

WHAT INVESTORS ARE SAYING ABOUT

The Millionaire Real Estate Investor

“The Millionaire Real Estate Investor finally brings a book to the real estate investing market that’s been missing . . . A real model for success that works in the real world and not just in the bookstore.”

Tony E. Holloway
Winston-Salem, NC

“Gary Keller has captured the essence of the successful real estate investor. If you have the desire and you apply the lessons of The Millionaire Real Estate Investor, wealth and success are sure to follow.”

Dyches Boddiford
Marietta, GA

“Fear keeps so many aspiring investors from taking that first step. This book turns that fear into the confidence they need to begin building their financial future.”

Pat Puckridge
Asheville, NC

“I was honored to be asked to participate and to share my ideas on how to build wealth through real estate investing but was skeptical that the experience of 120 diverse investors from all parts of the country could be consolidated and put into text. Gary and Dave have done an exceptional job of pulling it all together. The Millionaire Real Estate Investor is a concise, easily understandable, very engaging, condensed version of the combined experience of us all. I read it cover to cover at the first sitting!

It’s a must for real estate investors, at any level. Great for the novice investor and required reading for everyone thinking about building a real estate portfolio. The systems in the book will work for anyone. I only wish I had had it 25 years ago. It could have saved me 10 years of trial and error and gotten me off to a head start in building my portfolio.”

George Castleberry
Austin, TX

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“Wow! First The Millionaire Real Estate Agent. Now The Millionaire Real Estate Investor! We are blessed to be in a world where the small price of a book can yield millions in return. And all you have to do is to read and then do! I can’t thank Gary and his team enough for the excellent research and insight.”

Rick Geha
Freemont, CA

“This is the greatest investment book I’ve found. It makes investing incredibly easy.”

Cathy Manchester
Norway, ME

“Years back I cleared \$83,000 profit in nine months using \$5,000 borrowed on a visa. It never occurred to me to do it over and over and over again. Thanks for turning the lights on! The Millionaire Real Estate Investor is definitely going to become one of those books that people enjoy reading and re-reading.”

Alex Delgado
Nashville, TN

“The Millionaire Real Estate Investor is a six-lane highway, complete with navigational aids, to get you to financial wealth. Read it and reap the benefits.”

Mike Tavener
Asheville, NC

“As a part-time real estate investor with a full-time career, I certainly found that The Millionaire Real Estate Investor spoke to those who have a career and may hesitate to take those first steps toward financial freedom through real estate. This book amazingly captures the best knowledge of years of investing experience and creates a solid plan that will inspire the beginner as well as the seasoned real estate investor.”

Renata Circeo
Atlanta, GA

“The Millionaire Real Estate Investor gathers all of the information into one book and provides a proven path to real estate investing success and wealth.”

Dennis Nevius
Edmond, OK

“We have been investing in real estate for years and currently have 22 properties. After reading this book, we are looking forward to purchasing many more. This book has made us confident that our investments will put our six children through college and help us retire early, so we can travel the world!”

Joe and Loree Rozanski
Naperville, IL

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“The Millionaire Real Estate Investor gives investors a road map to greater success based on their personal financial goals. It’s a must-read for the attentive investor.”

Mike Brodie
Plano, TX

“The Millionaire Real Estate Investor will awaken the sleeping giant in us all, with purpose, systems, and proven models led by confidence. The possibilities are endless. This truly is ‘The Blueprint’ for the future of residential investors.”

Bobby and Janet Faulk
Lake Norman, NC

“What a realistic way to identify, analyze and purchase investment property to become independently wealthy. The sky’s the limit with these proven models and systems.”

Gene Arant
Austin, TX

“The Millionaire Real Estate Investor is absolutely ideal for investors. I’ve been helping people build and manage their wealth through buying real estate for years and this book will help me serve my network of investors even better! Thanks, Gary.”

Chris D. Hake
Madison, WI

“This book provides the most direct and easy-to-understand platform from which to take my investment portfolio to its next level.”

W. Darrow Fiedler
Los Angeles, CA

“Thanks, Gary, Dave, and Jay, for the opportunity to participate in the research for The Millionaire Real Estate Investor. I look forward to sharing it with like-minded people!”

Pat LaMonica
Charlotte, NC

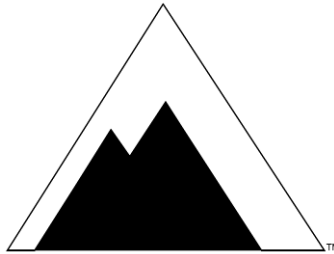
“An excellent, comprehensive, common sense primer on real estate investing.”

Joe Arlt
Virginia Beach, VA

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THE
MILLIONAIRE
Real Estate Investor

*Anyone can do it—
not everyone will*



Gary Keller
with Dave Jenks and Jay Papasan

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Milan New Delhi San Juan Seoul Singapore Sydney Toronto

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Financial Wealth (fī-nān'shəl, fī wēlth) n. The unearned income to finance your life mission without having to work.

The Millionaire Real Estate Investor is dedicated to the men and women who have a passion for their work and yet dream of someday achieving financial independence, of someday being able to finance their mission in life without having to work. It's dedicated to all those who want the biggest life possible, who are actively seeking ways to finance that vision, who want to go as far as possible with as few roadblocks as possible, and who want to say at the end of the day, "I'm glad I did" instead of "I wish I had."

ACKNOWLEDGMENTS

While the research for this book began in the spring of 2004, the idea was born nearly two years earlier when we interviewed Cristina Martinez for our first book, *The Millionaire Real Estate Agent*. Cristina had built an amazing real estate sales business that generated over \$4 million in gross income each year by catering to residential real estate investors. The stories she told inspired us and pointed us down the winding path that ends with these pages. Thanks, Cristina.

I'd be remiss not to mention Michael Allen, who was my original wealth-building mentor. Many of the ideas in this book about money and wealth building came to me long ago during our breakfast discussions. Although Michael is no longer with us, he has been ever-present in my thoughts, especially during the writing of this book. He has my deepest gratitude.

