BC

Global Investments, LLC

REccountability

Real Estate Investor Beginner Course

In this self-paced course, you'll get all of this and more:

- ✓ Proven Systems to help you succeed as a Real Estate Investor
- ✓ Access to Lenders, CPAs, attorneys and insurance agents
- ✓ Deal Review
- ✓ Additional coaching, support and assistance as needed

Do not hesitate to reach out with questions or issues!

erin@bcglobalinvestments.com

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Welcome to REccountability

I'm so excited that you're here and so excited to be on this real estate journey with you!

Congratulations on taking this step! Whether it is a baby step, or a giant leap, what is important is that you are making progress!

You will get out of this course what you put in. If you are committed, and decide to take action to achieve your goals, you *will* achieve them! It is not enough to simply complete the course, you need to give it 100% and you need to commit to taking action, making necessary changes in your life, and surrounding yourself with people that will encourage you and elevate your game!

If you take nothing else away from this course, it's that the ONLY thing standing in the way of you and your goals is YOU!

Email all your assignments to me at erin@bcglobalinvestments.com so I can keep up with you, hold you accountability and provide feedback.

Please take our survey at the end of the course. I need you to be open and honest and don't hesitate to hit us with the truth! We want to continually make this entire course better for everyone who takes it after you!

Lastly, do not share this guidebook or any of my videos with someone who has not paid for the course!

Meet Your Coach

Erin is originally from Buffalo, NY and served as an U.S. Army Engineer for 14 years. After leaving active duty, she embarked on a career as a Real Estate Investor. She is now a proud Army wife and mom to two beautiful little girls. Erin built a real estate portfolio valued at over $2M that cash flows over $4,000 per month within her first year as an investor! She coaches and teaches others in real estate investing @ BC Global Investments.

Erin excelled as an Army Engineer officer, shattering glass ceilings and paving the way for women who came after her. When she was put on orders to deploy the same month as her husband, shortly after having their first daughter, she knew the Army was no longer going to work for her. She resigned overnight, leaving the Army without a plan. Erin wanted to be successful and show her daughters the value of hard work and creating something to be proud of, but did not want to be tied to a 9-5 job and be told where to be and when to be there. So, she embarked on a quest to figure out exactly what that looked like. Navigating the terrifying yet incredibly fulfilling journey to buying her first rental property led to the realization that she loved chasing the deal, negotiating, and building a solid future for her family. She, along with her husband, purchased 19 doors in the first year and a half, and her business earned six figures during the first full year of operation.

Erin loves to help people achieve financial freedom through Real Estate Investing and is passionate about coaching, training and mentoring people to be successful. Her business was created to build a future for her family and leave a legacy, but it quickly morphed into a passion to teach others to do the same.

Erin also loves to travel, workout, hang out with her studly husband, and spend as much time exploring the world with her two beautiful daughters as she possibly can!

What You Can Expect

This course is broken down in to **four phases** and can be completed at your own pace. I'll give you the assignments, or action steps I expect you to take, the optional reading materials, the systems and documents that accompany what we will learn, and then prepare you for the actual lesson for the phase. Each lesson will be administered via video that you can watch whenever you have the time.

Phase 1: Charting Your Course

Goal Setting & Mindset

Phase 2: Laying The Foundation

Discovering ways to purchase real estate & Building your team

Phase 3: Putting It All Together

Analyzing Markets & Deals

Phase 4: Taking Flight

Making Offers

Phase 1: Charting Your Course

1. Watch The Power of Real Estate Video
   1. Run various scenarios using the goal Setting File.
   2. Establish a game plan.
2. Develop Your Why

3. Create a Strategic Plan
   1. Read this Blog Post.
   2. Watch this Video.
3. Set your goals! Aim high!
4. Establish your KPIs.
5. Use our Pre-Qualification Checklist and gather your documents so you can be ready when the right property comes along! Note: Do not get officially pre-qualified until you are ready to use your loan. You pre-qualification letter will affect your credit and is only good for 30 days.

Optional Reading:

- You Are a Badass at Making Money by Jen Sincero
- Talent Is Overrated by Geoffrey Colvin
- Grit: The Power of Passion and Perseverance by Angela Duckworth
- Crushing It! by Gary Vaynerchuk
- Start with Why by Simon Sinek

Goal Setting & Mindset

Phase 1 is all about mindset, meditation and goal setting.

