



BUYING USA REAL ESTATE

The Ultimate Training Experience



3 Case Studies

Introduction to the Case Studies and Videos

Congratulations and welcome to Buying USA Real Estate Training. This is an incredible program where you are systematically stepped through what it takes to building an international real estate portfolio.

This is the how, what and where to 3 properties in the area that you can be investing in. It gives you a fantastic overview on the types of properties you will have in your portfolio.

Continued on **2**

Property 1:

A 3 Bedroom, 1 bathroom house built in the 1950s in a beautiful neighborhood

Page 4

Property 2:

This house is a 3-bedroom ranch style home located in a high rental yield area

Page 9

Property 3:

This is 3-bedroom cape-cod house in a good area.

Page 14

For the investor who is at the beginning of his/her career, the most logical place to begin is with the smaller properties, single-family homes and small multi-units. If you are in the process of acquiring the skills and expertise associated with the real estate investing field, it makes sense to complete simpler transactions where the risk is lower and the transaction relatively uncomplicated.

Real estate investing, just like any other business or profession, is a collection of underpinning skills, knowledge and attitude. The knowledge can be achieved through the research and reading endless amounts of information on real estate that's out there. The skills and the attitude can only be developed through experience, meaning you have to start real estate by sourcing, buying and renovating a property. Finding bargain properties is one of the most important of these skills, in many ways the most important.

The key to finding bargain properties is the ability to identify sellers who are highly motivated to sell, who must sell, as opposed to those for whom it would be desirable and useful to sell. Therefore, real estate investing amounts to finding both the right kind of seller as well as the right kind of property. In fact, real estate investors tend to look first for the motivated sellers before they go too far in analyzing the properties.

In the majority of cases I am buying from the banks or government agencies that no longer want these houses on their books. The houses are generally empty making it so much easier for me to see the potential. It also makes it so much easier when going to view the house. The bank or agency usually goes through a realtor that specializes in these types of sales. A lock box is usually provided so you can get access to the property at any time of the day as long as you have pre-arranged viewing over the phone with the realtor. It makes for a relatively easy buying process. The banks or government agencies are generally what you would classify as a motivated seller. They have been holding on to the property for far longer than wanting and are looking to clear it off their books.

I recommend the philosophy that a lot of 'little' real estate deals can add up to a great deal of success. Single-family houses and small multi-units hold out the potential for considerable profit, if acquired and managed appropriately.

There will be time enough for the bigger transactions after you have developed experience in the real estate field. That is not to say that the beginner or intermediate investor who comes upon a great bargain in the large property arena should shy away from taking a close look at it. After all, if needed, a partner can be brought into the deal who has the qualities and experience. We are saying that the smaller properties are the logical place to focus at the beginning.

This house is a ranch style home situated in a fantastic borough within the 2 county area that I invest in NE Ohio. I have many houses in this neighborhood and the location is fantastic. It's a nice area to drive through and you can visibly see the quality of the houses. As we do a sweep of the neighborhood you can clearly see the nice gardens and the houses look like they are owner occupied.

This house is a 3-bedroom house in a very residential area with close proximity to schools and shopping. It has very nice landscaping, car and half driveway and garage. It also has a very nice front porch. The house has had new paint on the external siding. So lets head on into the house.

There is an older storm door on the front of the house, but painted. It has a nice size living room with all new carpet and freshly painted walls. You can see that some of the interiors can be a little old fashioned, however, that is due to most of these houses being built in the 1950s. The ones I buy are always structurally sound. You can see this nice picture window at the front of the house, they can be a little harder to replace and quite expensive. Also, the vents in the floor are the attached to the ducting, which goes to the gas furnace.

So as we move into the kitchen; its a nice size with lots of cabinet space and an eat in dining room. All light fixtures, light fittings and fans included. In America the white goods are usually included in the rental agreements to the tenants. We made a decision at the beginning of this journey to not include the white goods when renting. The tenant has to bring his or her own white goods. This ensures that you the landlord are not constantly attending to the repairs of any white goods. The repairs and maintenance are the responsibility of the tenant. The cabinetry is custom built and in great condition, you would not want to replace any of these cabinets. In this house, you can see no stove installed as the tenant will buy and bring there own.

This house has a laundry room, which is very unusual for houses in these areas. The laundry hookup is usually in the basement as 85% of the houses have basements. The furnace and the hot water tank are also in this laundry area, which indicates that this house does not have a basement.