We began the search for investor interviewees by focusing on the wonderfully talented and successful real estate agents and investors we've known for years and kept asking for referrals until we expanded our list past those initial contacts. While everyone who agreed to be interviewed was helpful and insightful, several people really stand out because they went above and beyond to introduce us to more investors or supply more information. The first name that springs to mind is Dyches Boddiford, who, even though he didn't really know us, extended himself again and again by putting us in touch with numerous investors, sending us his material on entity planning, and participating in teleconferences to discuss the early systems and models we had developed. Don Zeleznak,

George Castleberry, Tamara Fuller, Renata Circeo, Don Beck, and Elmer Diaz also participated in those teleconferences and wowed each of us with their incredible knowledge about the finer details of market analysis, property acquisition, and property management. Not only are they all incredible investors, they are all teachers at heart. Jimmy and Linda McKissack shared their insights into how they parlayed their real estate sales business into a phenomenal investing business. Jimmy's knowledge of the Texas foreclosure process lit our way through that thicket of information. Early on, Chris Hake took it upon himself to devise a spreadsheet that laid out how many properties one would have to own and how much cash flow those properties would have to generate to net a million dollars in annual income. George Meidhof and Michael Huang guided us through the early stages of how to set up legal entities for investments and how to structure every kind of partnership. George also visited us in Austin and walked us through the aisles of a home improvement store to show us how he shops for bargains when fixing up properties. Both Rick Villani and Rob Harrington, Jr., spent many hours with us, on the phone and in person, detailing how they built their uniquely different but highly successful investment businesses. Rick has made fixing and flipping houses into a science, and Rob's done the same with evaluating and acquiring commercial properties. They were huge allies in the writing of this book, and their wisdom and insights touch more sections than we can name here. We'd also like to extend a special thank you to bestselling investment authors Robert T. Kiyosaki and Robert Shemin, who generously took time off to talk with us at length about their investment philosophies.

What follows is a complete list of all the Millionaire Real Estate Investors who we interviewed for this book: Al Abramson, Gene Arant, Joe Arlt, Stanley Armstrong, Susan Barbour, Ray Barr, Leanne Barschdorf, Don Beck, Armand Bedirian, Rische Beeson, Dwan Bent-Twyford, Mike Bergida, Chris Bird, Dyches Boddiford, Dottie Bowe, Mike

Brodie, Charles Brown, Jim Castagnari, George Castleberry, Steve Chader, Renata Circeo, Jerry Clevenger, Bill Cook, Judy Cook, Kim Daugherty, Alex Delgado, Don DeRosa, Elmer Diaz, Linda Dolese, Greg Dorriety, Barbara Drake, Ron Duguid, Brannon Fain, Dave Fairweather, Janet and Bobby Faulk, Darrow Fiedler, Charlie France, Tamara Fuller, Ron Garber, Jane Garvey, Leo Gee, Rick Geha, Bill Goacher, John Grossmann, Bob Guest, Chris Hake, Nancy Halberg, Brian Hammermeister, Robert Harrington, Jr., Carlos Herbon, Dave Herries, Pat Hiban, Tony Holloway, Michael Huang, Chris Jessey, Vena Jones-Cox, Ken Jordan, Donnis King, Robert T. Kiyosaki, Leona Kline, Robert Kohorst, Jon and Amy Kubas, Nikki and David Kupfer, Pat LaMonica, Don Leiby, Allen D. Leone, Cathy Manchester, Barbara Mattson, Arnold May, Mary McDonald, Patricia McDonald, Bobbi McKenna, Jimmy and Linda McKissack, George Meidhof, Jack Miller, Anna Mills, Tim Minnix, Paul Morris, Jimmy Napier, Mike Netzel, Dennis Nevius, Erv Norgren, Bill O’Kane, Rocco Pangallo, Glenn Papineau, Wendy Patton, Craig Power, Pat Puckridge, Marshall Redder, Sharon Restrepo, Sally Richards, Carlos Rivero, Peggy Rollins, Joe Rozanski, Steve Scheffe, Robert Shemin, Rick Smith, Will Stewart, Patrick Swint, Mike Tavener, Geidre Trahan, Robert Trahan, Todd Tressider, Robert P. Tucker, Rick Villani, Lyle Wall, Pat Wells, Danny Williams, Bob Witcher, Jean Yevic, Jen and Jay Yilmaz, Charles Young, Don Zeleznak, and Ryan Zeleznak.

Many of these investors joined us for a Millionaire Real Estate Investor Mastermind session in Austin in summer 2003, and for two days we just talked and brainstormed about every aspect of investing. The results were amazing, and many of the ideas, “ahas,” and insights reflected in this book originated at that inspirational gathering. A special thanks to all of them for making an investment in us. Although Charles Sullivan was unable to attend, he provided detailed feedback on the manuscript. Thanks, Charles.

We’d be negligent not to mention several people who, while not full-time real estate investors themselves, were invaluable resources because

of their industry expertise: noted economist Harry S. Dent, Jr.; real estate editor of CBS.MarketWatch.com Steve Kerch; Ron Kubek, a prominent real estate agent and broker in Canada; and the foreclosure experts at Wells Fargo. We relied on their vast knowledge more than they know. To each and every person on this list we offer heartfelt thanks, and we hope that what we've captured on paper accurately reflects the sum of all your knowledge.

Perhaps the best testimony to the power of the systems and models we lay out in this book are two that are very close to home. Heather M. Iarusso, our researcher, and Rachel Proctor May, our transcriber and profile writer, transformed their lives and their mindsets while working on this project. When Heather interviewed her first Millionaire Real Estate Investor for this book, she was helping her landlord pay his mortgage. Eight months and 114 interviews later, a friend rents two rooms in her four-bedroom, two-bathroom house. More important than the logistics of this move, however, is the mental "move" she made going from renter to homeowner to investor. She's now on the path to building wealth and passive income. After spending hours upon hours transcribing Heather's interviews with Millionaire Real Estate Investors, Rachel and her husband, who were both graduate students at the time, bought their first house. Armed with all the knowledge from these investors, Heather and Rachel have teamed up to buy their first investment property. Way to go!

Special thanks to the team at McGraw-Hill, particularly Mary Glenn, our exceptional editor, and her talented assistant, Ed Chupak. This book was a marathon, not a sprint, but their patience never flagged. Thanks for the help and the encouragement. Our managing editor, Peter McCurdy, also deserves our gratitude for guiding this book through the production process in a remarkably efficient way. We were tardy, but Peter got us back on track.

The staff here at Keller Williams® Realty, International, has been incredibly supportive while we have focused on this book. A special thanks



Figure 1: Millionaire Real Estate Investor Mastermind Group 1

Back Row: Gary Keller, Dave Jenks, Bobby Faulk, Ryan Zeleznak, Rische Beeson, Jody McAnally, Ed Berry, and Sean Seaton.

Middle Row: Chris Hake, David Osborne, Jane Maslowski, Pat LaMonica, Steve Scheffe, Jimmy McKissack, Mary Taylor, and Rick Smith.

