

5 Secrets to Real Estate Wealth Building

SECRET 1: You must generate positive cash flow

How to Generate Positive Cash Flow



Positive Cash Flow

To build wealth, you must generate income that exceeds your overhead (cost of living).



Passive Income

Most often, people generate additional income through passive investments.



Investment Real Estate

This is why: 90% of all millionaires in the United States are millionaires thanks to their ownership of investment real estate.



SECRET 2: Understand how profit is created

3 Profit Centers of Real Estate Investing

1. Use Change

More commonly referred to as “real estate development” or “flipping”

2. Cash Flow

Earn positive passive income monthly

3. Appreciation

Build long-term wealth by buying and holding in appreciating neighborhoods

Flip vs Hold

Which profit centers apply?

Flip: Only profits from use change

Hold: Holds profits from all 3

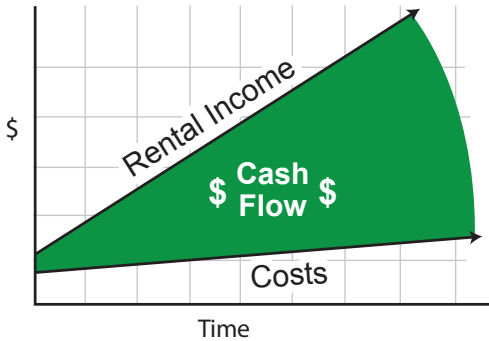
“My favorite holding period is forever.”

Warren Buffett



SECRET 3: Cash flow and equity increase over time

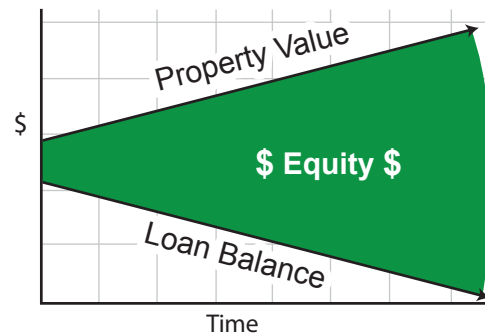
Landlords get rich in their sleep



Rental rate increase with inflation over time.

Rental property income increases faster than costs because loan payments are typically fixed rates.

Cash flow increases over time.



Property values increase with inflation over time.

Loan balance decreases as monthly payments are made.

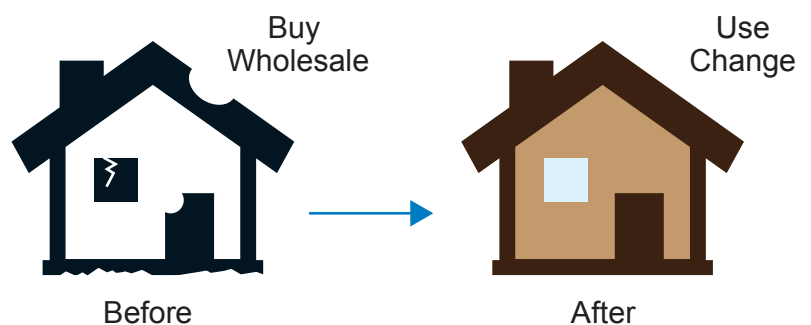
Equity increases over time.

SECRET 4: Target smart buys

Buy properties that maximize all 3 profit centers: use change, cash flow & appreciation

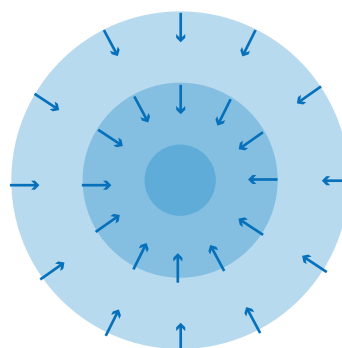
1. What to buy?

- Buy Wholesale
- Single Family
- Detached
- Conforming Zoning
- Standard Construction
- Affordable Price Range
- Established Subdivision
- Consistent size for neighborhood



2. Where to buy?

- Buy in Growing Metro Areas
- Near Downtown
- Upward Transitional Neighborhoods
- Positive Rental Income vs Cost to Buy



Buy Near Downtown in Growing Metro Areas

The outside circles create increasing pressure on appreciation the closer you get to the center

SECRET 5: Use leverage to maximize your returns

Most successful investors use leverage to build wealth in real estate

It takes money to make money, but not all of it has to be YOUR money.

Part of the profit from many properties is often greater than all of the profit from one.



Here's an example of a real estate wealth-building program:

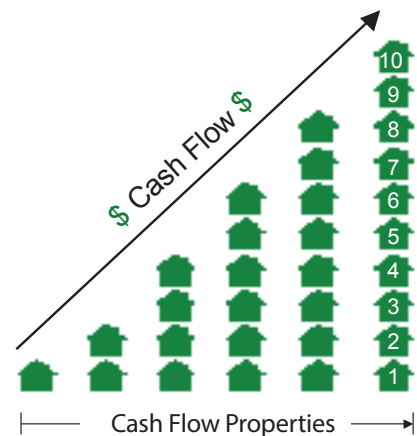
Buy and hold 1 investment property per year for 10 years, and pay them off within 20 years.

Financial Freedom

\$251,285/yr* Annual Net Cash Flow

\$3,350,470* Real Estate Equity

*Cash flow and equity estimates based on present property value of \$150K; present monthly rent of \$1250; industry averages for taxes, insurance, and maintenance; average US inflation for the past 50 yrs of 4.1% annually.



BridgeWell offers a full line of financing solutions for residential and commercial real estate investments