

The Power Of Real Estate Investing- 7 Steps To Make Money And Create A Lifetime Of Wealth
Kemi Egan

I liked everything about this book, starting with the way it came to my attention.

Kemi Egan wrote me an email asking if I, at top 1000 Amazon reviewer, would review it. That is exactly the kind of proactive thinking that she recommends in the book. I like the email and accepted the offer.

I was a bit surprised at the structure of the book. Fully the first half of it does not talk about real estate. She talks instead about the characteristics of a successful person.

The first thing a successful person must do is to decide that they want to succeed. This means overcoming all of the naysayers in one's life. If a person who is successful is the exception. Especially for a working class person, they will probably be unlike others in the family, in the neighborhood. Not only will your, seeking to make something of yourself set up apart from the others but you will represent something of a threat to them. If you succeed, it will beg the question, why haven't they succeeded? Some people will try quite directly to pull you down, simply to not make them look bad.

This is the first trap that you must escape – the trap of low expectations, of other people's negativity.

The second thing that any successful person must develop, is a sense of money management. The basic rule is that you have to have more money coming in and then going out. Egan points to periods in her life when it was the opposite. She had more money going out than coming in. She was acutely, excruciatingly conscious of this problem and worked as hard as she could to remedy it. One simply cannot run a budget deficit forever. She always did, thus good therefore, new her financial situation and kept her financial situation in mind as she made decisions.

The third thing that comes across in the book is the need to rely on other people. Egan has a partner, and discusses in her book the great number of partnerships, joint ventures, uses of agents and others. In order to be successful you have to work with tenants, creditors, and myriad other people. You have to convince them that you are honest, and that working with you is going to be profitable for them. More than profitable, it has to be something that they enjoy doing. You have to be somebody who is attractive to work with.

That represents the first half of the book. You have to have the right mindset, the right mental habits. Then she gets into the details of making money in real estate.

She starts out by outlining the simplest of cases. You buy a house for \$25,000 down payment, mortgaging the other 75%, and getting a tenant in the house whose rent covers the mortgage. You make a little bit of monthly profit. That's the baseline model.

She very quickly expands on the baseline model. One strategy is to buy a property and improve it. If you buy a property and then you invest some money to fixing it up, it becomes worth more. Then you can either sell it and pocket the profit or refinance it, and use the money that you recoup as your down payment on another property.

She speaks about buying distressed properties – properties that have suffered fire damage or neglect. She has a rule of thumb that she does not want to pay more than 75% of the real value of anything she buys. Property quite frequently sells at discounted rates like this because in order to recognize the real value the buyer has to put work into it. My childhood friend Denny grew rich through this strategy and is now extremely comfortable. As a real estate investor I did not do this; I simply bought and hold held. He has done better than I have, but we are both comfortably retired.

Egan talks about other strategies such as joint titles, or subdividing properties. The insight in this case is that every individual brings something unique to a deal. As I look at property deals here in Ukraine I note that I bring the advantage of familiarity with investing, a certain amount of capital, and access to investors in the United States who are facing the prospect of receiving negative interest rates from their banks. A potential Ukrainian partner would bring native language ability to deal with developers and probably a better knowledge of the culture and the how to deal with workmen than I have. It makes all the world sense in the world to partner. But in any case, partnerships are almost always a useful alternative to consider. No individual has all of the skills necessary to fully exploit any given business opportunity. As long as you are a person who can be trusted – reputation is everything – and can find others of similar trustworthy nature, you can make money.

I mention as an afterthought a fact that does not even appear in the book. Kimi Egan is a minority. I absolutely love minority success stories, particularly when the success speaks for itself so much that only after I Google her does this fact come to light. She is a woman who has succeeded with no caveats, ifs, ands or buts. I would love to read a great many more such stories. This one I found heartwarming. That's the end of a five-star review. Please buy the book and enjoy it.