Some books that go well with phase 1 are:

You Are a Badass at Making Money by Jen Sincero

Talent Is Overrated: What Really Separates World-Class Performers from Everybody Else by Geoffrey Colvin

Grit: The Power of Passion and Perseverance by Angela Duckworth

Crushing It!: How Great Entrepreneurs Build Their Business and Influence-and How You Can, Too by Gary Vaynerchuk

I am a firm believer in mindset and goal setting. This is something that we need to work on consistently. It is not something we can do once and be done. I quite literally set goals every Sunday. No matter what I sit down for 20-30 minutes *every* Sunday and review my goal sheet: making changes, crossing goals off and adding new ones all the time. Please add goal setting to your schedule regularly! I promise it will be worth your time. Keep record of your goals over time. In a year, or five, or twenty, it'll be really cool to see where you are and how far you've come.

Also, write them down, draw them out, and POST THEM EVERYWHERE!

Mindset

Mindset is EVERYTHING! If you really, truly want to succeed, you need to wake up every single day and make the decision. Decide that you will do what it takes, NO MATTER WHAT!

Stop looking at everyone as competition. I promise you there are plenty of deals to go around. As long as people are breathing on this planet, and there is a need for housing, you will find great opportunity in the real estate world.

Adopt an attitude of abundance! Know there is plenty to go around and start networking with those you think are competition. Figure out how you can bring them something of value, and 9 times out of 10, they will return the favor.

Now, don't get me wrong, you are going to have bad days. Some will be really bad! Just the other day, I found out someone was squatting in one of my flips. Seriously, he had his room all set up, his sleeping bag, his computer and speakers, too! And then there was that time I gave a roofer $4200 to buy materials and I never heard from him again.

Those were not my best days, but they happen, and more often than I'd like, but I now know that no matter what, I have to deal with on any one individual property, or no matter how bad a rehab goes, I am in this for the long haul, and I will build a legacy I can pass on to my daughters.

I know exactly what drives me! I have taken a long time to truly develop MY WHY! And I reflect on it constantly and consistently. If you don't know what you're doing all of this, and I mean REALLY know, you won't be able to make it through these bad days.

So take some time and really start thinking about your Why. I have a wall in my house dedicated to visual representations of my short and long term goals and what I want my life to look like for me and my family.

Note that "making money" or "getting rich" are not good enough reasons! Take it further than that! Why do you want to make money and be rich? So you can travel the world? Buy the Denver Broncos? Start a non-profit? Whatever it is, figure it out specifically, paint it clearly in your head and everywhere else, and start ruthlessly pursuing it.

Meditation

This is not for everyone, but it has changed things for me, so I want to talk about it. I am not particularly good at it, but I am getting better and the practice of it has benefitted me in more than just my business. I am more patient with my kids, more understanding with my husband, and just generally more tolerant of everyone in my life!

Sometimes, I get nothing out of it, but simply the act of taking the time every day to meditate, focus my mind and ground myself pays off. I recommend downloading the App HeadSpace and working through some of the free meditations there. Meditation will allow you to look at your thoughts differently and will teach you how not to be a slave to your fears and anxieties. YOU WILL NOT MASTER IT OVERNIGHT and you will probably be terrible at it at first, but please give it some time. In fact, let's all plan to do this for 3 minutes per day, 5 days a week over the next four weeks. That's one hour of your life, and if it doesn't work, you can quit, but please try!

Goal Setting

Some of you might think that we are doing this backward, that maybe we need to figure out where we want to go before we figure out why we want to go there, but I very much disagree. Your goals WILL change. As you go after your WHY, you will be amazed at how your perspectives change over time. As you achieve success and you fuel your why, you're going to want to reach higher and achieve more. I see goal setting as simply a technique in the pursuit of your why. Before we figure out where we want to go, we need to figure out where we are now. If you have dreams of owning a $5 Million real estate portfolio, but you have $85,000 worth of credit card debt, you are going to have a hard time getting any bank or lender to provide you the leverage you need to achieve your portfolio goals. In this scenario, your first step has to be getting out of debt.

