

# Get Real™

## The Down and Dirty on Real Estate Investing

### Goal Setting

#### *Map Out Your Future Today*



I have to be honest I love the idea of sitting down on a rainy afternoon and working up my goals for the next year or so. There is something that courses through my veins that gets me going. I guess it could be the fact that I just love to plan and spend all of my time thinking about doing things instead of actually doing them.

If you ask anyone that knows me though they will tell you that I take action long before I do anything else. We might be sitting watching a nice movie when my next great idea comes across the old mind and I am off starting to implement my new idea.

So I guess it isn't that I love the idea of sitting back and thinking instead of doing. The fact of the matter is what I really love about goal planning is the smell of success and the knowledge I can stop thinking again for a few months!! Ok, not entirely true.

I do have the ability though to coast to a certain extent. You see I have been goal planning long enough to know that if done correctly and actually follow the plan, I will be able to accomplish at least 80% of my goals. If I accomplish 80% of what I set out to do I promise you I will be a successful man.



The other great thing you will notice as you read on you will realize that we plan out all of our actions upfront which leaves lots of time for doing. Less time for thinking about how to procrastinate. In that spirit. Let's set some Goals!

NOTES FROM THE EDITOR...

So you are well on your way to a third of the way through the year. I am not sure about anyone else but it seems like time is going by faster and faster every passing month.

For many it has been a time of fear and paralysis waiting to see what is going to happen with our limping US economy. I know it is hard to figure it all out.



Take some solace in the fact that many of your real estate investing brethren have been out there tearing it up this year already. I have spoken with many new investors that are really taking advantage of this market and the great deals that are out there. Other new investors are taking our advice and learning all of the processes they need to identify the really good deals in this market.

I hope that you are in this group but if not I just want to urge you one more time. This is the best time to invest in US history, don't miss out :-)

*Judson Voss*

---

CONTACT INFORMATION AND QUESTION SUBMISSION



Mailing Address

Roxx Productions, LLC  
Get Real Newsletter  
141 Quarter Ln,  
 Mooresville, NC 28117

Phone: 704-664-9687

Fax: 704-664-9687

Email:

[newsletter@getrealrei.com](mailto:newsletter@getrealrei.com)

**Questions!!**

Got a question you would like to have us answer in depth here in the newsletter? We would love to hear from you. All you have to do is

send a quick email to

[newsletter@getrealrei.com](mailto:newsletter@getrealrei.com)

and we will take a look.

Please provide your name, number and email in case we need to follow up with you and ask additional questions to make sure we get your question right.

---

## Beginner's Corner

### Money, Money Money

In our first installment of the Beginner's Corner we are going to look at real estate investing from a new perspective. We want to go back to the basics and look at some things that newer investors should understand when they get started that most of us didn't even think about at the time.

This came from the idea that we would have all done things differently now than when we got started. Unfortunately when we get started investing in real estate we don't realize all of the nuances in the business. This month we are going to start the first part in a series where we do something we all should have done at the beginning...

Take stock and figure out where we are today so we can know what we can and can't do in our real estate investing businesses.

People ask me all of the time if you can invest with little or no money and with bad credit. The answer is yes surprisingly. The question I have for them is why do you want to know that?

### Taking Stock

Where are you in your life financially? This can be a more important question than you can image. I know that most people leap to the thought that their financial health will decide for them how much they can put down on a house and how much they can afford in repairs, etc.

I would make a different argument. The amount that you have available can predict your attitude toward real estate investing and how you are going to approach investing. The fact is cash in hand can change your confidence level.

Personal story very quickly...

When I started investing I had a decent amount of money in my savings account and a pretty good portfolio in my investments.

I used to listen to speakers talk about no money down and other people's money. I would ignore them until I was blue in the face. I even remember telling Lynn that what made us different was that we had money and we did have to learn how to do stuff the way these other people without money did.

See, the amount of money can make a difference in how your attitude adjusts. I just need to tell the few of you out



## Beginner's Corner

there that do have money one thing. Money can run out. There can be more deals than cash. But knowledge and the ability to make deals will be there no matter what your bank account looks like.

As a new or experienced investor you are going to use your money as leverage. We don't want to spend our money. We want to use money to get more money. Even if we don't have much money we are going to use it to get more of it.