It has one full bathroom, meaning it has shower, bath, toilet and vanity. Tub surround is enclosed vinyl sheeting that goes from the bath up instead of tiles. The advantage of this is there are no tiles and grout to worry about and therefore no mold. This is great for rental properties as you can imagine. Tenants do not always look after a bathroom the way we might and the more materials you can include in a rental that is low maintenance the better.

All new carpets are installed throughout the house. A bedroom is considered a bedroom when it has a closet in the room. And, there are ceiling fans in all 3 bedrooms. The carpet that is being used in all the rental properties is relatively inexpensive to replace and due to the weather, they prefer carpet in those colder months. It is always recommended a dark color, industrial type carpet. We, the landlords do not provide the window finishing's like blinds or curtains, the tenant will generally provide their own

This house has a central air unit, which is separate from the furnace and the heating. However, it uses the same ducting as the gas heating. If the house does not come with air conditioning I would recommend that the tenant buy their own window units and they can take it away with them when they leave.

As we wonder through to the backyard we can see a great looking 1.5 car garage, which has been painted externally. The yard is fenced in which is great as in a lot of cases the houses in NE Ohio do not have backyard fencing and so the yards can go for miles without any fencing or borders. This can look rather unusual when you come from a country where every house has fences and are always looking for ways to make their yard private from others.

It also has a really nice yard on this house. Another quality to look for in a rental property is less lawn, which means less grass to mow. I was looking at a property to make an offer on it and the ask price was \$29,000 on a large corner lot. No rehab was required on this house. I was so tempted, however, the biggest problem with this house was that it was going to be rented and would create a nightmare when having to maintain the lawns.

Overall, this is a wonderful rental that will attract great tenants in a decent neighborhood. I have quite a few houses in this area and am driving around this area constantly when I go back each year.

Notes and Observations:

Property Acquisition	
Purchase Price	\$28,000
Rehab/Renovation	\$8,000
Closing/settlement costs	\$1,500
Total	\$37,500
Income	
Current Rent Monthly	\$650
Current Rent Annual	\$7,800
Gross Return	20.8%
Expenses Annual	
Taxes/Council Rates	\$1,070
Property Insurance	\$660
Property Management	\$780
Maintenance	\$1,560
Total	\$4,070
Net Cash Flow	
Net Return	\$3,730
	10%

This house is also a ranch style home with a single car garage located in a high rental area. There are some owner occupied homes. I had an issue with the neighbor across the road; as she was an owner-occupier and they can create more trouble sometimes than the tenants. She was complaining about everything. For owner occupied neighbors that live either side or across the road to the properties, my property manager simply says to them “this house was for sale before my landlord purchased it, you could have bought it!!” As you can see in the video the neighborhood is quiet and close to schools and shops. This house is a fantastic house for the price I secured it for!

So lets head on inside... as you can see quite a new storm door on the front. As you walk into the house you are immediately in the front living room, which is fairly large. All the houses have a very similar layout. Newly laid carpets, dark colors, very hardwearing industrial type carpet. I am considering laying more hardwearing flooring on any room that you step into from the front door. The carpet really does attract dirt and stains in a living room directly off the front door. Nice picture window at the front and the house has been freshly painted. Also, nice sized coat closet right by the front door as you enter the home.

As we head on into the kitchen you can see vinyl tiles are laid on the kitchen floor, which are extremely hardwearing, and hardly ever have to be replaced. There are new windows in this house another great investment into a property, is replacing all the older type windows.

Again as you can see, there are no appliances and no cooker, so the tenant will bring their own cooker. This is another example of an original custom kitchen with lots of cabinet space. The older kitchens are so well made that it is not worth ripping them all out to replace them with newer cheaper made cabinets that do not stand the test of time. In some cases we can even refurbish the cabinets, which is cheaper, and you end up with much better cabinets. Tenants love kitchens with lots of cabinet space and counter tops. There is a combined kitchen dining room so they can put there table in the kitchen area.

So we move in across the small back entrance, which has had new tiles and head on into the first bedroom, this too has had new carpet laid. Again, darker more industrial type carpet and good for those colder months. The tenants much prefer carpet in the bedrooms because of that reason. Nice sized room with great closet space. We can see the newer type windows installed in the all the rooms.

Head on into the master bedroom, another good size and new, freshly laid carpet. There are no window fittings in this house as you can see and for a master bedroom there is a much larger closet space. Nice light fixtures in all the bedrooms.

Third bedroom, with fresh paint and new industrial type carpet, all the houses we buy we end up usually putting in new flooring and fresh paint. The flooring is purchased in bulk allowing for large discounts.

We head on into the main bathroom, which has a newly tiled floor, toilet and vanity.