Assignments:

1. Develop your WHY. Use the standard below to get started. Remember, that its okay if you can't nail this down *right now.* This will almost always be a work in progress, but as long as you are continuing to refine it and develop it, you are on the right track.
2. Lay out your goals.
3. Share your goals with anyone who will listen!
4. Develop Your KPIs
5. Refine and adjust (over and over again).

Key Performance Indicators

We’ve heard the term KPI thrown around a lot lately. It seems like all the successful investors are using KPIs and have great things to say about them. We know it’s good for us and something we *should* do, but actually putting some into practice is a different story. So let’s start from the beginning.

What exactly are KPIs?

According to dictionary.com, a Key Performance Indicator, or KPI, is “a quantifiable measure used to evaluate the success of an organization, employee, etc. in meeting objectives for performance.” Simply put: KPIs allow you to measure how productive you are in achieving your goals.

Why are KPIs important?

Because if you are not successfully meeting your objectives, your work can be largely (or wholly) useless. It is imperative to know that the things you are doing are leading to your goals and objectives. Otherwise, you will literally be spinning your wheels and it is only a matter of time before you burn out, quit, or get fired.

How do I develop KPIs that will help me?

A simple google search will give you various KPI examples, but developing these is something you (or your organization) have to do on your own. Unless someone has the exact same timeline and end state as you, stealing their KPIs is not going to get you the best or quickest results.

The first thing you need to do is layout each stage of your strategy. Starting with deal acquisition to closing (whether you are wholesaling, building, or purchasing a dwelling), each step of the process needs to be delineated.

Key Performance Indicators (cont'd)

Each of these has quantifiable outcomes, and these outcomes can be optimized with appropriate KPIs. KPIs will allow you to track these quantifiable outcomes so you can determine where you currently stand and what your issues are, or where you are falling short.

Before really building these, you need to wrap your head around the two broad types of indicators. There are lead indicators and lag indicators. A lead indicator is something you can control, and something that can induce change. A lag indicator is basically the result of your actions.

As a real estate investor, finding the deal is often the first stage of our strategy, so the scenario we will look at in this post will focus there.

In this case, the lead indicator is making offers, while the lag indicator is accepted offers. You can completely control when, how, and how often you make offers, but you cannot control whether those offers get accepted. Furthermore, if you do not make offers, you will not get accepted offers.

This is important to note because your leading KPIs need to be achievable and productive. If your KPI is to have three offers accepted per week, you could offer ten, 100, or 1,000 times and not get a single accepted offer. On the flip side, you could offer three times and achieve three accepted offers. The point is, the lag indicator, or accepted offers in our example, is the result or the goal, and not an action or activity.

Developing Your KPIs

Step 1: Clearly define the Problem.

What is it that you and your organization are trying to solve? What issues are you having? What obstacle do you need to overcome to achieve your goal or end state?

Scenario: You have a hard time finding properties to analyze. You are spending hours each day searching for properties to analyze.

Problem: You are not generating enough property or seller leads to achieve your goals.

Step 2: Layout exactly how the solution to the problem will be measured.

How will the solution be measured?

Scenario: Your ultimate goal is to close on four deals per month, or one deal per week.

Measured Solution: One Accepted Offer per week.

Developing Your KPIs

Step 3: Figure out how to achieve these results.

What needs to happen in order to get to the solution you are measuring?

Scenario: To get to one accepted offer (and ultimately one closed deal) every week, you first need to know how many deals you will have to analyze and how many offers you will have to make to achieve one accepted offer.

You know from experience that you have to analyze 7 properties in your market before you find one that could work and is worth offering on. Of those, one out of every 3 offers is accepted. Therefore, you have to analyze 21 properties for every accepted offer. Since you'd like to close on one deal per week, you have to analyze 21 properties every week, or 3 properties every day.

How to achieve results: Analyze 3 properties every day.

Developing Your KPIs

Step 4: Determine exactly how success is measured.

Now we know what needs to happen to drive results, so we have to get to the root of the problem. In this case, we aren't getting enough leads each day. More simply: we don't have enough deals to analyze.

In order to impact results, you have to nail down the exact solution. You already know that you need more leads, but "find more leads" is not exactly measurable.

Scenario: How will you get to your baseline of three deals per day?

If you need to get three deals to analyze every day, you need to find the source of these deals. Deals can be found in a variety of ways: from agents and wholesalers, driving for dollars, direct mail marketing, cold calling, auctions, etc.

