

# Index

- accountability, 67, 170
- accountants
  - creative, 62, 83
  - fees, 103
  - real estate, 236, 237
  - tax, 122, 239, 243
- Acres of Diamonds* (Conwell), 214
- action plan
  - background, 7–9
  - importance, 170–72
  - purpose, 14
- action plan—phase one
  - joint venture capital, 183–207
  - seed money, 151–81
  - summary, 211–17
- action plan—phase two
  - option one, 221–24
  - option two, 224–25
  - option three, 225–28
  - option four, 228–30
- action plan—phase three
  - exit strategy, 237–46
    - alternate strategies, 240–42
    - liquidate/consolidate, 240–42
    - summary, 245–47
- add backs, 69, 71–72
- affordable doors, calculating, 173–75
- age
  - and action plan, 231, 232
  - of commercial property, 227
  - visualization exercise, 21
- AIG United Guaranty, 125, 126
- altruism, 28
- American Home Lenders, 131
- apartment buildings
  - affordable doors calculations, 173–75
  - benefits of buying, 101–2
  - down payment, 104, 168
  - and economies of scale, 225–26
  - fees, 57
  - phase three, action plan, 236–37
  - seed money, 167–68
  - private money, mortgage source, 135–36
  - tips, 227–28
  - (*See also* commercial mortgages; commercial property)
- appraisals
  - commercial property, 101, 106, 204
  - raw land, 105
- Asset Backed Commercial Paper (ACBP), 133
- assets. *See* liquid assets
- athletes, 50, 215
- bad debt, 123
- balance
  - portfolio, 115
  - work–life, 17, 28, 29
- Bank Act*, 116
- bankruptcies, 103
- banks
  - compared with MICs, 138
  - compared with trust cos, 91–92
  - investor-friendly, 94, 96
  - and lender types, 91–92
  - lending limits, 89–90
  - and max expenditure consumer debt. *See* debt service limit
  - and max loan, commercial property, 104
  - qualifying at, 60–87
  - and rental add back policy, 71–72
  - and rental cash flow analysis, 8
  - and rental offset policy, 70–71
  - and risk management, 65, 67, 89, 90–91

- banks (*continued*)
  - and sub-prime crisis. *See* sub-prime crisis
  - transactional approach, 11, 82
  - and VTBs, 141
  - (*See also* chartered banks)
- basement suites, 69
- BMO, 90
- bonds, 35, 36, 115, 155
- bonus income, 119, 224
- brokers
  - and cap space, 92–93
  - fees/commissions, 81–82, 101, 106, 133, 227
  - and mortgage rates, 15
  - PK Approved, 28, 82*n*, 87, 87*n*, 171*n*
  - portfolio vs. transactional approach, 11, 82
  - pre-positioning with, 203–4
  - and risk management, 66–67
  - role, 9–10, 72
- builders, 65, 66 (*See also* construction loans)
- business plan. *See* action plan
- buy and hold strategy, 43, 137
- buyer's market, 141
- “buying into person.” *See* CCI concept
- cabins, 69, 163
- calculations
  - affordable doors, 173–75
  - debt service limit, 64, 77
  - doors to fill gap, 54–57
  - equity, 156, 157, 161–63
  - investment amount, 31–34
  - liquid assets, 155
  - seed capital, 165–68, 175–77, 211–12
  - shortfall, 175–81, 220, 233
  - to support lifestyle, 31–34
  - total monthly consumer debt, 68–69
  - (*See also* left-side, right-side equation)
- Calgary, 27, 42, 43, 47, 173, 180
- California, 130
- Campbell, Don, 64, 111, 145, 247
- Canada Mortgage and Housing Corporation (CMHC)
  - add back policy, 72, 94–95, 94*n*
  - and cap space, 91, 92
  - commercial property, 101, 104–5, 128–29, 135–36, 168
  - DCR formulas, 105
  - and high-ratio insurance, 125, 126–27
  - rule changes, 72, 126
  - and sub-prime mortgages, 133
  - and zero-down offer, 113–14, 126
- Canada Revenue Agency, 121
- Canadian dollar, 50, 215
- cap space
  - and bank, 90
  - and brokers, 92
  - and CMHC, 91, 92
  - and commercial mortgages, 97
  - defined, 89
  - and impact of positive cash flow, 79–80
  - maximizing, 93–93
  - (*See also* chess game metaphor)
- capital appreciation, 47
- capital gain tax, 239, 240, 241
- car
  - leases, 63, 68
  - visualization exercise, 22
- cash flow. *See* impact of cash flow
  - concept; negative cash flow; positive cash flow
- cash flow analysis worksheet, 74
- cause and effect concept, 47–49, 80–82, 84, 124, 127, 128, 132, 141, 143, 157, 163, 230
  - impact of, 76–79
- CCI concept, 187–96, 200–1, 206, 212, 213, 215, 221, 222, 233, 234, 238
- (*See also* commercial CCI)
- change
  - three-year time frame, 231–32
  - visualization exercise, 25, 27
- character. *See* CCI concept
- charities, 5, 9, 22, 24, 26, 28, 39, 237
- chartered banks, 71, 91–92, 96
- chess game metaphor, 47–48, 80, 84, 93, 98, 242
- children, 21, 22, 26, 28, 39
- CIBC, 96
- clarity, 6, 16, 18, 19–20, 39, 42, 56, 206
- closing documents, 205
- CMHC. *See* Canada Housing and Mortgage Corporation
- collateral security, 116
- commercial CCI, 226