Sometimes the original baths are difficult to remove and even more difficult to replace as the sizes can be very different today. There is a tub surround, which is instead of tiling making it easier for cleaning and therefore better for rental properties. As we head on out and go back down the hallway, there is a large linen closet in the hallway, which is great for storage.

So now we head on down to the basement. This is where we will find the furnace and the hot water tank. You can see already that the basement floors have been freshly painted and so too have the walls. When you are sourcing houses and viewing them for the first time, the first place you go to look is the basement. This is where you will find water and mold or structural issues. I have spent full days looking at houses and all the houses either had water issues or structural issues. You could come away sometimes, with not one house worth putting an offer in on. You can see the HWT and the furnace. Some owners try to hide basement issues, however, it can be picked up during the inspection.

As we head on up to the back yard quite a large yard all the way up to the fence. As you can see not a lot of privacy, however, in this case you can still see fences (like I mentioned before in a lot of cases you wont find backyard fences.) Trees can be another issues for rental properties. It is something you need to check for as they can be very expensive to remove. I had a quote for 2 extra large trees to be removed and they came in at between \$8,000 and I ended up choosing a quote for \$3,870

Property Acquisition	
Purchase Price	\$26,500
Rehab/Renovation	\$11,000
Closing/settlement costs	\$1,500
Total	\$39,000
Income	
Current Rent Monthly	\$650
Current Rent Annual	\$7,800
Gross Return	20%
Expenses Annual	
Taxes/Council Rates	\$479
Property Insurance	\$620
Property Management	\$780
Maintenance	\$1,560
Total	\$3,439
Net Cash Flow	
Net Return	\$4,361
	11.18%

Case Study: Property 3

This is a 3-bedroom cape cod house. There are a lot of cape cod houses in NE Ohio. A cape cod is where the living space is in the roof area and generally you will find it converted into 1 to 2 bedrooms and sometimes a bathroom. You can see in this video the snow, which comes around January to February and can be quite severe. So the weather is quite extreme. In the middle of summer the temperature can be between 85F and 95F with the humidity being really high. It definitely feels hotter than what the temperature reads. So the gas furnaces work extremely hard in the winter and the central air conditioning is working really hard in the summer.

Big concrete driveways and parking is always a very desirable feature when it comes to tenants. It is always great to purchase a property that already has these in, as the cost to put something like this would be huge. It is not cheap to be putting in concrete drives, pathways and parking.

So as we head on inside, the house has a large front living room you can clearly see that no renovations have been done here. All the old window curtains are still up with all the fittings. The wallpaper has been removed and I have freshly painted the interior of the house. The carpet was old, you can see all the old marks after an attempt to steam clean. I have had nice hardwood flooring installed since which will last a lot longer than carpet.

As we head on into the first bedroom you can see the old carpet and the wallpaper continues on into this room. You can also see there were really nice fans already installed. Also, the windows, It's always important to be checking the condition of the windows. This is due to the extreme weather that is experienced. The older windows won't seal correctly or they are so sealed that you are unable to open them and let ventilation in.

This is the next bedroom and you can see again the same theme of wallpaper and carpet continuing on through. This is quite a big job for a laborer to come in and remove, an added expense to the painting budget. Something I would rather not be paying for. You can see nice fans again in this room. And vents in the floor indicating gas heating and ducting back to the furnace. Nice size closet.

Into the main bathroom, by now you are seeing a theme, a style with these 1950's bathrooms. It has a decent combined tub and shower enclosure with screen doors, which can be rare. Usually in these houses I have to provide a shower screen rail. Coming back to the windows again, the biggest issue with the bathrooms is tenants won't ventilate the bathroom and then mold will start to develop. You will also get paint that peels from all the steam generated. So having windows that open properly is important.

As we head on upstairs we should find another bedroom, this is a cape cod house in which you find stairs leading up into the roof cavity where you will always find another 1-2 bedrooms. This is a 3-bedroom house even though it looks so small from the outside. Again, the wallpaper theme continues up into this bedroom along with the horrible old carpet. There is some waste of space up here by the way the stairs enter the room as it leaves a passageway that you cannot do much with. You could possibly fit another single bed in there. There's plenty of closet space and a man-hole access to the roof. You can see as we walk back through that passageway how much waste of space there is. If the house was a fix and flip I would consider putting another bathroom in that space as it's not good for much else. So we'll head on back down the stairs back into the living area.