Success: Your network of wholesalers and agents will send at least one deal to your inbox every day. You will find the third deal (or however many you still need) by driving for dollars every afternoon.

Developing Your KPIs

Step 5: Refine and Adjust.

Once you have your KPIs developed, schedule time to refine them regularly and routinely. Realize that KPIs are a baseline. They are the bare minimum that you need to do and achieve every day to be successful and on track for your goals. Remember this when preparing them. You need to be able to accomplish these one your worst, busiest day. On days that you have more free time, you can double or even triple your KPIs and reach success quicker.

Scenario: You originally had to analyze 7 properties before you found one that worked. As you get better at analyzing and figuring out what you are looking for and where to find it, this number will go down. Furthermore, you will get better at writing offers and negotiating deals. Your track record for accepted offers will improve as well.

Eventually you only need to analyze five properties before finding one worth making an offer on. And one of every two that you offer on results in an accepted offer. Now you have to analyze ten properties for every accepted offer rather than 21. You are twice as efficient simply because you've been practicing your KPIs every day. You can now double your goal, or enjoy the extra free time.

Pre-Qualification Checklist

We want to ensure that when the right property comes along, you're financing is lined up and you can make an offer! Gather all of this information and documentation, and we can set you up with an amazing and thoroughly vetted loan officer.

Last (2) years W-2

Last (2) years Federal Tax Returns including all schedules

Past (30) days pay stubs

(2) Months of current banks and assets accounts statements

Copy of your Driver's License or State ID Card

Copy of cancelled earnest money check

Provide a check or Credit Card number for the loan application fee

Do you have a Trust?

If yes, please provide the following documentation:

All encompassing information (via Attorney or JAG)

If you own Real Estate or are Self-Employed/Sole Proprietor, please provide the following for EACH property:

Copy of current mortgage statement(s)

Copy of tax bill(s)

Copy of lease(s)

Copy of homeowner's insurance bill(s)

Do any of the properties you own (investment or primary) have an association fee attached to them (ex: HOA)? You will need to provide documentation of this as well

Are you currently under contract with another property/investment opportunity?

If yes, you will need to provide documentation and address(es)

Do you own any properties within an IRA account?

If yes, you will need to provide documentation and address(es)

Are you the owner or a party to any Short Term Rental (AirBnb, VRBO, etc.) properties?

If yes, you will need to provide documentation and address(es)

Phase 2: Laying the Foundation

1. Watch Your Real Estate Team Video
2. Meet My Real Estate Team
3. Watch Ways to Buy Real Estate Video
4. Discover the various ways to purchase real estate
5. Begin to build your team using the Team Member List

Reading:

- Bigger Pockets' Ultimate Beginners Guide to Real Estate

Additional Resources:

Property Manager Interviews:

- 15 Questions to Ask your Property Manager

Contractor Interviews:

- 12 Questions to Ask your Contractor

Purchase Types

When working to acquire a property from a homeowner, it is critical to understand that there are various ways a property can be transferred to a buyer. Some of these strategies include:

cash purchase

mortgage

'subject to' purchase

seller carry or 'seller financing'

seller carry with wrap around mortgage

joint venture rehab

purchase and lease back

Understand that there are A LOT of ways to purchase real estate, and any creative combination you can put together will probably work as well.

You don't have to fully understand them all right now. Take some notes on each, research them, and know that anytime you are reviewing a property, you can look at these various options to see if any can be applied.

Your Team

The right team will not only allow the project to succeed, it will help to ensure that you are buying the right property from the beginning. Before making your first offer, getting the right team in place is critical

At a minimum, aim to build a team consisting of the following:

Inspector

General Contractor

Property Manager

Real Estate Agent (s)

Wholesaler (s)

CPA

Insurance Agent

Attorney

Lender

Private or Hard Money Lender

Mentor

Accountability Partner or Team

Phase 3: Putting it all Together

1. Watch Analyzing a Real Estate Market Video
2. Complete an analysis of your market of choice and begin to pinpoint specific micro-markets you would like to research.
3. Watch Real Estate Property Analysis Video
4. Analyze 3 properties using each of the 3 tabs in the property analysis packet and develop your own property analysis document.
5. Download and Save Course Materials
   - Nashville Macro Market Analysis
   - Nashville Micro Market Analysis
   - Property Analysis Packet (note that there are 3 tabs)
   - Investor Presentations

Additional Resources:

My Nashville Market Analysis

greatschools.org

rentometer.com

Zillow.com

Tax Records

Crime Reports

Market Analysis

Before even looking at properties, it's important to know you are in the right market. I want you to understand that markets can vary immensely. Sometimes it is just a matter of what street a property is located on. For example, there could be a house on one side of the street that rents for $1800/month or sells for $300,000 but then right across the street you find houses renting for $1000/month and sells for $125,000.