- commercial mortgage(s)
  - and cap space, 97
  - compared with residential, 99–100, 104, 106, 226
  - costs/expenses, 101–2, 106
  - defined, 99–100
  - and incorporation, 103
  - maximum loan, banks, 104
  - personal guarantees, 102, 103
  - and second mortgages, 106–7, 141
  - and self-employed investor, 102–3
  - and sub-prime options, 133
  - and timing, 106
- commercial property
  - appraisals, 204
  - compared with residential, 168, 227
  - definition, 104
  - deposits, 204
  - down payment options, 104, 114–17
  - tips, 227–28
  - triple-net, 57
  - and verifiable income, 84, 85
- commission
  - based jobs, 78, 119–20
  - brokers, 81–82, 106, 133
- commitment, 6, 197
- companies
  - expenses under personal name, 69
  - owned real estate, 73  
(*See also* incorporation)
- condo/strata
  - documents review, 205
  - fees, 57, 61–62, 63, 68, 71  
(*See also* pre-sale condos)
- confidence, 169, 187, 188–96, 220, 221
- confidentiality, 204
- conflicts
  - confidentiality, 204
  - JV partnerships, 26
- consistency, goals, 32, 34, 35, 43, 49, 51, 52, 53, 65, 86, 112, 124, 141, 166, 171, 171*n*, 209
- construction loans, 105–6 (*See also* builders)
- consumer debt. *See* personal consumer debt
- controlled risk, 123
- conventional mortgage, 8, 76, 81, 94, 116
- Conwell, Russell, 214
- corporations, buying through.
  - See* companies; incorporation
- cottage/family investment property, 4, 5, 6, 69 (*See also* recreational property)
- creative buying strategies, 178–79
- credibility, 187, 188–96, 213
- credit bureau, 63, 68, 79, 81
- credit cards, 63, 68, 69, 79, 81, 83
- credit crunch. *See* global credit crunch
- credit unions, 96
- day of possession, 205
- deal finders, 195, 196, 202, 207
- debt coverage ratio (DCR), 8, 105
- debt free, 123–24
- debt reduction, 55, 212, 213, 228–30, 232, 233, 243
- debt service limit (DSL)
  - buffer room, 77
  - calculating, 64, 77
  - defined, 64
  - and impact of cash flow, 76–79
  - strong, 78–79
  - and write-offs, 83–84
- debt service ratios (DSRs), 8
  - gross debt service ratio, 61–62
  - overcoming, 61–63
  - total debt service ratio, 63
- defaults, 70, 103, 138, 132, 142
- deposit-taking institutions, 91–92
- deposits, 204
- determination, 86, 197
- diary, 206
- diversification, 5, 35
- DLC Mortgage (co), 91, 94
- DLS. *See* debt service limit
- doors figures. *See* affordable doors calculations; gap analysis
- down payment
  - CMHC insured, 125, 126–27
  - coming up with, 60, 61, 110–47
  - commercial property, 104
  - equal amounts, partnerships, 229
  - and gap analysis, 112
  - and multi-family property, 168
  - and quitting job, 197
  - raw land, 105