### Education is Money

I hear the questions now. How do use money to get money if I have almost none. Here is an idea. If I had no money and I wanted to get money then I would probably invest in home study courses that teach me how to raise capital through other people. Wouldn't you spend \$700 to learn to raise \$500,000 from other people, realistically? Wouldn't you spend \$900 to learn how to get \$500,000 in lines of credit?

I purchased [Tom Kish's](#) course for \$897 and within 3 months between Lynn and I we had acquired \$238,000 in business lines of credit. We didn't even listen to

what Tom was really teaching about partnering with other people. That is just what we raised between the two of us. That is leveraging our money 265 times what we started with.

[Don Derosa](#) taught me how to acquire private money and taught Lynn how to do subject-to deals. Between the two of us we have a group of investors available with well over \$1 million in private funds and have acquired many properties via subject-to leaving us with at least a 6 figure increase in our net worth. All for a \$697 investment in cash and actually taking the time to learn the process.



### Have the Cash

Now if you do have money I would still highly recommend sticking it back in the sock and shoving it back under the mattress

for the time being. It is worth more there than just about anywhere else right now considering the stock market. In fact it is worth more there even if you are going to invest in real estate because people are going to give you more money since you already have money. I promise!

If you want a traditional mortgage for a rental property you are going to need to

## Beginner's Corner

provide 20% down and show that you have between 3-6 months of reserves. Reserves means that you need to have enough money to cover the principal, interest, taxes and insurance for those 3-6 months. Let's look at a good example of that.

I want to buy a rental house that I can get for \$125,000. This means I need to put 20% or \$25,000 down on the house. At a 7% interest rate (rental properties are costlier than personal residences) I will have a principal and interest payment of \$665/mo plus an estimated additional \$200 for taxes and insurance (I am just making up these numbers, please don't use them.) That means my PITI will be \$856 per month. My mortgage underwriter is going to want to see between \$2,600 and \$5,200 in liquid cash in the bank for me to buy this rental property.

### Leveraging Your Cash

In total I will need to have \$28,000 in ballpark numbers available to get this \$125,000 that might cash flow for \$200/mo on the high side. This means that I will get \$2,400 per year for my \$28,000 or a return on my investment of 8.6% It

is better than the stock market but not awesome.

On the other hand if I find the same \$125,000 rental house through a subject-to deal I don't have to put any money down. Instead I will have two choices now I can take the home over and use my own money to catch up the loan and do repairs, let's say \$8,000. In this case I will have a return on my investment of 30%, much greater than the 8.6% previously.



My last chance at the deal and the best one is if I do a subject-to deal and borrow the \$8,000 from a private investor at 10%. Yes 10% is high, but it is cheap too! Now I have invested \$800, my 10% interest only for the investor for this year. My return is 300%!!!

Here is what we are missing though when we only look at the return. In scenario 1 I had to clear out my savings account with that \$25,000 meaning if that is all I have in there I can only ever do one deal. In scenario 2 I can do 3 deals assuming I have the same \$25,000 in savings. That means I can earn 3 times as much money.

But wait a minute, in scenario 3 how many deals can I do? The answer is

## Beginner's Corner

how many people can you work with as private lenders and how many good deals can you locate? The return is infinite. The \$800 you spent came from the cash flow income in the first place so it isn't draining your savings account.

Understanding the money you have available should not be a function of how many deals you can do. Instead we want to know what type of money we have as new investors so we can get a feel for what parts of our business we can invest in while running the business. I would much rather use my money to learn how to find private money and lines of credit. I would also rather invest in learning the marketing process and spending my money finding truly motivated sellers that you can make real money with.

Next month we will be back with the next installment of the Beginner's Corner and look at the rest of your money outside of your savings account. Those retirement funds. Learn what you can do with them and other people's funds to leverage your way to a successful business.

Learn more about getting started at <http://www.getrealrei.com/pick>

## GREAT EDUCATIONAL OPPORTUNITY



### Get the Keys

There has been a ton of interest for many new investors that have asked us to

guide them through the process of buying, selling and leasing homes. Until now we didn't really have a platform to provide the level of service we are used to providing. Welcome to Get the Keys.