So let's start looking at the market as a whole, then looking at where you want to invest within that market. You, as the investor, need to decide what you are comfortable with and what areas you want to pursue.

My focus for real estate investing is primarily in the Nashville area. Check out my "Nashville Market Analysis" at the end of this phase. Market analysis can be done on the macro or micro level.The basic structure of a macro market analysis includes the following:

Basic City Info: location, population, industry, etc.

Real Estate: property values, median sales price, etc.

Return on Investment: average rent, vacancy rates, price to rent ratio, home appreciation rates, etc.

Strong Economy and Diverse Industry: is the area multi-faceted? medical, education, industry, etc.

Quality of Life: climate, cost of living, transportation, etc.

Demographics: age of population, resident income, etc.

Other considerations: Landlord friendly? Tourism?

Market Analysis

The micro analysis includes more specific information such as the local school system, noise pollution, walkability, proximity to transportation, entertainment and dining.

To get started on market analysis, it's as simple as a search on the internet. Type in an area you are interested and just start reading! Again, refer to my Nashville Market Analysis to see data I have compiled. Get creative - there are all sorts of non-traditional websites out there to gather data: tourism websites, college websites, business websites, etc.

To get more specific, start turning to sources such as www.zillow.com. When you are looking at individual property estimates, properties on Zillow may or may not be accurate because that number comes from an aggregate of all the comparable properties within your area. The website does not know the condition of a particular house, for example. Zillow is, however, great at keeping up with market changes. Research how long it typically takes homes to sell; how long do properties stay on the market? This is especially important when considering flipping properties. You want to know how long the average house takes to sell but again keep in mind this is the broad market and it really won't apply to a specific property. Also, even if you are talking about a long term hold, you want to look at the potential to sell it eventually if you had to for any reason.

Another great resource available to you is www.crimereports.com You can search for your specific market and there are many filter options to choose from. This data point is important to consider because it will be a rare tenant that is eager to move somewhere where there is a significant amount of serious crime.

The website www.greatschools.org breaks down school ratings and is a great analysis tool when considering ideal rentals for families. Families generally value education for their kids, so a good school district can be very appealing to renters.

The best way to assess rental rates is through property managers. While you wait for a property management company to respond to your inquiries, you can check out www.rentometer.com This website gives you the average prices and the median prices for various rental properties. The website tool takes into consideration number of bedrooms and can tell you whether or not a rental rate is accurate based on other comparable properties.

Market Analysis

The overall goal is for you to get a really good idea of what's going on in your market to find out where you want to invest or not invest. As a note, I do not believe that it is a good idea to only look at properties that you yourself would live in. You are not everyone and you and your tastes are not necessarily a standard, so just keep that in mind when searching for deals.

When a deal is presented, you first need to assess the area. A quick google search and an inspection of satellite data and images can give you a good idea of the property and the surrounding area before you even begin to crunch the numbers. Once you decide that the property and the neighborhood could be a good investment, you look for comparable properties. Determining the price properties are selling for, and how much people are renting them for is just as critical as determining the 'state' of each property. Knowing the neighborhood standard is critical to the rehab estimate, which comes next. For example, you don't want to install hard wood in a property if everyone else in the neighborhood has laminate. If you know the market, this will be easier and less time consuming because you already know your 'go' areas and are presumably operating within one of these areas.