- down payment—sources of funds
  - high-ratio insurance, 124–29
  - joint venture partners, 102, 143–47, 179
  - liquid assets, 114–15
  - private money, 128–29, 133–39
  - real estate equity, 115–214
  - sub-prime mortgages, 129–33
  - vendor take-back mortgages, 139–43
- DSRs. *See* debt service ratios
- draw-mortgage, 105
- due diligence. *See* appraisals
- duplexes, 228
  
- economies of scale, 225–26, 232
- Edmonton, 51, 173, 226
- emotions, visualization exercise, 24
- empowerment, 18, 21
- end result approach. *See* goal-oriented planning
- environmental reviews, 101, 106
- equity, 16, 27, 39, 45, 47, 78–79
  - appreciation, 160, 178, 224, 225, 241, 242
  - fear of losing, 172
  - and net worth, 244
  - raw land, 106
  - untapped/underutilized, 200
- equity—accessing
  - calculations, 156, 157, 161–63
  - scenarios, 160–61
- equity—seed capital, 154–56
  - how to access, 156–63
- exit strategy, 50, 66, 134, 136, 138, 203, 237–42
  - alternative, 242–45
  - liquidate/consolidate, 240–42
  - and market conditions, 240, 241
  - options list, 242–43
- expectations
  - false, 100, 101
  - managing, 100–1, 102, 142, 207
  - and partnerships, 26
- 40% TDS rules, 63–64, 67–69, 72, 74, 77, 82, 83, 85, 100
- 50/50 real estate investment. *See* joint venture partners/partnerships
- faith, 56, 227
- false assumptions, offsetting. *See* what if clause
- family
  - capital from, 178, 184, 213, 234 (*See also* joint venture partners/partnerships)
  - values, 39, 41
- fear, 169, 172, 185, 228
- fees
  - accountants, 103
  - apartments, 57
  - brokers, 82, 83, 101, 106, 133, 227
  - condos/strata, 57, 61–62, 63, 68, 71
  - lawyers, 103, 106
  - lenders, 106, 227
- film industry, 50, 215
- financial independence, goal, 5
- fire insurance, 204
- fiveplex, 99
- five-year projections, 9, 10, 12, 13, 19–20, 33–35
- flexibility, 91, 100, 118, 232
- flips, 40, 43, 47, 136–38, 178
- flood insurance, 204
- foreclosures, 70, 132, 138, 142
- Fort McMurray (AB), 18, 50, 51, 128, 132, 175, 180, 214
- fourplexes, 49
- France, 125
- frauds, 70, 132, 142
- friends, capital from, 178, 184, 213, 215–16, 227, 204, 229, 234 (*See also* joint venture partnerships)
- frivolous spending, 50, 214–15
- full-time real estate investors, 5, 34, 55, 77, 81, 82, 127, 197
- fully furnished units. *See* super-suites
- fun, visualization exercise, 22
- future, envisioning. *See* visualization
  
- gap analysis, 36–38, 46
  - calculating doors, 54–57
  - and down payments, 112
  - example, 38–43
- garage, renting out, 53
- GDS. *See* gross debt service ratio
- GE Financial, 125
- Genworth Financial, 92, 125, 126
- Gladwell, Malcolm, 219