Front Row: Chris Jessey, Leona Kline, Janet Faulk, Cathy Manchester, Heather Iarusso, and Linda Dolese.



Figure 2: Millionaire Real Estate Investor Mastermind Group 2

Back Row: Bill O’Kane, Gary Keller, Pete Reeser, George Castleberry, George Meidhof, Dennis Nevius, Bob Guest, Mike Colohan, and Jay Papasan.

Middle Row: Terry Dyroff, Todd Orrill, Rocco Erker, Adam Robinson, Darrow Fiedler, Gene Arant, Sandy Murphy, Mike Brodie, and Mike Netzel.

Front Row: Bonita Joy Yoder, Michael Huang, Joe Jackson, Leith Seegers-McKahan, Dottie Bove, and Leanne Barschdorf (Steve Chader was present but is not pictured).

to Mo Anderson, Mark Willis, Todd Butzer, and Sharon Gibbons for their leadership and encouragement. My and Dave's executive assistants, Valerie Vogler-Stipe and Mindy Hager (truly "assistant executives" in our minds), gave us phenomenal leverage while we were writing this book. We thank them dearly, as well as Allison Odom and Jeannine Abbott, who in turn gave them leverage to do all that had to be done while we were lock-ed away writing toward our deadline. Thanks to Toni Tolerico, our PowerPoint wizard, and designer Justine Smith who helped design some of the graphics. This book is much more polished thanks to the efforts of Casey Blaine, a freelance editor, who gave us excellent feedback on the final drafts of the manuscript.

Over the past two years we've given close to 50 presentations of this material in the form of "sneak preview" training sessions. Thanks to the thousands of enthusiastic attendees who stayed afterward to share their investing wisdom and comment on our evolving models. Speaking of these events, the MillionaireSystems team deserves our gratitude for tirelessly scheduling and organizing these events as well as overseeing product sales and development. So big thanks to Molly Brown and Dawn Sroka. Laura Morgan and her events team also played a huge role in making these learning events happen.

My coauthors, Dave Jenks and Jay Papasan, have earned my sincere gratitude for their stamina and skill in pursuing this project from start to finish. We worked through lunches week after week (subsisting on Marye's Red Turkey and Turkey #1 sandwiches) and often took our writing home on weekends and nights. Thanks for their dedication to excellence through draft after draft and to their families and loved ones for lending them to this process for so long.

Professor Walstein Smith, former head of the real estate department at Baylor University, is also due thanks for letting a struggling student work for his real estate company part-time and get an inside look at what would become his profession of choice. And thanks to my lifelong friend Kim

Brightwell, who through our childhood games of chess and Monopoly taught me to think strategically.

Thanks to my wife, Mary, and my son, John, the true loves of my life, for their willingness to constantly be my guides and teachers even when I didn't want guidance or teaching. Thanks to my parents, Lew and Minnie Keller, for their loving parenting and sound advice throughout my life. And special thanks to my father, who, before he passed away, shared his investing stories with me and gave me permission to share them with you. Always the teacher—thanks, Dad.

A special thanks to you, the reader. It has been my experience that the best ideas are those shaped by many, which is why so many people were involved in the writing of this book. But the process doesn't have to end here with this printed edition. I encourage you to share your thoughts and suggestions for improvement and your experiences working with these models. Just visit www.MillionaireSystems.com and drop us a line.

Finally, thanks to God, from whom all things come.

Gary Keller
January 14, 2005

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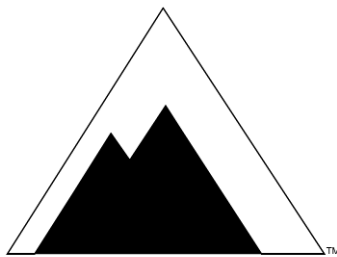
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Part One:

CHARTING THE COURSE



PREFACE

I'm haunted by the fear that our children may lose their way in a world that values money for what it can buy and not for the good it can do. I am haunted by the idea that our children are growing up in a society that places too much emphasis on the job you have, the salary you make, and the title you wear. An impatient world measured in days, not years, and populated by instant winners, lottery lovers, and a battery of million-dollar game shows. A time when investing has become a romantic notion of high-flying day traders and IPO millionaires or, worse, has become synonymous with a crapshoot plagued by corporate scandal, worthless stock options, and bankrupt pension funds. Most of all I'm haunted that we're teaching a generation that riches come quickly or not at all. My preoccupation with this fear began after I had a conversation with my son in the car.

BIG MONEY—LITTLE MONEY

“Dad, I need to talk to you.”

I met his eyes in the rearview mirror as if to say, “Fire away.”

“I'm serious, Dad.”

I turned off the radio and gave him my immediate, undivided attention. John stared out the window and for a moment seemed to grapple with the right way to express what was troubling him. Parents know this brief pause before the big question. You experience a mix of curiosity and worry over what could be on your 12-year-old's mind. But it's important, so you wait and you listen.

“Dad, I need money, serious money, and I need it fast.”

I relaxed. As a businessperson and an investor I knew a few things about money. This probably was a problem I could address and, hopefully, teach John a thing or two in the process.

“What do you mean? Why do you need that kind of money?”

“I want money. I want my own money so I can buy things, so I can buy the things I want.”

This was my opening, and I shared with him my belief that a big part of making money is about work ethic and patience and having a good plan. I tried to express the satisfaction that comes from rolling up your sleeves and making your own way. I finished with some suggestions for ways he might make some money on his own.

“How about mowing yards? We could make some flyers when we get home, and I'll help you canvass the neighborhood.”

“But I don't want to do that.”

“That's how I made money when I was your age.”

“No, no. It's not fast enough, Dad.”

We kept going. I made suggestions, and he shot them down. My plans, it seems, either took too long or didn't create the serious big money he had in mind. After a few minutes I was frustrated and upset—parentally angry. So I collected myself and offered one last constructive suggestion. But as I shared it, I could see in the mirror that he was already struggling to find a polite way to tell me he had no interest.

Honestly, at that point I wanted to quit in frustration, to just let it go. But I made a critical decision to stay engaged and continue to search for

a plan that would work for both of us. The great thing is that we did just that. Later that afternoon, back at home, we looked at his resources, went over his options, and created a broad plan for him to earn extra cash on his own—something he could build on and grow over time. As the plan came together, his confidence grew and the mood that had gripped him earlier was dispelled.

I really don't blame John for wishing that money came easily. There have been many times when I wanted to believe that too. But here is a truth you can count on: Little money comes easy—big money doesn't. This is a foundational truth I hope you will learn and come to understand as I have, and as I hope my son will too.

