



WEST FLORIDA REIA NEWS

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Investing for Cash Flow

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I met a man a couple of years ago who had worked all his life, saved and invested and built a large, seven-figure nest egg.

Children in college, a layoff and a divorce forced him to start again from scratch. He is in his mid-fifties. There is little time for him left before retirement, even though that planned retirement is now pushed back by several years.

There are only two good things about being wiped out and losing everything. The first is when you start back, you have knowledge, experience, and a network to help you rebuild what you lost and so you are able to do that more quickly. If it took you twenty-five years to accumulate a million dollars, you can probably do it again

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On the Move... to Sarasota

Tampa/Sarasota is in the top 5 of moving destinations in the U.S.

Penske Truck Rental announced its list of top moving destinations in 2014. The Tampa/Sarasota metro area was number 2 on the list for the nation and number 1 in Florida.

The cities, in order of popularity are:

1. Atlanta
2. Tampa/Sarasota
3. Dallas/Fort Worth
4. Phoenix
5. Orlando
6. Seattle
7. Denver

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in ten years (or less) the next time.

The second factor is intrinsic; it has become part of your DNA. It's the knowledge that if you've succeeded at something before, you can succeed again.

"Cash flow matters now."

The gentleman I met with had a strategy to rebuild as quickly as possible. He said it would take too long to rebuild his capital back to where it had been. His goal was to replace the cash flow. He said, "I don't have to have the million dollars. I just need the cash flow that I would get from a million dollars."

What would that look like? Given a 10% return (Americans do like nice, round numbers), that's \$100,000 a year or around \$8,800 a month. He was buying up cheap duplexes (for the most part), using long term private money at 6%-8%. Each duplex (both sides) had a minimum monthly cash flow after all expenses including management fees, of about \$400. He was working his way up to 20 duplexes which would give him the cash flow he wanted. His outlay for the properties will be around \$700,000 (almost all of that borrowed).

Eventually he will pay down the loans, increase his cash flow, maybe sell off some of the properties, trade up, consolidate, or start investing in a different economic stratum. But right now he is working his plan to create the cash flow he needs to breathe, to live his life, pay his bills, and finance his next step.

He may have his million dollars back sooner than he thinks, but that's not his goal. His goal is cash flow.

During the boom, no one worried about cash flow. A break-even or slightly negative cash flow on a property was nothing against 30% annual appreciation.

Cash flow matters now.

If you haven't already, reframe your investing strategy using the filter of cash flow. It may open up options to you that can help you reach your investment goals much more quickly.

"If you've succeeded at something before, you can succeed again."

Ready to Make a Change?

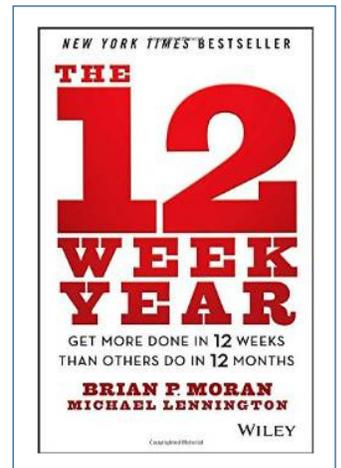
Last month I passed along some reading recommendations from Sharon Vornholt, of Louisville Gal Real Estate fame. I finally received my copy of The 12 Week Year and I am ready to commit to this philosophy of time management.

Basically, the book shows you how to use each quarter as if it's an entire year. Each week equates to a month and you end up really making proper use of your time, reaching milestones and goals much more quickly.

I am starting my "12 Week Year" on April 1st (No fooling!). Part of the program is to have an accountability group to check in with each week. If this is something you might be interested in doing with me, shoot me an email: info@WestFloridaREIA.com.

You can pick up The 12 Week Year by Brian Moran and Michael Lennington at major bookstores or order online through Amazon.

Whether you want to find more deals, make more sales, write a book, or lose ten pounds, this is a great way to get the job done. Join me!



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8. Houston
9. Chicago
10. Las Vegas

Penske compiles the list from its one-way truck rental reservations.

In December, the Census Bureau released a study showing that Florida passed New York to become the country's third most populous state, behind California and Texas.

(Side Note: All four of these states are "bell weather" states - changes occur first in these states and then move through the rest of the country.)

For the period of July 2013 - July 2014, an average of 803 people moved to the State of Florida each day. Over a quarter of a million new residents were absorbed into the state.

Population growth is an obvious indicator of housing needs. Baby Boomers hitting retirement age coupled with another hard winter up north should send even more retirees scurrying down to the Sunshine State.

Florida recently passed New York to become the third most populous state.

Upcoming Speakers

We're working to bring in speakers on topics you'd like to know about. Coming up in the next few months:

Investing with Your Self Directed IRA --
Mountain West IRA Services (March)

Seller Financing -- Larry Harbolt

Investing In Probate -- Sharon Vornholt

Funding for Your Deals - Hard and Private Money

What real estate and business topics would you like to hear about? Let us know and we'll do our best to contact and bring in knowledgeable speakers.

Send us an email:
info@WestFloridaREIA.com and tell us what you want to learn.

Our Next Meeting:

TUESDAY, March 10th, 2015

Meeting Place and Time:

Sarasota Association of Realtors
2320 Cattlemen Road
Sarasota, FL

Doors Open: 6:30 pm

West Florida REIA Members: FREE

Guests: \$20.00

*In the Port Charlotte/North Port/
Englewood area?*

Our **Port Charlotte Sub-Group** meets every Thursday night at 6:30. Bring your deals, your questions, your experience. Pick up a new trick and talk shop with fellow investors.

Sub-Group Leader: Carol Pollard

Perkins Restaurant

1700 Tamiami Trail

Port Charlotte, FL

\$5 per meeting

FREE to West Florida REIA members.

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VOLUNTEERS NEEDED

We can always use a helping hand!

We're looking for people who can help check in members, assist with coffee set up and break down and putting together our newsletter.

If you'd like to help, please email us at
info@WestFloridaREIA.com