- global borrowing limit, 119–20
- global credit crunch, 82, 114, 125–26, 132, 142
- global recession. *See* recession
- goal-oriented planning, 4–6, 11–12
- and asking questions, 9, 10
  - and identifying obstacles, 14
  - and investor vision, 9–10
  - protecting investor, 169
  - real estate investor vs. regular home buyer, 8–9
  - statistics, 11
  - and time frame, 14
- (*See also* action plan)
- goals
- consistency in, 32, 34, 35, 39, 43, 49, 51, 52, 53, 65, 86, 112, 124, 141, 166, 171, 171*n*, 209
  - realistic/unrealistic, 14, 23, 26–27, 31, 143, 213
  - setting time limit, 245
  - tangible vs intangible, 222
  - vs. fantasy, 31
  - writing down, 29
- “good deal” pitch, 40–42 (*See also* sales pitches; TV sales pitch)
- good debt, 123
- grandchildren, 26, 39, 42
- Grande Prairie (AB), 50, 128
- greed, 130, 235
- gross debt service ratio (GDS), 61–62
- gross income, 64
- Harvard University, 29
- health, 22, 24, 28, 29
- high-ratio insurance, 124–29, 142
- high-ratio mortgage, 95, 104, 163
- Hill, Napoleon, 37
- holding companies, 103
- home environment, visualization, 21, 22
- homeowner vs. investor, 9, 113
- honesty, 6, 18, 20, 141, 160, 162, 174, 200
- hope, 18, 136, 142, 160
- hot tips/deals, 16, 27, 154, 246
- housing costs, 62, 63
- housing values (2004–7). *See* real estate market
- impact of cash flow concept, 63–69, 78–87, 93
- worksheet, 64, 74, 81
- income
- add backs, 69
  - five-year projection, 33–35
  - and GDS, 62–62
  - and mortgage paid off, 57
  - taking for granted, 50, 214–15
  - Yale study, 29
- (*See also* bonus income; gross income; verifiable income)
- income trusts, 35, 36, 38
- incorporation, 73, 103, 236–37
- industrial units. *See* commercial property; warehouse/industrial units
- inflation, 32
- inheritance, and shortfall, 178
- inspectors, commercial property, 101
- institutional investors, 91–92
- insurance, 204 (*See also* Canada Housing and Mortgage Corporation)
- integrity, 187, 188–96
- interest rate
- commercial mortgages, 227
  - line(s) of credit, 117
  - sub-prime mortgages, 8, 132
- investors
- bank(er) relationship, 9, 94, 96, 113
  - (*See also* banks, investor-friendly)
  - “boot camp,” 145
  - brokering for, 7–8
  - doctors, 237
  - full-time, 5, 34, 55, 77, 81, 82, 127, 197
  - personal value of, 201–7
  - profile/types, 4–6, 9–10
  - questions to ask, 3, 4–5, 9, 10, 12
  - sophisticated, 10–11, 40, 50, 69, 98, 157, 187, 200, 202, 212, 216, 221, 231
  - statistics, 10–11, 40
  - unscrupulous. *See* defaults; frauds
  - vs. regular home buyer, 9
  - self-employed. *See* self-employed investor
  - vulnerable, 49, 42 (*See also* sales pitches; TV sales pitches)
  - young, 50–51, 55, 162, 189, 214–16

- Japan, 65
- job
  - commission-based, 78, 119–20
  - extra money from, 178
  - loss of, 227
  - quitting, 5, 34, 39, 43, 62, 82, 83, 197
- joint venture (JV) capital
  - attracting, 183–207
  - phase three, option one, 221–24
  - phase three, option two, 224–25
  - to overcome shortfall, 179
- joint venture (JV) partners/partnerships,
  - 72, 82–83, 84–85, 87
  - anxieties about using, 185–86
  - and CCI concept, 187–96
  - complementary skills sets, 196–97, 199–200
  - defined, 184
  - and down payment, 102, 143–44, 179
  - family, funds from, 234–35
  - finding, 144, 197–201
  - friends/coworkers, 215–16, 227, 234  
(*See also* friends, capital from)
  - “halfway” point, 209–11, 234
  - lawyers, 204
  - paradigm shift, 186–87
  - parameters, 179–80
  - personal information, 204
  - and personal value, 201–7
  - pre-qualifying, 204
  - role, 144
  - and return on investment, 216–17
  - shotgun clause, agreement, 241
  - and types of investors, 184–85
  - and zero-down purchase, 113
- joint venture (JV) partnership agreement,
  - 143–44
  - shotgun clause/buyout clause, 241
- Kitchener (ON), 173
- Kiyosaki, Robert, 12
- late-night (TV) hype. *See* television sales pitches
- law of attraction, 56
- lawyers, JV partnerships, 204
- lease agreement, property, 69 (*See also* rental/lease contract)
- lease to own, 178
- Lechter, Sharon, 12
- left-side, right-side equation
  - and accessing equity, 124
  - balancing, 73–87
  - calculating, 68–69
  - and down payment, 128
- legacy, 5, 26, 39, 42, 43 (*See also* inheritance)
- legal fees, 101, 103, 106, 119
- lenders
  - commercial, 99–107
  - fees, 106, 227
  - types, 91–92
- lending limits, 89–90 (*See also* cap space)
- leverage, power of, 217
- liability insurance, 204
- lifestyle
  - ideal. *See* visualization
  - real estate to support, 12–13, 31–34
- line(s) of credit (LOL), 63, 68, 79, 81, 83
  - and accessing equity, 156–57
  - interest rate, 117
  - seed capital source, 115–24
  - types, 118–19
- liquid assets
  - calculation, 155
  - and down payment, 114–15
  - and overcoming shortfall, 178
- seed capital source, 155–56
- living by default, 13, 17, 59, 232 (*See also* action plan; goal-oriented planning)
- loan sharks, 134
- loan to value (LTV), 95, 135, 227
- loans
  - in calculating personal debt, 68
  - sub-prime, 130 (*See also* sub-prime crisis)
- location. *See* real estate markets, identifying
- lottery, 32, 179
- maintenance, 52, 71
- market conditions
  - and exit strategy, 242
- Merix (co), 91, 94
- MIC. *See* Mortgage Investment Corporation