As we head on into the kitchen, which is original, however, perfectly ok for a rental property. With these custom homes they built the kitchens into the houses and it can be a big job to remove them if you want to put a new kitchen in. You are best to keep the older kitchen if you can and in this case I have. The kitchen is perfectly ok for a rental property. In this case the stove was built into the countertop and so I have elected to keep that and include it into the rental agreement. The kitchen has all vinyl flooring which is hardwearing and durable for tenants. And an alarm system was also included with the house.

As you can see, there is a separate dining room off the kitchen with light and fan and a nice picture window that looks over the yard. A lovely buffet hutch that is all lit up a nice display cabinet included.

Then we walk into the laundry room where there are hookups for the laundry tub. It can also be a mudroom, where you can take off your coats and boots in winter. It's unusual for this house to have a laundry as well as a basement. Usually the laundry fixtures would be down in the basement. You can see the back door heads straight into this laundry room, this is where you can take your muddy shoes and wet coats off. So as we head on back through the dining room, kitchen we look for the basement door, which is always on the first level usually off the kitchen.

The house has a very spacious basement, which has been partially finished. This basement has carpet laid on the floor; generally most of my basements are painted concrete flooring. You have to be careful with putting carpet down in the basement as it can be a wet area and get dampness also.

However, this basement was dry. When leasing to tenants we always point out that you cannot use the basement for a living area, it is not designed to be a living area. The walls were chemical sealed, scrubbed and painted to help prevent any future water leakage. There are glass block windows throughout the basement, which is important for security purposes. It is one of the first things I look for when buying or it is a priority to have installed if the house does not have them. There is plenty of extra storage and cabinet space in this basement. There is the hot water tank and furnace.

Also this house has a second bathroom in the basement, this is so valuable in a family home with only one main bathroom. The bathroom has a toilet, vanity and walk in shower with full shower enclosure. Again, plenty of shelving space.

There is also a 100 AMP electrical upgrade. Overall, its a very spacious and big basement. The important things in this basement are it looks structurally sound and dry, no water issues.

When there is a basement in the house you always see the hot water tank and the gas furnace installed here. The furnace is essential in these houses and must be running all through winter, especially when it is snowing. If you leave a house vacant during winter you must either leave the furnace on or winterize the house. Otherwise you will have the pipes freeze and burst and this will cost a fortune in damages.

1,000 square feet of living space is pretty average for a house in your rental portfolio in NE Ohio. Keeping in mind, the smaller the house the smaller the footprint and therefore more economical for you, the investor when it comes to replacing flooring and roofing. It is also more economical for the tenant with a smaller space to heat and cool and therefore cheaper energy bills. So a small square footage is a good thing.

Property Acquisition	
Purchase Price	\$27,900
Rehab/Renovation	\$9,000
Closing/settlement costs	\$1,500
Total	\$38,400
Income	
Current Rent Monthly	\$700
Current Rent Annual	\$8,400
Gross Return	21.8%
Expenses Annual	
Taxes/Council Rates	\$1,304
Property Insurance	\$620
Property Management	\$840
Maintenance	\$1,400
Total	\$4,164
Net Cash Flow	
Net Return	\$4,236
	11%

The following key points will guide your thinking and help you to keep a proper perspective on building your property portfolio:

- Real estate portfolio consists of a number of properties purchased individually.
- Managing your entire real estate investment through portfolio control is as important as managing a single rental investment property.
- The more you understand the risk of loss associated with an individual property, the easier it will be for you to control the risk of losing your entire portfolio.
- Cash flow from individual investment properties should be funneled into building your real estate portfolio.
- Diversification can be achieved through the purchase of many small investment properties.
- Outside investment advisers and professionals can provide valuable assistance as you meet your overall investment objectives.
- Your financial independence will be dependent upon your ability to balance a portfolio of properties and control their growth.

Investing in real estate can be a good way to achieve financial freedom and independence, but it must be done wisely. Making a single property purchase will not provide the independence you hope to achieve, but neither will buy a large number of properties, unless you do it in a systematic and controlled way.

Before you buy a single piece of property, you must make some intelligent decisions about the kinds of property you should buy to meet your financial objectives. Then, once you have purchased these properties you must manage them with those objectives in mind.

Property planning should consider not only your investment objectives, but also your resources. When property planning is done properly, it will eliminate many unexpected situations. You have to carefully plan your portfolio to balance the growth of your investment equity against your investment resources. Once a property portfolio is put together, you may change your investment objectives as you make decisions to hold, sell, exchange, or refinance your properties. Your property portfolio strategy may change as the number of properties you own grows and the amount of equity in the properties increases.