This book is about the plans that create big money. If I've learned anything in my entrepreneurial career, it's this: Small plans at best yield small results, and big plans at worst beat small plans. So, when I want big results, I need a big plan. The best outcomes—in any of life's endeavors—are almost always the result of a big plan powered by persistent effort over time. That approach will not only give you the best possible chance to win, it will also put you in the best possible position to win big.

In terms of creating financial wealth—big money—one of the best ways I've seen, one that is truly accessible to anyone, is to invest in real estate. Real estate investing can be an awesome avenue to wealth. It can absolutely change your life and your family's future. In fact, it can provide you with not only the minimums you need but also the maximums you deserve. This book is not about your minimums; it's about your maximums—your maximum potential as an investor.

Whether you are a beginner or a seasoned real estate investor, this book was written for you. It was written to help you succeed and succeed big. All you need is a plan, a good plan—a proven big plan that can guide you from the beginning to the highest levels of investing. *The Millionaire Real Estate Investor* will share that plan with you. We want you to become a successful real estate investor, to achieve your goals, to prosper and

flourish over time, and even—should you so choose—to become a Millionaire Real Estate Investor.

Of course, I'd wish the same thing for my son, and maybe that's the course he'll choose. Not long after our afternoon together, John came up to me and unexpectedly asked, "Dad, will you ever teach me to make big money?"

"John," I told him, "when you're ready, it would be one of the greatest pleasures of my life to teach you."

INTRODUCTION

Ideas are the beginning points of all fortunes.

Napoleon Hill

ARE YOU READY?

Are you ready? Are you ready to become a Millionaire Real Estate Investor?

I am a lifelong teacher, and there is one thing I believe to be absolutely true: Real learning begins only when the student is open to the message. I've heard many people say, "When the student is ready, the teacher will appear," as if this were some strange or mysterious coincidence. The truth is, a teacher is almost always there and learning is simply a matter of the student being ready and willing to learn. For me this holds true whether I'm teaching an entrepreneur how to create a business plan or showing my son how to make money. If they're not ready, they don't learn! Becoming a successful real estate investor is no exception. The journey begins when you're ready to take it.

I'd like to share a few real-life stories from people who discovered one day that they were ready to start their investment journey and did:

- As a registered nurse, Barbara Mattson struggled to support her disabled husband and two children. Barbara transformed their lives when instead of paying off an avalanche of accumulated medical

bills she used a long-overdue disability settlement to buy an investment property. In five years she accumulated \$9 million in real estate, and now she runs her own real estate company.

- Donis King left her secretarial job of 16 years to pursue real estate investing and never looked back. She supported herself solely on rental income and now owns 27 houses free and clear. Donis was able to retire at an early age.
- Ken Jordan, a career biologist, left the security of his government job after buying his first multifamily investment property. He now works for himself, living off rental income and his property management company.
- As the mother of two children, Barbara Drake was determined to get a college education to set an example for her daughters. Not only did her first two investment properties pay for her degree, they put her children through school as well. Barbara quit her job to pursue real estate investing full time. Now in her sixties, she owns 36 single-family homes and lives off the cash flow.
- When Wendy Patton bought her first investment property, she was living in a hotel, made \$20,000 a year, and owed that much in student loans. Today Wendy has bought and sold more than 600 houses. She lectures around the country and lives off her investment income.
- When Danny Williams accepted an early retirement package from Delta, he owned 11 rental properties and had two children in college. Danny says he's now "totally unemployable" by choice and in complete control of his destiny.
- Jimmy and Linda McKissack struggled for years to turn a restaurant and nightclub into a sustainable business. They began supplementing their income through investment properties, and before long they "got it." Within five years they went from a handful of investment homes to 83 residential properties worth over \$10 million.

- Carlos Herbon and his wife immigrated to the United States from Argentina with \$150 in their pockets. The couple and their sons now own several million dollars, worth of real estate and run a property management company. For them the American dream has become a reality.

What did these investors have in common? On the surface, not much. They came from all over and began their investment journeys with vastly different resources. Some had stable jobs and equity in their homes, while others began with massive debt, no credit, and not much more than the change in their pockets. What they *did* share was a burning desire and a readiness to change their lives, to succeed on their own, without a job or a boss, without a pension plan or a safety net, in the entrepreneurial world of real estate investing.

Their drive and will to succeed were strong enough to lead them to do the right things day in and day out for months and years as their net worth steadily grew. None were “instant millionaires,” won the proverbial lottery, or tapped into some “secret formula” for overnight financial success. They were ready and they were willing. They got a plan, and they implemented it with persistence and patience.

The Millionaire Real Estate Investor is about building great financial wealth, and although there are ways to make money fast even in real estate investing, this book is not about “get-rich-quick” schemes and techniques. Frankly, there are no express elevators to the top in financial wealth building—just a long flight of steps. But it is a worthy journey, and reaching the top takes both patience and perseverance. This book is about a tried and true financial wealth-building vehicle that rewards those who have patience and perseverance—that vehicle is real estate.

I’m a Millionaire Real Estate Investor too, but perhaps more important, I’ve also had the privilege, as the founder of one of the largest and fastest-growing real estate franchise companies in history, to oversee and consult

on thousands of real estate transactions. In my career I've seen a lot of financial wealth built through real estate. I've also seen money lost. As an agent and broker, a business owner and investor, and an advisor and consultant, I've explored almost every angle of real estate. And I've been taking notes.

In the end, though, this book isn't about me, and even though we interviewed over 100 of them, it's not about the other Millionaire Real Estate Investors you'll meet in these pages. *The Millionaire Real Estate Investor* is about you, your choices, and your possibilities. It's about the millionaire in you. The millionaire in you who dreams of fulfilling all the thoughts and visions in your head and heart. It's about the unrealized you, the you that wants to focus on how big your life can be and act accordingly. I believe *The Millionaire Real Estate Investor* is about the real you, not some idealized you or some new person you need to become. It's about the actual, factual, bona fide you, the naked-before-the-mirror, indisputable, unquestionable, honest-to-God (you know what I mean) authentic you. I firmly believe that the opportunity to build financial wealth—even big financial wealth—is open to you. In fact, it is open to all people who are ready and willing to accept the challenge, no matter what their shortcomings, no matter what their current station in life.