Get the Keys is a four day intensive training class with Judson Voss and Mike Knight. This is a step by step program designed for individuals that want to start investing in single family homes and build their business today. This is not a "survey of real estate investing" class. We show you how we run our business and GIVE you the tools you need to make it happen.

This course is not for everyone. It takes a level of commitment and passion. The next class will only be opened to 15 students, and is held TBA, Location: Charlotte, NC. Find out more at [www.getthekeys.com](http://www.getthekeys.com)

## Goal Setting

Last month we did a whole newsletter on business planning. In that I mentioned that the difference between success and failure was having a plan. So many times there are upsets and changes in our businesses and without a clear plan we tend to get lost along the way.

It doesn't matter if you are a beginning investor or have years of experience we all can forget what we are trying to do and what the end results should be.

This month we are going to dive into the nitty gritty of our business plan, goals. This is not exclusively the big picture stuff like what I want for my life stuff but also the detailed how-to day-to-day action steps I am going to take to get to where I want to be.

Whether you like to plan or not you will find that setting your goals, creating your action plans and then accomplishing them will feel like a win in itself. Over time you will look forward to setting your goals because you realize that even if you hit 50% of them you are going to be a success.

### FEAR

Yes, fear is the number one obstacle to goal setting. You would think that I am talking about the fear of getting started and taking action but the truth is a little deeper in the psyche. For most people they are afraid to even set goals. Why? We are afraid of failure.

If I don't set a goal then I don't have to worry about not reaching it. If I just get started and see how it plays out then whatever success I have will make me feel good.

Here is my best success advice I can give you. Get ready to fail on a daily basis, get used to it and learn to welcome it. Don't learn to love it. In fact you might want to have a healthy hatred for failure, as long as that hatred doesn't turn into fear.

If you can get good at failing daily in small ways then you will find that in the big picture you will fail small and succeed big. Armed with that one skill you can take on a lot of big dreams you never thought were possible. Just as importantly you can start to put on paper some small dreams and make them happen today!



# Goal Setting

## Planning Horizon

I am going to be honest with you, this is sort of an arbitrary thing. The planning horizon basically is the period of time over which you are setting to accomplish your goals. You can set a 1 year plan or a 6 month plan, it doesn't matter. What matters is that you create it and be specific. What you don't want is to set goals over a range of time. Ex: 2-4 years.

Many people that are new to goal setting will also avoid the task by making excuses about the time of year. I can't tell you how many times I have heard things like, "I am going to wait until January to set my goals for the year", or "Once I have a better idea of what I want to do I will create a plan."

Yes it is true you need to know what you are doing before you can have the details of your goals but that is part of the process. You want to start the process from right here, now, today! Don't let fear and procrastination put it off till tomorrow. We both know tomorrow won't come.



I see many investors decide to put off their goals for a couple of months and get started, "kicking the tires" of real estate investing today. What ends up happening is what happened to me when I got started. I spent 18 months not buying houses and making money because I just sort of wandered through the real estate investing landscape. You can save almost two years of your life by just not doing what I did.

## The Process

Let's talk a little bit about how exactly I set my goals. I will tell you first of all I didn't come up with all of these ideas. Some came from Stephen Covey, others from folks I have learned from along the way and then, yes some, by trial and error.

I always try to find some quite alone time to work on my goals. I have a world class case of ADD on a regular basis and goal setting is not an excluded activity. If I don't find myself a space where there are no interruptions and no distractions I might as well take a two hour nap. It would probably be more productive.

If you have little ones running around try to find a time when they aren't going to be able to tug on your attention. After they go to sleep is a great time. Though for me I prefer to do goal setting in the mid-morning on a

# Wholesaling for Cash



Take advantage of quick cash without having to use any of your own money or ever owning a single home. Investors are still buying - Cash in by having an endless supply of homes to sell them!

### **This course includes...**

- **190 Manual detailing how to build your buyer's list and cash in on wholesale deals!!**
- **6 Audio CD's**
- **1 Data Disc**

### **Added Discount!!!**

Get a **\$50** discount on **Real Prospect**, THE Investor Software Solution. (**\$250** if purchased separately.) If you purchase when you buy **Wholesaling for Cash**.