A real estate portfolio must be built on a solid financial foundation. Consequently, before building a portfolio, you need to ask yourself three vital questions:

1. How much regular capital can I contribute to building a portfolio?
2. Will personal emergencies endanger my portfolio?
3. What effect will my current liabilities have on my portfolio growth?

1. How much regular capital can I contribute to building a portfolio?

To invest in real estate, you need capital for the purchase price of the property, if you are purchasing for capital growth you might need additional capital to offset negative cash flow, for cosmetic repairs, and for similar expenses. If you have little or no immediate cash or capital to meet these needs, you can still build a portfolio, but you must do it at a slower pace.

Property portfolio planning should allow for a period of time when cash must be drawn from other sources to supplement the cash requirements needed by the properties in the portfolio. If this is not possible, you must make certain that each investment will generate a positive cash flow from the day it is purchased.

2. Will personal emergencies jeopardize my property portfolio?

When building your property portfolio you must ensure you have enough cash reserves in place to support it in the event of an emergency. This must be taken into account at the planning stages of your portfolio. This is why I like an investment portfolio in the USA, as you can purchase a property for \$40,000 which is relatively inexpensive compared to here and that property will cash flow immediately. In the event of an emergency you know that the property can sustain itself. This is definitely the case if you have a multiple properties, if one property goes empty and you have 10 then the other 9 will subsidize the one that is empty.

3. What effect will my current liabilities have on my portfolio growth?

If you have a large amount of loan payments, your ability to add properties to your portfolio will be limited. Furthermore, your increased debt will make new loans very difficult to obtain and you will not be able to add any capital to your portfolio. If you currently have a cash shortage, build your portfolio slowly, using part of the portfolio profits to pay out the loans.

You should ask yourself these three questions each time you consider buying a property. Too many real estate investors consider them when starting their investment program, but set the questions aside as their portfolios grow. The result can be disastrous.

A real estate portfolio that produces profits is build by adding one property at a time. What you need, then, is a system you can adapt each time you purchase a property. The ideas you will learn in my training comprise just such a system. If you follow the steps carefully and methodically, your chances for achieving your goals with real estate are greatly enhanced.

It is important to buy real estate with a clear understanding of the knowledge, skills and attitude required to build a portfolio. Like I stated in the beginning of this book your knowledge you can gather through books, seminars and programs like my Silver and Gold, which provide the knowledge. However, nothing compares to taking action and starting to build your property portfolio. I guarantee you will acquire the knowledge, skills and attitude pretty quickly. My programs are all about acquiring the underpinning knowledge and then taking action to acquire the skills and attitude.

Real estate investing is one of the most attractive options available to investors at any level of expertise. Where you can find an investment that pays you in consistent and predictable amounts monthly. When you have a tangible piece of income property together with the systems you need the income will keep on coming in. Everyone needs a place to live and you can provide that need which is always increasing.

If you can see the advantages of what I have showed you here then your next logical step is my Silver Program, which details the 7 Steps to Buying USA Real Estate. It is the underpinning knowledge required to move forward and I only move forward with those that have completed the Silver Program. I look forward to our journey together,

Trish Davies.



Strategic Consultation

One-on-One Interview Process for Admission to the Gold Program

Thank you for choosing Buying USA Real Estate for your real estate coaching. We are here to help educate and inform you about the real estate investment opportunities available. Your strategic consultation is scheduled after you have completed the Silver Program. It is a one-on-one consultation process with Trish Davies to determine your eligibility into the Gold Program.

It is a 2-hour interview over Skype or in person depending on location and this is where you bring the work you completed in the Silver Program. It is the opportunity to provide your input and ask questions

Once accepted into the Gold Program you will systematically work through the processes to secure your first USA investment property. We will continually monitor your progress and goals. We will work consistently with you to come up with a reasonable set of goals to achieve them.

Enjoy your progress through the Silver Program. Ensure that you complete all of the Steps to Buying USA Real Estate. Write down your questions and observations.

I look forward to meeting you at the Strategic Consultation

The Gold Program

Access to properties priced between \$35,000 and \$45,000

Through coaching sessions clients get access to my team members:

- ✓ Property Acquisitions Manager
- ✓ Realtors
- ✓ Property Management Team
- ✓ Contractors
- ✓ USA Attorney
- ✓ USA Accountant
- ✓ USA Bankers
- ✓ Insurance Brokers
- ✓ Currency and Economic Advice



Buying USA Real Estate Training

PO Box 222
Carrington NSW 2294

0427 901 855

www.buyingusarealestatetraining.com