Upon completion of your market analysis, you know your 'go' and 'no go' areas. This decision comes as a result of studying and truly knowing a market. While a google map search will help you to get eyes on a particular property within a particular neighborhood, doing this for every potential property is simply not reasonable, or a wise use of time. Therefore, starting with a solid macro-market analysis will set you on the right path as far as due diligence goes. A good macro-market report encompasses historical data, along with future predictions about any given market. It includes vacancy rates, code enforcement, rent to price ratios, appreciation statistics, zoning, taxes, industry (both current and future), noise pollution and neighborhood demographics. All of these are important to know and understand so an investor can determine the "path of progress." Though there are no guarantees, and no one can fully predict the future, knowing which metrics to look at and how to assess them can paint a clearer picture about the potential future of a market and whether or not that market will continue to perform into the future.

Property Analysis

Analyzing a property is a simple step-by-step process. You simply have to figure out how much money is coming in (income) and how much money is coming out (expenses).

What is the total monthly income on the property? This includes rent and any other income producing assets the property has (ie-storage units, coin operated laundry, etc).

Add all income together to get your gross operating income.

What are all the expenses?

- Monthly mortgage
- Monthly insurance premium (get an estimate from your insurance agent)
- Property Taxes (ask your agent or research it yourself)
- Repairs and maintenance (this depends on the state and age of the house and major systems but should be at least 10% of monthly rent).
- Lawn care/landscaping
- Utilties? Does the owner or renter pay for electric, gas, water, sewer, internet, cable, trash, etc
- Management fees (this depends on your property manager but will usually be 10% monthly plus additional fees for renewing leases, finding tenants, etc).

Add all expenses together to get total expenses

Subtract total expenses from gross operating income to get cash flow.

Property Analysis

Note that this is BEFORE taxes. I typically take 25% of that away and set it aside for Uncle Sam, but this depends entirely on your tax bracket, so please have a conversation with your accountant about this.

There is no rule for cash flow. Some people won't accept less than $300 while others are willing to lose $50 per month because they love the property so much and plan to retire in it, or something of that nature. YOU need to decide what you are comfortable with.

Also note that this is only ONE way that real estate pays you! There is also:

Appreciation (typically, real estate appreciates at 3% annually)

Loan Amortization (the premium that your tenants are paying down on your mortgage loan)

Tax Breaks and Benefits (this depends on your situation, but even new investors with a single property can take advantage of benefits).

Week 4: Taking Flight

1. Watch Making Real Estate Offers Video
2. GO MAKE OFFERS!!!
3. Refine your KPIs
4. Complete Our Survey
5. Post a Review
    1. Facebook
    2. Google Business
6. Tell all your friends about us! ☺
7. Get out there and CRUSH IT!

Making Offers

Now that you have found a specific property that meets all of your criteria and you have the returns you are looking for, you then make the offer.

But first, we need to make sure we are not on the hook for anything as we discover issues with a given property. To ensure this, we need our due diligence process in place to protect us from being stuck in any contract. This is going to come primarily through an **inspection contingency**. This means that you will get the property inspected and can walk away from the contract for anything that comes up on the inspection (and there will ALWAYS be something!). You are going to pay a good inspector to do a very thorough inspection. At this point, you can walk away from the property if issues arise (anything at all!) so long as that is stipulated in the contingency.

But, you can't even get to this point without first making an offer!

There are a few types of offers you need to have in your tool box:

1) **Verbal offer.** This is simply an offer that you discuss by word of mouth, but is not accepted in every state. Eventually you (*almost always) need to make a written offer in order to legally transfer title, but this is a great place to start without wasting a lot of time.

2) **Purchase and sale agreement.** These agreements can be either generic or state specific and will state the offer price, the anticipated closing date, and any inspection contingencies. You can build in other contingencies into this agreement, i.e. contingent upon business partner, etc. Note: Typically for properties that I am really interested in, I offer full price. I do this even if I do not want to pay full price for the property because I have a pretty good idea already of what is going to come back from the inspection.

3) Letter of Intent. I use this to get the conversation going about a property, especially if I am trying to acquire seller financing. I will offer a certain amount of money cash, and have another option that includes a much higher offer price, but with financing terms that are favorable to me. There is no risk here as it is just a document stating your intentions, and is not binding.

Thank You For Purchasing!

I am happy to see you taking action to achieve your dreams and pursue financial freedom!

We are here to help you along the way, so please do not hesitate to reach out!

Facebook

Instagram

BiggerPockets Blog

LinkedIn

erin@bcglobalinvestments.com

https://bcglobalinvestments.com/