Please don't let any doubts or fears you might have turn into excuses such as "I don't have any credit; I've got too much debt; I don't know what to do; and besides, I'm no good with money." I'm here to tell you that in the end none of that really matters. It didn't matter to the Millionaire Real Estate Investors we interviewed, and it won't matter to you. It's time to set aside those doubts that whisper things like "It's not possible" or, worse, "I can't do it" and those fears that stealthily subvert your best ambitions. I want to encourage you to sidestep this kind of self-sabotage and begin the journey with confidence. With confidence it's possible for anyone, and if you're ready—possible for you.

MONEY LIVES ON THE OTHER SIDE OF FEAR

Money lives on the other side of fear. I didn't always know this, but I now know it is true. Fear keeps us from getting what we want, especially in matters of money. It is true for me, and it is true for you. All of us can look at our lives and count the times when fear stepped in, prevented us from taking action, and cost us a precious financial opportunity. In this way fear becomes a building block of future regret. It blinds us to possibilities. It keeps us where we are, stuck in a financial box—a box built by fear, a box built by our own hands.

But just as fear can stop us in our tracks, it can make us move faster than we ever imagined. Just as it can give us a negative focus, it can give us a positive focus that can galvanize us to take positive action. What is interesting is that in this moment, when we're afraid that something won't happen or even that it will, fear points out what is most important to us. It shows us what matters most in our lives. In truth, fear isn't all bad. Don't be afraid of fear. Respect it, keep going, and move past it.

Just like a river of water, fear can be bridged. Fear is only as big or as wide as you allow it to be. And as is often the case, once you've crossed that river of fear and experienced the wonders on the other side, you look back and question why you were ever afraid. But here's the catch: The only people who actually know this are those who have crossed that river and are standing on the other side. It is my hope that just like the millionaires we interviewed, you will be among those who choose to cross that river of investment fear and stand financially tall on the other side.

One of the things my coauthors and I will do in this book is dispel the kinds of unproductive fears that prevent good real estate investors from becoming great investors and, even worse, prevent many people from investing in real estate at all. At the same time we'll highlight areas where fear is a good thing and caution should be exercised. The truth is that

when you have the confidence that comes from understanding what to do, why you should do it, and how to do it right, most of your uncertainty will be left behind. Knowledge and insight can wash away more fear than anything else can. It's our sincere hope that *The Millionaire Real Estate Investor* will be a great source of knowledge, insight, and confidence for you.

Money does live on the other side of fear. But in a bigger sense opportunity lives on the other side of fear as well. Money just represents one tangible form of opportunity. It gives you options and allows you to choose. That's one reason we called this book *The Millionaire Real Estate Investor*. To us the word *millionaire* represents big opportunity, unlimited options, a large life. That's what this book is ultimately about—living a large and limitless life. The first step on that journey is to acknowledge any fears that might be holding you back and then cross that bridge. Your financial opportunity lies on the other side of your investment fears.

ANYONE CAN DO IT— NOT EVERYONE WILL

While *The Millionaire Real Estate Investor* is a handbook for investing in real estate, it is also—at its core—a manual for creating financial wealth. Creating financial wealth begins with an understanding of the best time-tested principles for making and managing money. Creating wealth is about recognizing that *wealth* and *riches* are not the same, that the gap between a *good* deal and a *great* deal is a vast chasm created by a lack of wisdom. Learning the difference can change the way you look at the world, and eventually it can change the shape of your life.

How you think matters. In fact, it matters a lot. So, before we can share with you these fundamental truths about money, investing, and real estate, we need to make sure you agree with us on two important points:

APPENDIX A

The Millionaire Real Estate Investor's Personal Budget Worksheet

On the following pages are blank copies of the Millionaire Real Estate Investor's Personal Budget Worksheet and the subworksheets you'll need to complete it. Electronic copies of these forms are available at www.MillionaireSystems.com. Good luck and keep budgeting for Net Worth.

Sample Personal Budget Worksheet			
Monthly Income			
(1)	Earned Income	\$	
(2)	Unearned Income	\$	
Gross Monthly Income		\$	
(1)	Tithe ___%	\$	
(2)	Save ___%	\$	
(3)	Invest ___%	\$	
(4)	Tax ___%	\$	
Net Spendable Income		\$	
Expenses			
		Current	Required
		Discretionary	
(5)	Housing ___%	\$	\$
(6)	Food ___%	\$	\$
(7)	Automobile ___%	\$	\$
(8)	Insurance ___%	\$	\$
(9)	Entertainment ___%	\$	\$
(10)	Clothing ___%	\$	\$
(11)	Medical ___%	\$	\$
(12)	Debt Service ___%	\$	\$
(13)	School/Child Care ___%	\$	\$
(14)	Travel/Vacation ___%	\$	\$
(15)	Misc. ___%	\$	\$
Total Current Expenses		\$	
Total Required Expenses		\$	
Total Discretionary Expenses		\$	
Budget Analysis			
Net Spendable Income		\$	
Less Required Expenses		\$	
Total Surplus/Deficit		\$	

A Personal Budget Income Breakout Worksheet

INCOME		
(1) Earned		
Salary	\$ _____	
Other	\$ _____	
Total Earned		\$ _____
(2) Unearned		
Interest	\$ _____	
Dividends	\$ _____	
Rental Income	\$ _____	
Assets Sold	\$ _____	
Notes	\$ _____	
Other	\$ _____	
Total Unearned		\$ _____
GROSS MONTHLY INCOME		\$ _____
(1) Tithing		
Charitable Giving	\$ _____	
Church Donations	\$ _____	
Other	\$ _____	
Total Tithe		- \$ _____
(2) Savings		
Cash Reserve	\$ _____	
Other	\$ _____	
Total Savings		- \$ _____
(3) Investments		
Pre Tax	\$ _____	
IRAs	\$ _____	
Business (Private)	\$ _____	
Stocks/Bonds	\$ _____	
Real Estate	\$ _____	
Annuities	\$ _____	
Collectables	\$ _____	
Other	\$ _____	
Total Investments		- \$ _____
(4) Tax		
Income	\$ _____	
Other	\$ _____	
Total Tax		- \$ _____
NET SPENDABLE INCOME		\$ _____

A Personal Budget Expenses Breakout Worksheet (1 of 2)

EXPENSES

(5) Housing

Mortgage	\$ _____
Insurance	\$ _____
Taxes	\$ _____
Electricity	\$ _____
Gas	\$ _____
Water	\$ _____
Sanitation	\$ _____
Lawn Care	\$ _____
Cleaning	\$ _____
Telephone	\$ _____
Cable	\$ _____
Internet	\$ _____
Maintenance	\$ _____
Other	\$ _____

