



# WEST FLORIDA REIA NEWS

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## Why Start Another Real Estate Meeting?

By Barbara Grassey

When it comes to real estate investor meetings, Florida has an embarrassment of riches. There are meet up groups, exchange meetings, National REIA affiliates and independent REIAs.

So why start another one?

Real estate has changed dramatically over the past decade or so. But real estate meetings have not.

We've gone from a flat market to boom to bust and back to flat (the 2013 demographic uptick notwithstanding). More and more regulation is coming in, controlling everything from owner financing to whether or not you need a permit to tile your kitchen. Some strategies are now illegal. Some of the old strategies are in favor once again.

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## Real Estate Investing is a BUSINESS

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*Are you a true real estate investor or do you work in your real estate business?*

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How do you build a real estate business? You know you should be outsourcing but you can't afford to hire people. You need money for deals but how do you convince people to invest with you? In short, how do you establish yourself as the CEO of your business and not just one person struggling to find the next deal?

We go into real estate for any number of reasons, but right near the top of the list is financial freedom. Financial freedom is not just about money; it's about having time in your life to enjoy your family, your friends, your life!

Too many times we end up working to support our properties instead of having our properties support us. Yes, there are sometimes unforeseen

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## The Average Person's Path to Wealth

By Jay

A decade ago, I decided to write the book, *Living a More Tax-Free Life: C Corps, Roths, and Section 121*. It is very clear to me today, as it was back then, if one were willing to study, learn, and live by the tax laws which the United States Government has established, a citizen might greatly reduce his/her tax liability. In fact, with some thought and planning, an individual can live completely within the law and, yet have little or no personal income-tax liability to the Federal Government. Of the three items, the C corporation, the Roth IRA and Section 121, the latter is by far the easiest to implement and is readily understandable by the average citizen.

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*You can capture up to \$250,000 (\$500,000 for a couple) in real estate profits TAX-FREE every two years using the 121 Exchange.*

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The essence of Section 121 is this: You live in an owned-by-you residence for 24 months out of the last 60 months. If you sell it after 24 months of residency, any gain (profit) earned by you as an individual up to \$250,000 (two people in title get up to \$500,000) is not taxed in any way, no 1099 is filed on the money, and you can do anything you want to do with the money. It does not get reported to the Internal Revenue Service and they do not want to hear about it.

So...

1. Negotiate a great deal on a residence.
2. Live there for 24 months and a day.
3. Improve and sell it at the greatest profit/gain possible.
4. Pocket and save the money.
5. Repeat four more times.
6. In a decade, you should have a lot of tax-free money and a spouse

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In short, real estate investing is no longer the Wild, Wild West.

Today's investor needs not only to be aware of new regulations coming in, but to be proactive and shape legislation before it hits the books. Investors need to understand and leverage the technology that is available to them and use it to create efficiencies in their business. Investors need to have access to quality, low-cost education on legitimate strategies, not flashy dog and pony shows. We need to know how the global economy affects the local economy and anticipate changes in our market.

In short, it's time for us to up our game. West Florida REIA focuses on the business of real estate investing. Our goal is to provide you with the tools and education you need to be successful in a fast-changing market. So yes, a new meeting. But so much more than just real estate.



*Real Estate Investing is no longer the Wild, Wild West..*

## Home Depot 2% Rebate Program

Have you signed up for your Home Depot Rewards yet?

As a member of West Florida REIA, you can earn cash back from Home Depot!

You can join the Pro Rewards Program at Home Depot even if you're not a contractor. You'll find discounts and specials that are exclusively for Pro Rewards Members. In addition, twice a year, Home Depot sends you a rebate check for 2% of your qualifying, pre-tax purchases. If you're doing any rehabbing at all (even just fixing up your own house!) this can add up.

You don't need a Home Depot credit card - you can register any form of payment accepted at the Home Depot - including checking accounts, credit cards, debit cards and The Home Depot Accounts.

There's no cost to enroll - just sign up and start saving!

Go to Member Rewards in the members section of [www.WestFloridaREIA.com](http://www.WestFloridaREIA.com) for a step by step guide or pick up a form at the Registration Table.

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circumstances that can pop up. But two things can help head off trouble before it rears its ugly head: understanding what business you are actually in and creating a business plan to guide your investment decisions along a chosen and well-thought out path.

Many times we don't find out that we dislike certain aspects of real estate until we are mired in the middle of it. That's when we discover...

... most of us are not real estate investors.

An investment is something you put money into and expect a return on. It is a passive income stream. If the extent of your real estate investing is putting money into REITs or receiving payments on notes that you hold, then yes, you are a real estate investor.

The rest of us are actively working in our real estate businesses. While we are in "building" mode, we are wearing all the hats in our business. Think of each hat that you wear as the job title of a future employee. With the proper systems in place, you may be able to outsource certain tasks even if you can't afford to hire someone full time.

Taking the time **now** to work on your business, not in your business will pay off almost immediately and will put you on the path to becoming a true, hands-off investor.



*Caption describing picture or graphic.*

*The E-Myth Revisited by Michael Gerber goes into great depth explaining the how and why of establishing systems. If you haven't read it, you should!*

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who is really sick-and-tired of moving.

As with anything to do with money and the government, run this by your CPA for fine-tuning.

The Section 121 Exchange is by far the easiest way to put away tax-free gains and it is one section of the tax code that allows an average person can build wealth.

## Next Meeting:

**TUESDAY, JUNE 10, 2014**

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**

**First Time Attendees: Free**



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## VENDOR MEMBERSHIPS AVAILABLE

Includes:

One Year Membership for 2 People  
Vendor Table at Monthly Meetings  
Inclusion in the Newsletter  
And more

<http://westfloridareia.com/vendors/>

*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 and first time attendees.

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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 put together our newsletter.

If you'd like to help, please email us at

[info@WestFloridaREIA.com](mailto:info@WestFloridaREIA.com)