- misconceptions, 69, 83, 113, 135
  - MLS listings, 203
  - Mom and Pop investors, 5
  - mortgage(s)
    - CMHC-insured, 72
    - commercial. *See* commercial mortgages
    - conventional, 8, 76, 81, 94, 116
    - converting into line of credit, 117–18
    - high-ratio, 79, 95, 124–29
    - and incorporation, 237
    - and lump-sum payments, 118–19, 120, 121
    - meltdown, U.S., 67, 125–26  
(*See also* sub-prime crisis)
    - multiple properties. *See* cap space
    - NINJA, 130
    - paid off, 57, 79, 122–24, 228
    - principal residence, 68
    - qualifying for, 7–9, 60–87
    - re-advanceable/LOC combo, 118, 119–22, 163
    - residential, 85–86, 97, 99–101, 104, 108, 106, 226, 227
    - restructuring upon renewal, 118–22
    - role of, 10
    - second, 65–66, 106–7, 128–29
    - stated-income, 131–32
    - sub-prime, 8, 67, 81, 82, 114
    - textbook calculations, 7–8
    - two on title, 83
    - variable rate, 117, 129
    - vendor take-back, 139–43
    - zero-down, 113–14
  - mortgage brokers. *See* brokers
  - Mortgage Investment Corporation (MIC), 65, 134–35, 137
    - advantages of using, 138
    - defined, 138–39
  - mortgage payments
    - and GDS, 62
    - and impact of cash flow, 79
    - and left side, right side equation, 68, 73
    - and rental offset policy, 71
  - mortgage rates, negotiating, 15
  - “mud against the wall” strategy, 6, 16, 52–53
  - multi-family property, 84, 87, 100, 136
    - benefits, 101–2
    - and economies of scale, 225–26, 232
    - insuring, 104
    - phase three, action plan, 236–37
    - seed money, 167–68
    - tips, 227–28
    - vs office/industrial use, 104  
(*See also* apartment buildings)
  - multi-level marketing (MLM), 184, 197
  - Murji, Navaz, 237
  - mutual funds, 35, 36, 115, 155
- 97 Tips for Real Estate Investors*  
(Kinch/Campbell), 111, 247
- negative cash flow, 52–53, 63, 76, 80, 82, 162, 163
    - impact of. *See* impact of cash flow
    - negative cash flow property, 47, 52, 81, 84
  - net income per door. *See* gap analysis
  - net worth, 5, 29, 42, 47, 102, 231
    - and equity, 244
  - New Westminister (BC), 52
  - NINJA mortgage, 130, 131
  - non-real estate investments, 33–36
- obstacles
    - anticipating, 48
    - identifying, 14, 16, 60
  - obstacles—overcoming
    - coming up with down payment, 60, 61, 110–47
    - overcoming DSRs, 61–63
    - qualifying at bank, 60–87
  - offer
    - and property inspection, 205
    - writing/negotiating, 204
  - office buildings, 104
  - offset vs. add back
    - rental add back policy, 71–72
    - rental offset policy, 70–71
  - oil industry, 18, 35, 50, 51, 55, 214
  - one-industry towns, 51
  - opportunity cost, 243
- parents
    - aging, 9
    - funds from. *See* family, funds from
    - and visualization exercise, 22, 28