Total Housing \$ _____

(6) Food

Groceries	\$ _____
Other	\$ _____

Total Food \$ _____

(7) Automobile

Payments	\$ _____
Gas	\$ _____
Insurance	\$ _____
Maintenance/Repair	\$ _____
Other	\$ _____

Total Automobile \$ _____

(8) Insurance

Life	\$ _____
Medical	\$ _____
Disability	\$ _____
Other	\$ _____

Total Insurance \$ _____

SUBTOTAL EXPENSES (5-8) \$ _____

A Personal Budget Expenses Breakout Worksheet (2 of 2)

EXPENSES

(9) Entertainment	
Entertainment	\$ _____
Magazines/Paper	\$ _____
Other	\$ _____
Total Entertainment	\$ _____
(10) Clothing	
Clothing	\$ _____
Other	\$ _____
Total Clothing	\$ _____
(11) Medical	
Co-Pay	\$ _____
Prescriptions	\$ _____
Other	\$ _____
Total Medical	\$ _____
(12) Debt Service	
Credit Cards	\$ _____
Loans/Notes	\$ _____
Other	\$ _____
Total Debt Service	\$ _____
(13) School/Child Care	
School	\$ _____
Child Care	\$ _____
Other	\$ _____
Total School/Child Care	\$ _____
(14) Travel/Vacation	
Travel	\$ _____
Vacation	\$ _____
Other	\$ _____
Total Travel/Vacation	\$ _____
(15) Miscellaneous	
Gifts	\$ _____
Other	\$ _____
Total Miscellaneous	\$ _____
SUBTOTAL EXPENSES (5-8)	\$ _____
SUBTOTAL EXPENSES (9-15)	\$ _____
TOTAL EXPENSES	\$ _____

APPENDIX B

The Millionaire Real Estate Investor's Personal Balance Sheet

Below is a blank copy of the Millionaire Real Estate Investor's Personal Balance Sheet. An electronic copy will be made available at www.MillionaireSystems.com. This is the tool you'll use to track your assets and liabilities—your growing Net Worth.

Sample Personal Balance Sheet					
	January 1, Last Year	January 1, This Year	Annual % Increase	Current Total	YTD% Increase
ASSETS					
Retirement Accounts	\$	\$	%	\$	%
Equity Investments					
Businesses Private	\$	\$	%	\$	%
Businesses Public					
Stocks	\$	\$	%	\$	%
Bonds	\$	\$	%	\$	%
Annuities	\$	\$	%	\$	%
Total Equity Investments	\$	\$	%	\$	%
Cash/Savings	\$	\$	%	\$	%
Insurance	\$	\$	%	\$	%
Collectibles	\$	\$	%	\$	%
Personal Property	\$	\$	%	\$	%
Real Estate Personal	\$	\$	%	\$	%
Real Estate Investments	\$	\$	%	\$	%
Notes Receivable	\$	\$	%	\$	%
Other Assets	\$	\$	%	\$	%
TOTAL ASSETS	\$	\$	%	\$	%
LIABILITIES					
Car Loans	\$	\$	%	\$	%
Credit Card Debt	\$	\$	%	\$	%
Mortgage Debt	\$	\$	%	\$	%
School Loans	\$	\$	%	\$	%
Other Debt	\$	\$	%	\$	%
TOTAL LIABILITIES	\$	\$	%	\$	%
NET WORTH	\$	\$	%	\$	%
ANNUAL CASH FLOW (EARNED)	\$	\$	%	\$	%
ANNUAL CASH FLOW (UNEARNED)	\$	\$	%	\$	%

APPENDIX C

The Millionaire Real Estate Investor's Criteria Worksheet

Below is a blank copy of the Millionaire Real Estate Investor's Criteria Worksheet. An electronic copy will be made available for download at www.MillionaireSystems.com. This is the tool you'll use to define your investment Criteria. You have to know what you're looking for to know when you've found it.

The Millionaire Real Estate Investor's Criteria Worksheet (1 of 2)	
1) LOCATION	2) TYPE
<input type="checkbox"/> Country	<input type="checkbox"/> Single Family
<input type="checkbox"/> State/Province	<input type="checkbox"/> Home
<input type="checkbox"/> Taxes	<input type="checkbox"/> Condo
<input type="checkbox"/> Rentals Laws	<input type="checkbox"/> Town Home
<input type="checkbox"/> Weather	<input type="checkbox"/> Mobile Home
<input type="checkbox"/> County/Parrish	<input type="checkbox"/> Zero Lot/Garden
<input type="checkbox"/> City/Town	<input type="checkbox"/> Small Multi Family
<input type="checkbox"/> Taxes	<input type="checkbox"/> Duplex
<input type="checkbox"/> Services	<input type="checkbox"/> Fourplex
<input type="checkbox"/> Neighborhood	<input type="checkbox"/> Large Multifamily/Commercial
<input type="checkbox"/> School District	<input type="checkbox"/> Land/Lot
<input type="checkbox"/> Crime	<input type="checkbox"/> New/Preconstruction
<input type="checkbox"/> Transportation	<input type="checkbox"/> Resale
<input type="checkbox"/> Shopping/Recreation	<input type="checkbox"/> Urban
<input type="checkbox"/> Street	<input type="checkbox"/> Suburban
<input type="checkbox"/> Traffic	<input type="checkbox"/> Exurban
<input type="checkbox"/> Size	<input type="checkbox"/> Rural
<input type="checkbox"/> Lot	<input type="checkbox"/> Resort/Vacation
<input type="checkbox"/> Zoning	<input type="checkbox"/> Farm/Ranch
<input type="checkbox"/> Adjoining Lots	3) ECONOMICS
<input type="checkbox"/> Lot Size	<input type="checkbox"/> Price Range
<input type="checkbox"/> Trees	<input type="checkbox"/> From \$ _____
<input type="checkbox"/> Privacy	<input type="checkbox"/> To \$ _____
<input type="checkbox"/> Landscaping	<input type="checkbox"/> Discount _____%
<input type="checkbox"/> Orientation/View	<input type="checkbox"/> Cash Flow \$ _____ / Mo
	<input type="checkbox"/> Appreciation _____%/Yr

The Millionaire Real Estate Investor's Criteria Worksheet (2 of 2)