**The Course is Only \$497**

**\$697 with Real Prospect included.**



[www.wholesalingforcash.com](http://www.wholesalingforcash.com)

---

# Goal Setting

weekend day. It may seem weird but for some reason to me the weekend is a time to refresh, review and renew my passions. I use the weekdays to execute and the weekends to plan.

You on the other hand might have your own unique way of doing things. Maybe during the week after work is when your batteries are charged and you are motivated to set your plan. Maybe getting out of work is your motivator and the reminder of having to go back tomorrow will get you going. It doesn't matter as long as you set an hour or two aside to really concentrate on your mission.

## What is your Why?

The very most important thing is to start from the end of the process and work your way back to right this minute. Many people will start with a to-do list and then try to fit their goals into it. Others will begin in the middle of the process and try to straddle both sides. It doesn't work.

Here is the reasoning. We need to start with what our motivators are. These are the things that will drive us to get up in the morning. These are the things that will keep us going when things don't work out right the first time and trust me things don't always work out

right the first time. Our motivators are the big picture end result.

If I can use a religious example without offending let's look at the motivators there. While not entirely, if I can boil it down, the end result is to get into heaven and not go to hell. OK, I know, oversimplified give me a little leeway here. We want to go to heaven but to do that we have to do some things while we are here on earth. We need to serve others, be kind, follow the bible, etc.

Using the religious example my goal would not be to serve 3 hours a week at a soup kitchen. It is a wonderful service but it is an action item. You see my goal is still to get into heaven. The reason I don't want to make the service part a goal is because once I get to the 3 hours a week then what? What if it gets to the last day of the week and the soup kitchen needs help but it is 82 degrees and sunny out and I would really love to go out on the boat?

If the serving at the kitchen is my goal well then I can hedge a little bit. Maybe I can serve a couple extra hours the next few weeks and I will still get to the end goal of serving 3 hours a week at the soup kitchen. I would still serve my 150 or so hours in the year, I just might do them all in the last 3



---

Available Now...

**Get Real, Get the Deals, Judson and Lynn's Marketing Course**

---

# Goal Setting

months of the year though. Does that sound like a plan that will get you into heaven?

Of course it doesn't work that way. If my goal instead is to get into heaven well then I have a whole new perspective on things. I can make that decision to serve at the soup kitchen even if I really, really want to be out on the lake, why? Because the thing that is going to make me feel good is taking an action step towards my goal of getting into heaven. It will be longer lasting and more real than the momentary happiness of feeling the wind in my hair and the spray of the lake in my face.

I know this will be a shocker but the same holds true for your real estate investing goals. You are not going to set goals to look at 10 houses this month. You won't have a goal of buying two rentals this year. The reason is that these activities don't answer your big question. They don't answer your "why."

When we sit down in that quiet place we need to ask the big question first and get a real answer for it. Why? Why do I want to do anything at all? If you don't know then you need to really reflect on that. Until you have a true concrete answer it

will be really tough to accomplish your goals.

So what are some of the examples of why? I hear the comedians out there, "I want to invest in real estate so I can get into heaven." Very funny. Some of the big why's I hear people say is they want to get out of their jobs or they want to make enough money so one of the spouses can stay home part of the time with the kids. You're "why" might be that you want to make a couple extra thousand dollars a year so you can afford that boat you are riding in instead of serving at the soup kitchen. All are great why's but you need to seriously consider what yours are and then right them down.

## What Things Will Get You There?



Now that we have a why to invest in real estate we are going to move backwards down the path to get to what we want. The

"why" is our reason for investing and the very end goal of what we are doing all of this work for in the first place. To get to the "why" we need to have a plan for getting there.

---

# Goal Setting

Probably the trickiest part of understanding the “thing” that will get you there, or your investment vehicle is to pick a strategy or set of strategies that will work for you and match up very closely to your why. We have dedicated an entire day seminar to just this topic. Grab yours at <http://www.getrealrei.com/pick>

What I mean by matching the two up is to really look at what it is you want. I know everyone wants money but for what reason? If you want money so that you can spend more time at home with your kids and be able to travel then you will need to find a strategy that creates passive income.