- patience, 212, 227, 234
- peer support, 18
- pensions/pension plans, 5, 91, 215
  - and non—real estate investment, 36
  - and real estate investment, 10, 39, 242
  - and visualization exercise, 26
- personal consumer debt, 63, 71–72
  - and impact of cash flow, 74, 77, 79–81
  - and left-side, right-side equation, 73
- personal debt/ portfolio debt, balancing.
  - See* impact of cash flow concept
- personal growth, 154, 201, 231
- personal guarantees, 102, 103
- personal information, partnerships, 204
- personal inventory, partnerships, 199
- personal LOC, 116
- personal name, title in, 103
- phase one—action plan
  - JV capital, 183–207
  - seed money, 151–81
  - summary, 211–17
- phase two—action plan
  - option one, 221–24
  - option two, 224–25
  - option three, 225–28
  - option four, 228–30
- phase three—action plan, 231
  - options, 233–42
  - (*See also* exit strategy)
- PK Approved brokers, 28, 82n, 87, 171n
- planning. *See* action plan; goal-oriented planning
- portfolio approach, 11, 48, 63, 82, 82n, 92–93, 133, 162
  - balancing left-side, right-side equation, 73–87
  - impact of cash flow, 63–69
  - offset vs add back, 70–72
- positive attitude, 24
- positive cash flow, 53, 63, 76, 77, 126
  - impact of, 79–87
- positive cash flow properties, 86, 127
- potential equity, 157
- pre-sale condos, 45, 47, 53
- prime rate, defined, 129
- principal residence
  - accessing equity, 115–24, 156, 157
  - and cap space, 96
  - and DSL, 68, 79
  - and GDS, 72
  - mortgage, 68
  - and rental policies, 72, 113
  - and TDS, 63
- private money
  - and down payment, 128–29, 133–39
  - key to successful use, 134, 136
  - vs zero-down, 135
- procrastination, 223, 153
- property inspection, 101, 205
- property management, 52, 57, 71, 102, 179
- property managers, 204, 225
- property tax, 57, 61–62, 68, 79, 81
- property type, identifying, 203
  
- quarter-share properties, 163
  
- raw land, 40, 42–43
  - construction loans, 105–6
  - down payment, 105
  - financing, 163
- re-advanceable/LOC combo mortgage, 118, 119–22, 163
- re-zoning, 42
- real estate action plan. *See* action plan
- Real Estate Investing in Canada* (Campbell), 247
- Real Estate Investment Network (REIN), 10–11, 111, 111n, 145, 145n, 247
- real estate, as business venture, 154–55
- real estate conversations. *See* deal finders
- real estate market (2007), 124–28, 130, 136, 157, 113–14, 116, 159
- real estate markets, identifying, 145, 247
- real estate networks, 10–11, 111n, 145, 145n, 147, 213, 236
- real estate team, 203–4
- realistic/unrealistic goals, 14, 23, 26–27, 31, 143, 174
- recession, 67, 82, 114, 125–26, 142, 157
- recreational property, 4, 5, 40, 69, 163, 229
- redevelopment, 40, 42
- refinancing, 79, 80, 81–82, 159, 163, 224
- Registered Retirement Savings Plans (RRSPs), 36, 115, 155



- REIN. *See* Real Estate Investment Network
- renovations, 205
- rental add back policy, 71–72
- rental agents, 204
- rental cash flow analysis, 8  
spreadsheet, 64, 75
- rental/lease contract, 204
- rental offset policy, 70–71, 73
- rental property  
down payment options, 114–47  
minimum down payment, 113  
steps to buying, 203–5  
vs principal residence, 113  
year-round, recreational, 69
- rents  
basement suites, 69  
high, 50, 52  
raising, 53  
recreational property, 69
- residential developments, 65
- residential properties  
appraisals, 204  
down payment options, 114–47  
mortgages, 85–86, 97, 99–101, 104, 106, 168, 226, 227  
and sub-prime options, 133
- retirees, 26, 39, 42, 84
- Rich Dad, Poor Dad* (Kiyosaki/Lechter), 12
- risk  
and global credit crunch, 125–26  
and private money, 135  
and seed capital, 158–60  
sub-prime, 125  
and wealth creation, 123–24
- risk management, 65, 66–67, 89, 90–91, 122–23
- Royal Bank (RBC), 94, 95–96
- “Rules of Engagement,” 61
- sales pitches, 40–42 (*See also* television, sales pitches)
- savings accounts, 115, 155, 224
- Scotiabank, 71, 96
- second mortgages, 65–66, 106–7, 128–29, 138 (*See also* vendor take-back mortgages)
- secured LOC (line of credit), 116, 156, 156n
- security, sense of, 158
- seed capital  
accessing equity, 154–63  
and affordable doors, 173–75  
calculating, 165–68, 175–77, 211–12  
defined, 155–56  
and self-employment, 155  
and shortfall, 175–81  
sources, 155  
to create CCI, 195–96  
what if clause, 158–60
- self-awareness. *See* personal growth
- self-employed investor  
and commercial mortgage, 100, 102–3  
and DSL, 77  
and seed capital, 155, 167  
and stated-income mortgage, 131–32  
and verifiable income. *See* verifiable income  
and write-offs, 62, 63, 83–84, 131–32
- senses, visualization exercise, 23
- shell companies, 103
- Shopsowitz, Neil, 87, 98, 99–107, 128–29, 226, 227
- shortfall, 230  
addressing, 232, 233  
calculating, 175–77, 220, 233  
overcoming, 177–81
- sight, visualization exercise, 23
- single-family units, 55, 65, 85, 102, 226, 228
- single mothers, 39, 42, 185, 235
- sit and hold pattern, 228, 232, 233
- skip transfers, 178
- smell, visualization exercise, 23
- sound, visualization exercise, 23
- spec homes, 65, 66
- speculators, 126, 136
- spouse, real estate partner, 26, 77, 146–47, 222
- start-up money. *See* seed capital
- stated-income mortgage, 131–32
- static LOC, 118–19, 122 (*See also* re-advanceable/LOC combo mortgage)
- Stewart, Chris, 65–67
- stocks, 4, 11, 35, 36, 115, 138, 155, 216, 217