- | | |
|---|--|
| <p>4) CONDITION</p> <ul style="list-style-type: none"> <input type="checkbox"/> Needs No Repair <input type="checkbox"/> Needs Minor Cosmetic <input type="checkbox"/> Needs Major Cosmetic <input type="checkbox"/> Needs Structural <input type="checkbox"/> Needs Demolition <p>5) CONSTRUCTION</p> <ul style="list-style-type: none"> <input type="checkbox"/> Roof <input type="checkbox"/> Walls (Exterior) <input type="checkbox"/> Foundation <input type="checkbox"/> Plumbing <input type="checkbox"/> Water/Waste <input type="checkbox"/> Wiring <input type="checkbox"/> Insulation <input type="checkbox"/> Heating/AC <p>6) FEATURES</p> <ul style="list-style-type: none"> <input type="checkbox"/> Age/Year Built _____ <input type="checkbox"/> Beds _____ <input type="checkbox"/> Baths _____ <input type="checkbox"/> Living _____ <input type="checkbox"/> Dining _____ <input type="checkbox"/> Stories _____ <input type="checkbox"/> Square Feet _____ <input type="checkbox"/> Ceilings _____ ft. <input type="checkbox"/> Parking/Garage <input type="checkbox"/> Kitchen <input type="checkbox"/> Closets/Storage <input type="checkbox"/> Appliances (Gas/Electric) <input type="checkbox"/> Floor Plan (Open, In-law) <input type="checkbox"/> Patio/Deck <input type="checkbox"/> Basement <input type="checkbox"/> Attic <input type="checkbox"/> Lighting <input type="checkbox"/> Walls (Interior) <input type="checkbox"/> Laundry Room | <p>7) AMENITIES</p> <ul style="list-style-type: none"> <input type="checkbox"/> Office <input type="checkbox"/> Play/Exercise Room <input type="checkbox"/> Security System <input type="checkbox"/> Furniture/Furnishings <input type="checkbox"/> Sprinkler System <input type="checkbox"/> Workshop/Studio <input type="checkbox"/> In-Law Suite <input type="checkbox"/> Fireplace(s) <input type="checkbox"/> Pool <input type="checkbox"/> Hot Tub <input type="checkbox"/> Ceiling Fans <input type="checkbox"/> Window Treatments <input type="checkbox"/> Satellite Dish <input type="checkbox"/> Internet (Broadband) <input type="checkbox"/> Sidewalk <input type="checkbox"/> Energy Efficient Features <input type="checkbox"/> Other: <ul style="list-style-type: none"> <input type="checkbox"/> _____ <input type="checkbox"/> _____ <input type="checkbox"/> _____ <input type="checkbox"/> _____ <input type="checkbox"/> _____ <input type="checkbox"/> _____ |
|---|--|

APPENDIX D

The Millionaire Real Estate Investor's Cost of Repair Worksheet

Below is a blank copy of the Millionaire Real Estate Investor's Cost of Repair Worksheet. As with the other forms and worksheets, an electronic copy is available for download at www.MillionaireSystems.com. This is the tool you'll use to calculate the repair costs on any Buy & Hold or Buy & Sell you might consider.

While it may not appear to be the case, this spreadsheet is far from comprehensive. That was not our intent. The level of detail is meant to get you to think about the fine points involved in your repairs. You may have used the back of an envelope to estimate repair costs when you were formulating the initial offer; however, between contract and close you'll want to do your due diligence in detail while you still have a chance to renegotiate the terms or pull out.

While it's true that every house has a surprise (sometimes a big one), many beginning investors run into trouble through the accumulation of lots of small bills. For example, rewiring an electrical outlet for \$20 may seem like too small cost to account for in the grand scheme of a \$10,000 rehab project, but if your property has 25 outlets, you now have a \$500 bill. That little bill adds up to 5 percent of your total costs. One 5 percent oversight won't kill your profits, but three or four might.

The organization of this worksheet is also meant to be instructive. Instead of categorizing repairs by room (kitchen, bedroom, bathroom, etc) or type (carpentry, painting, masonry, etc), we've opted for categories that in some ways describe the relative risk of the repairs. There is a natural escalation of risk for the investor from Cosmetic Minor to Cosmetic Major and on to the

highest level of risk, Structural. The more repairs you have in these increasingly unpredictable categories, the larger your contingency factor should be. There is much less guesswork involved in Fixtures/Appliances and Landscaping, the two categories that round out the repair worksheet. Remember to do your due diligence in detail. The deal, after all, is in the details.

Cost of Repair Worksheet			
Cost of Repair Summary			
1	Cosmetic Minor	+ \$	0.00
2	Cosmetic Major	+ \$	0.00
3	Structural	+ \$	0.00
4	Fixtures/Appliances	+ \$	0.00
5	Landscaping	+ \$	0.00
	Contingency Factor	+ \$	0.00 10 %
Total Cost of Repair		= \$	-
I Cosmetic Minor Sub-Worksheet			
Cleanup			
	Interior Cleaning	+ \$	_____
	Exterior Powerwash	+ \$	_____
Electrical			
	Install GFCIs	+ \$	_____
	Lights	+ \$	_____
	Outlets	+ \$	_____
	Fuse box	+ \$	_____
Roof			
	Shingle Repair	+ \$	_____
	Attic Vents	+ \$	_____
	Rain Caps	+ \$	_____
	Gutters/Downspouts	+ \$	_____
Chimney/Hearth			
	Cleaning	+ \$	_____
	Repair	+ \$	_____
Kitchen			
	New Countertops	+ \$	_____
	New Backsplash	+ \$	_____
Flooring			
	Carpet	+ \$	_____
	Tile	+ \$	_____
	Vinyl	+ \$	_____
	Laminate	+ \$	_____
Plumbing			
	Fixture installation	+ \$	_____
	Replace bibs	+ \$	_____
	Update Gas Valves/Hoses	+ \$	_____
Carpentry			
	Shelving	+ \$	_____
	Rehang/Adjust Doors	+ \$	_____
	Trim/Molding	+ \$	_____
	Misc Mill Work/Repair	+ \$	_____

Handicap Access		
	Ramp	+ \$ _____
	Railing	+ \$ _____
	Debris/Garbage Removal	+ \$ _____
Exterior Walls		
	Driveway Patching/Repair	+ \$ _____
	Trim/Siding Repair	+ \$ _____
	Skirt Replacement	+ \$ _____
	Patch/Repair Masonry	+ \$ _____
	Paint	+ \$ _____
	Screens	+ \$ _____
	Replace Window Panes	+ \$ _____
	Shutters	+ \$ _____
	Weather Striping/Caulking	+ \$ _____
Interior Walls		
	Patch Dry Wall/Plaster	+ \$ _____
	Paint	+ \$ _____
	Rehang/Adjust Doors	+ \$ _____
	Trim	+ \$ _____
	Crown Molding	+ \$ _____
Misc		
	Labor	+ \$ _____
	Contractor Fees	+ \$ _____
	Trash Container Rental	+ \$ _____
	Debris/Garbage Removal	+ \$ _____
Total Cosmetic Minor		= \$ _____

