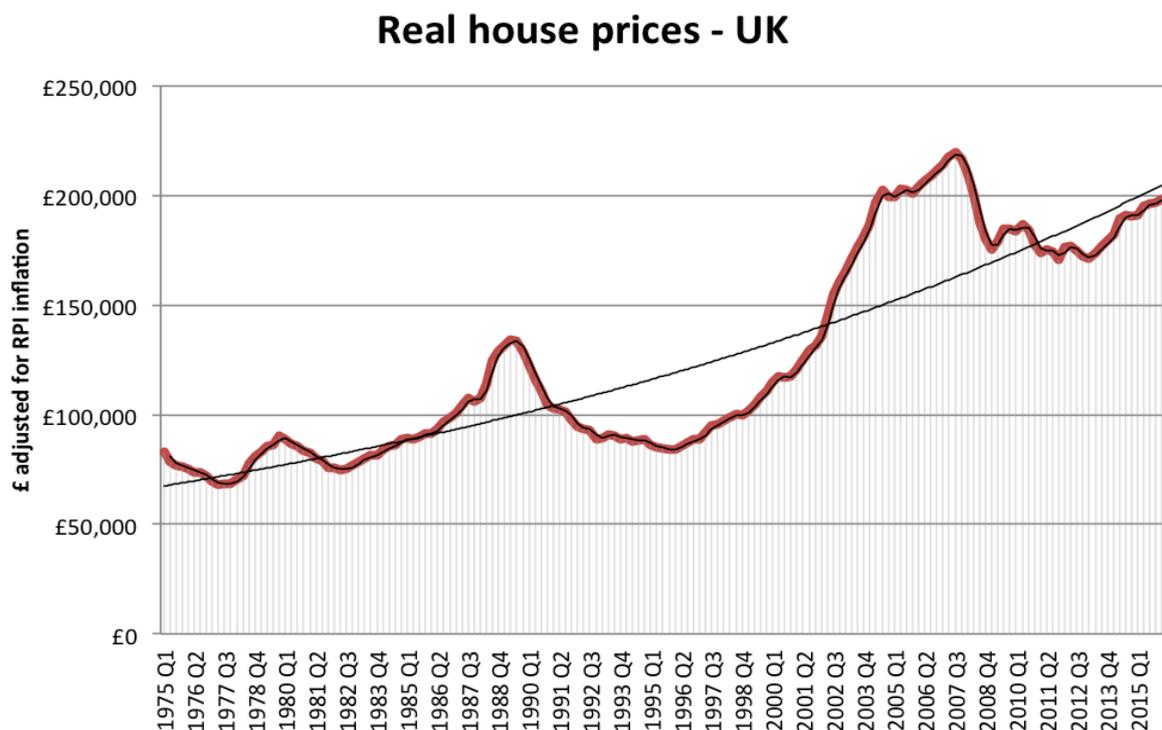
Well, you've probably never heard of the $18=14+4$ rule? But crikey that sounds even simpler than Einstein's theory right? Well that's because it is, it's a whole lot simpler.

This proven equation states that there are, **on average**, time and time again, 14 years of rising house prices followed by 4 years of doom and gloom, equating to an, on average 18-year property cycle.

This is demonstrated in our graph



Now take a look at the graph below, borrowed from the Nationwide. If you were to rescale and merge this graph showing the average UK house prices since 1975, you would see the pattern yourself.



BUT THIS CAN'T CONTINUE THE COST OF LIVING IS THROUGH THE ROOF!!

For those of you who live in a literal world that was you talking not us!

Ok so we agree, the cost of living is through the roof, it's harder for the average Joe to get a mortgage these days and house prices are incredibly high on average.

We agree with that entirely, however, take London and some other of the more affluent areas of the south-east out of the equation then average house prices reduce significantly. You may even notice that prices aren't actually as high as they were ten years ago in lots of areas.

"The fundamental point and the thing that brings comfort to this is that the recovery phase ALWAYS starts at a higher point than that of the last one, meaning, and this is backed up with hundreds of years of data, that house prices will continue to increase well above the rate of inflation and will most often boom before they crash"

YOU JUST MENTIONED CRASH! SHOULD WE BE WORRIED?

Well not really, again the caveats come out to play but 'done right' what does that actually matter. For a start housing demand does not crash in line with a market crash, people still need homes which in turn means that rental demand remains almost constant, and yes you guessed it, so does the resulting rental income.

This means that in black and white when the property market crashes, you can still achieve the same rental income from your cash flowing property as you did when things were booming. With this brings more comfort to your decision to invest and, of course, opportunity.

SO SHOULD YOU WAIT FOR THE NEXT DIP OR CRASH TO INVEST IN PROPERTY?

The best time to plant a tree is 20 years ago, the second-best time to plant is NOW!! – Chinese proverb

Not many people know when the next dip or recession will be, we certainly don't pretend to know. If you waited for the 'dip' or 'crash', then you may need to wait for years and just think of all the cash flow, compound interest and experience you would miss out on.

So, we started this lesson with the question 'Why Invest'? The property cycle above is perhaps the greatest tool we can use to encourage anyone to invest long term; we believe it takes all the doubt and anxiety away from investing and instead brings solace and comfort to the decision.

Ok, so we believe we've covered the question 'why invest'. In summary, only you can truly decide this, of course, we are here to help guide you along the way, to help open your mind to avenues that you never knew existed, raise confidence in yourself and help create accountability and drive within the business and to ensure that you do this sustainably and implement your plan correctly.

LESSON SUMMARY

Here's a summary of this lesson and your next steps to take ACTION!
You must take action right now. Go! Go! Go!

Q. WHAT HAVE YOU LEARNT?

You should have learned the importance of finding your WHY.

Having a strong enough why will help you work through the challenging times.

Understanding the property cycle and the benefits of property investing as a vessel to create wealth and freedom from a mainly passive source can all be created from knowing your 'why'.

Remember ANYONE can achieve success with property investing providing they are guided or educated correctly.

Q. WHAT ARE THE KEY POINTS?

- Finding your 'why' is an essential first step in gaining clarity, direction and a clear goal to action.
- When you know 'why' you'll know 'how.' You'll avoid hurdles, pitfalls and misdirection.
- You'll understand the reason for doing, for taking action toward your goals, whether that be time, lifestyle or financial.
- With any housing crash, you'll understand people still need homes. In turn, rental demand and subsequent income remain constant.

Q. WHAT SHOULD YOU DO NOW

1.) SERIOUSLY, you should read back through this lesson and ensure you understand every point we are trying to make.

2.) Take out a piece of paper and brainstorm '**why**' you want to invest. Set a timer for 20 minutes and write down all your reasons. Leave it a day or two and repeat the brainstorm adding to your original notes.

Can you collate your notes into groups or common themes? Any similar themes pop up more than others? Narrow the list as far as possible then prioritise this list into the top three.

Now rewrite these goals as concisely as possible on a small wallet-sized card. Carry them with you and look at them every day. Let them be the filter in which all your decisions and actions are made.

3). Research the property cycle further, look at how erosion can strip the value of your debt over the term of your mortgage, BUT most importantly DO point number 2 above **FIND YOUR WHY!!**

**LESSON 2 – STRATEGY PLANNING WILL BE WITH YOU TOMORROW.
KEEP IT UP!!**