- Street Capital (co), 91, 94
- sub-prime crisis, 8, 67, 81, 82, 114, 125–26
- causes, 129–30
- sub-prime, defined, 129
- sub-prime mortgage
- in Canada vs U.S., 129, 130–31
- source of down payment, 129–33
- super-suite, 51–52, 53
- syndication of funds, 138 (*See also* Mortgage Investment Corporation)
- target area, identifying, 203
- taste, visualization exercise, 23
- tax
- and basement suite, 69
- capital gains, 239, 240, 241
- and DSL, 82
- and interest paid on LOC, 121–22
- and liquidating RRSP, 115
- and verifiable income, 62, 64 (*See also* property tax)
- tax bracket, 32, 155
- TDS. *See* total debt service ratio
- television, sales pitches, 103, 112, 127, 135, 180, 185, 189
- tenants
- bad, 240, 241, 242, 243
- and equity, 163
- finding, 204
- good, 97, 180
- and JV partnership, 179
- paying down mortgage, 70, 180, 216
- residential, 100
- time-shares, 163
- Tipping Point, The* (Gladwell), 219
- Toronto, 45, 47
- total debt service ratio (TDS), 63, 71–72, 91
- touch, visualization exercise, 23
- townhouses, 7, 173, 174, 175, 192, 225
- track records, 185, 199, 200
- transactional approach, 11, 48, 63, 82, 89, 92–93, 133, 162
- trust, 146–47, 188, 200, 229
- trust companies, 91–92, 94–96
- Type A personality, 23, 37, 47, 142
- United States, sub-prime crisis. *See* sub-prime crisis
- unknown variables, predicting, 221, 229, 232
- unsecured line of credit (LOC), 156*n*
- upside potential, 40, 43
- vacancy rates, 51, 71, 227
- value of investor. *See* joint venture partnerships, and personal value
- Vancouver, 40, 47, 50, 215
- Vancouver Island, 40, 42
- variable rate mortgage, 117, 129
- vendor take-back mortgage (VTB), 139–43
- verifiable income, 62, 63–64, 67–69, 72, 74, 77, 78, 82, 83, 84–85, 100, 102
- vision(s), 9–10, 12, 169–70
- conflicting, 25
- gaining clarity for, 20
- writing down, 23–24
- visualization, 19–20, 31, 46
- envisioning future, 20–23
- identifying vision, 23–24
- written exercise, 24–27
- VTB. *See* vendor take-back mortgage
- warehouse/industrial units, 104
- wealth creation, 3–4, 5, 6
- and risk, 123–24
- and untapped equity, 200
- wealth transfer. *See* legacy
- Wells Fargo, 131
- what if clause, 158–60
- work
- five-year projection, 33–35
- visualization exercise, 22
- work–life balance, 17, 28, 29
- worst-case scenario concept, 159 (*See also* what if clause)
- write-offs, 62, 63, 83, 131–32
- Xceed (trust co), 94, 131, 133
- Yale University, 29
- young investors, 50–51, 55, 162, 189, 214–16
- zero-down mortgage, 113–14, 125, 126, 127, 131, 132–33, 135, 141 (*See also* stated-income mortgage)