2

Cosmetic Major Sub-Worksheet

Electrical		
	Rewiring Throughout	+ \$ _____
		+ \$ _____
Plumbing		
	Install New Pipes/Lines	+ \$ _____
	Line Repair/Replacement	+ \$ _____
Pool/Spa		
	Demo/Fill	+ \$ _____
	Pump/Filtration	+ \$ _____
	Addition	+ \$ _____
Carpentry		
	Custom Built-ins	+ \$ _____
	Decorative Woodwork	+ \$ _____
Flooring		
	Hardwood	+ \$ _____
	Tile	+ \$ _____
Exterior Walls		
	Siding Replacement	+ \$ _____
	Skirt Replacement	+ \$ _____
	Masonry	+ \$ _____
	New Driveway	+ \$ _____
	New Deck	+ \$ _____
	New Porch/Stoop	+ \$ _____
	New Patio	+ \$ _____
Interior Walls		
	Framing	+ \$ _____
	New Door	+ \$ _____
	New Window	+ \$ _____
	Replace Dry Wall	+ \$ _____

Misc	Labor	+ \$ _____
	Contractor Fees	+ \$ _____
	Garage Door	+ \$ _____
	Trash Container Rental	+ \$ _____
	Debris/Garbage Removal	+ \$ _____
Total Cosmetic Major	=	\$ _____
3	Structural Sub-Worksheet	
Foundation Repair	Slab	+ \$ _____
	Pier & beam	+ \$ _____
Replace HVAC Ducts/Vents		+ \$ _____
Roof	Shingles/Surface	+ \$ _____
	Decking	+ \$ _____
	Trusses /Trim	+ \$ _____
Septic Repair/Replacement		+ \$ _____
Walls Interior New/Demolish		+ \$ _____
Walls Exterior New/Demolish		+ \$ _____
Gas Line Repair/Replacement		+ \$ _____
Misc	Labor	+ \$ _____
	Contractor Fees	+ \$ _____
	Trash Container Rental	+ \$ _____
	Debris/Garbage Removal	+ \$ _____
Total Structural	=	\$ _____
4	Fixtures/Appliances Sub-Worksheet	
FIXTURES		
Lighting	Ceiling Lights	+ \$ _____
	Wall Lights	+ \$ _____
	Ceiling Fans	+ \$ _____
	Exterior Lights	+ \$ _____
Bathroom	Medicine Cabinet	+ \$ _____
	Countertops	+ \$ _____
	Vanity	+ \$ _____
	Cabinets	+ \$ _____
	Shower	+ \$ _____
	Bathtub	+ \$ _____
	Mirrors	+ \$ _____
	Toilet	+ \$ _____
Kitchen	Cabinets	+ \$ _____
	Island	+ \$ _____
Misc Fixtures	Labor	+ \$ _____
	Contractor Fees	+ \$ _____
	Parts/Tools	+ \$ _____
	Door Knobs/Hinges	+ \$ _____
	Cabinet Pulls/Hinges	+ \$ _____
	Window Coverings	+ \$ _____
	Screens	+ \$ _____
	Gas Alarm	+ \$ _____
	Smoke Alarm	+ \$ _____
	Keys/Locks/Lock Boxes	+ \$ _____

House Numbers	+ \$	_____
Mail Box	+ \$	_____
FIXTURES SUBTOTAL	= + \$	_____
APPLIANCES		
Dishwasher	+ \$	_____
Oven	+ \$	_____
Range	+ \$	_____
Hood	+ \$	_____
Microwave	+ \$	_____
Water Heater	+ \$	_____
HVAC	+ \$	_____
Refrigerator	+ \$	_____
Trash Compactor	+ \$	_____
Disposal	+ \$	_____
Alarm System	+ \$	_____
Garage door opener	+ \$	_____
Sump Pump	+ \$	_____
Radiators	+ \$	_____
Other	+ \$	_____
Other	+ \$	_____
Misc.		
Labor	+ \$	_____
Contractor Fees	+ \$	_____
APPLIANCES SUBTOTAL	= \$	_____
Total Fixtures/Apliances	= \$	_____

5 Landscaping Sub-Worksheet

Lawn		
Resod	+ \$	_____
Reseed	+ \$	_____
Mowing/Trimming	+ \$	_____
Trim Hedge/Shrubs	+ \$	_____
Trim Trees	+ \$	_____
Watering	+ \$	_____
Plants/Beds		
New Beds	+ \$	_____
Flowers	+ \$	_____
Shrubs/Hedges	+ \$	_____
Trees	+ \$	_____
Retaining Walls		
Timber	+ \$	_____
Paint	+ \$	_____
Stain	+ \$	_____
Replace/Install	+ \$	_____
Misc		
Labor	+ \$	_____
Contractor Fees	+ \$	_____
Pavers/Stepping Stones	+ \$	_____
Sprinkler System	+ \$	_____
Decorative Urns/Statues	+ \$	_____
Fertilizer	+ \$	_____
Mulch/Gravel	+ \$	_____
Top Soil	+ \$	_____
Storage Shed	+ \$	_____
Trash Container Rental	+ \$	_____
Debris/Garbage Removal	+ \$	_____
Total Lanscaping	= \$	_____ -

About the Authors

Gary Keller is a self-made millionaire and founder of Keller Williams Realty International, the fifth-largest and fastest growing real estate franchise system in North America. With over 25 years of industry and investing experience, he's been involved in thousands of transactions. He is also the author of the best-selling *The Millionaire Real Estate Agent*.

Gary is married to Mary Pfluger and they have one child, John Christian. He enjoys playing guitar, reading, movies, sports and spending as much time as possible with his family and friends.

Dave Jenks serves as dean of Keller Williams University and vice president of research and development at Keller Williams Realty. Dave has been in the real estate industry since 1981, has taught for the Dale Carnegie Institute, and owned his own training company, the Leadership Connection, Inc. He is the father of three and grandfather of nine. He loves travel, reading and golf.

Jay Papasan is an editor and writer. A graduate of the New York University graduate writing program, his freelance work has appeared in *Texas Monthly* and *Memphis Magazine*. Jay lives in Austin with his wife, Wendy, their son, Gus, and their cat, Booboo.