Passive income is money that comes in whether you are at work or not. As a negative example. If you want to travel and visit family very often then wholesaling is not for you. Don't get me wrong, wholesaling is a great way to make money in real estate but it is not passive. To wholesale properties you have to have your feet on the ground doing the daily work to make it happen. Once you wholesale a home and pocket your \$5,000 you need to be



working the next deal so you can feed the family next month.

If you are looking for a more passive source then you should look at things such as rental properties, being a landlord, and lease option properties. These strategies don't equate to zero work but they are more hands off if done correctly and allow you to manage your time in different ways. It comes down to your time and how you want to spend it.

Make sure you do your research in this step of the process to make sure you are finding a strategy that not only lines up with your why but also takes advantage of your time, personality, cash and credit. Again this is the cornerstone of [Pick Your Future in a Day](#). There are exercises and other tools in this class to get you to this end point very quickly.

## How do I Know if I Can Get There?

The next step in your research process is to understand the nuts and bolts of the strategy you are picking. It is great to be able to say you want to make \$10,000 a month renting houses but what does that mean? In my experience I can get about \$200/mo

---

# Goal Setting

cash flow on a single family home. That said with vacancies and maintenance I am really netting closer to \$150/mo. To get to my \$10,000 per month goal I would need to have 67 single family units rented!

I am not saying that it is impossible and over time it is definitely possible. The key here is understanding the reality of the situation and what the hard numbers are. I know this information because I did the research and worked with other investors when I started that were experienced in the types of investing I wanted to pursue. They were able to tell me the real world facts about my investing strategies so I could have realistic numbers to work with.

Assignment number 1 for your goal setting project is to learn what kind of money you can make in your investment strategies. As I said in the business planning process don't guess, actually find out this information.

Assignment number 2 in the goal setting project is to understand how

much time it will take to get up and running and run your business the way you need to accomplish your goals. This means the start up time and the daily running time you will need to make things happen. Reality is the word of the day.

## Be Specific

Why are we doing all of this work just to set some goals in the future? You see for me goal setting is not just a statement that I want something. Instead it is a plan to manifest exactly what I want in my life. If I don't have the plan then I will never get there. The key is to know where "there" is.

Your first instinct will be to set a goal that looks something like this...

"I want to invest in real estate by buying and selling homes and acquiring some rental properties so that I can quit my job in the next 2-4 years."

I am not being critical here. I appreciate the statement but it doesn't get us to where we want to be which is not working for someone else. What gets us there is a roadmap to that end point.



# Pick Your Future in One Day



Cut years off of your learning curve and start investing in YOUR real estate investing future today!!

**This course includes...**

- **5 DVD's**
- **4 Audio CD's**
- **Data Disc that includes a 77 ebook to follow along with**
- **Forms to pick the right strategy for you**

**ALL for Only \$199!!**

Finally answer the question, "Where do I Start?".

**[www.getrealrei.com/pick](http://www.getrealrei.com/pick)**

---

# Goal Setting

You need to be very specific with your actions and you need to be very specific with your goals. Another way to say this, and yes it takes work, looks like this.

“I will buy 15 income producing properties that provide \$200/mo net cash flow and buy and lease option 3 properties per year to build up to a steady monthly income of \$4,500 per month by June 30, 2010.”

I will agree with you that this statement is much scarier and also requires some research to know how many houses I can do with the time I have available and how much money I can make on each house. The difference is I now have a very clear statement to get to the next step in our process.

## Where the Rubber Meets the Road

This is it. This is where it becomes important to actually set up our plan and make things happen. For all of you planners out there, get excited. For the rest of us, take solace there is an upside to this. You are going to make money off of your planning!

For each of my goals I will start to work

backwards again and really dig into what I have to do and when. I know the first reaction is to be vague and generic but just like in our goal statement we need to be specific with dates and actions.

Let's use the statement above as an example of this. We want to buy 15 income producing properties by June 30th, 2010. As of today that is 15 months away. I could always say I will buy one house a month for 15 months but it probably won't work out that way. In reality it will be at least 3 months before I can close on my first deal if I work really hard.

So what do I need to do to buy an income producing property? This is not the whole list but let's brainstorm a little. I need to find a house, I need to finance that house, I probably need to repair the house and I will need to close on the house. If I am not managing my properties myself I will also need to get a property manager.



Under each of these big points there are a lot of smaller steps I need to take and goals I need to set. Let's look at the first item on the list, find a house.

---

# Goal Setting

## Find a House

1. Start a direct mail marketing campaign to get pre-foreclosure and owner financing leads.
2. Interview realtors to partner with on searches.
3. Hang bandit signs to get leads
4. Hand out business cards

These are some of our brainstormed activities for finding houses. As you can see though it is not specific and does not have dates. For each of these items we need to break it down even further.

## Item #3 - Hang Bandit Signs

1. choose wording for signs - 2/15/09
2. find out what colors work best - 2/15/09
3. shop pricing for signs - 2/15/09
4. buy 100 bandit signs - 2/15/09
5. decide what neighborhoods to target - 2/22/09
6. choose intersections - 2/22/09
7. get a map to track where signs are planted - 2/22/09
8. hire someone to hang signs 2/29/09
9. buy a sign hammer - 2/29/09
10. hang 10-15 signs per week in target area by March 3rd.

Again in this list I took the action of bandit signs and broke it down to most of the activities that are needed to get to the end result of marketing through bandit signs. One thing you will notice is that the list has quite a few items on it. This is for the one simple task of marketing with bandit signs.

Another item you should pay close attention to is the fact that we have placed dates next to each of these tasks. We are being specific about what we are doing and we are choosing a specific date to make sure the items get done. This way we can see on a weekly basis what items must get done to reach our goals.



There are many ways you can accomplish these goals and plan out your action items. I prefer to use a method called "mind-mapping." Mind mapping allows you to set up a list of things to do along with goals that are laid out graphically. In my opinion it is a combination of project planning and brainstorming all in one package. If you would like to use a free mind mapping tool and see if it works for you check out [Free Mind](#).

---

# Goal Setting

## Sticking to it

For many people it is not the end of the world to set your goals up and even create an action list of items that have to be done. Unfortunately implementing those items and over a long period of time can often prove to be a little more difficult.

The first thing you need to understand is that these goals are important to you. Things that are important to you are front and center. You do not put them in a file folder that can soon get lost somewhere on your desk. Instead they are right in front of you on your desk all day. That is where the picture of your spouse and kids are right? They are important to you?

There are a lot of ways to keep your goals in front of you. I used to put them on 3M sticky notes and plaster them to the wall in front of my desk. I could see them all of the time there. Furthermore over time the adhesive would wear out on the sticky note and I would have to pick up my goal off of the floor and rewrite the goal and stick it back on the wall. Trust me this drives a message home when you have to pick up your fallen goal off of the floor and start it over.

Maybe this isn't you though. You can always keep your goals in your planner

or organize them through Outlook to remind you on a regular basis of the goal and the timeline to getting each of the items completed.

We also recommend that you share your goals with others. Whether it is your spouse or a friend or another family member. It is good that others know what you are up to not just for support but to also remind you where you want to be. Spouses can be really great at this. They can remind you that you were supposed to be calling back motivated sellers instead of catching up on a little extra tv time.

One last word on goals. The fact is that we don't meet all of our goals in the time line we set out. In fact there are many times when our goals need to change because we learned something we didn't know in the first place. This is in no way a sign of defeat. As a matter of fact it is just the opposite. When we change our goals for good reasons it is a sign that we are taking action and moving ahead in our lives and professional actions.

Remember don't think of goal setting as a chore. Instead it can be a great few hours of quiet time that will set you up for success throughout the year in running your business.



## Upcoming Events

*Meet Judson and Mike Live & Learn.*

### **Dates TBA Get the Keys, Location: Charlotte, NC**

FOUR full days to learn step by step to build your business.

More information and register at [www.getthekeys.com](http://www.getthekeys.com)

### **Would you like Judson or Mike to Speak at your Club?**

Email [customersvc@getrealrei.com](mailto:customersvc@getrealrei.com) to schedule a speaking engagement

## Big Changes to the Newsletter Program



### Now Includes...

- The Newsletter delivered via download from the site (all 22 pages)
- A monthly coaching call to answer your questions (\$200 Value)
- All of our old shows that are no longer available to listen to online!!
- Your own Investor Website, the turnkey solution to buying, selling and renting (see a demo at <http://investorwebsolutions.com> )