

Financial freedom means to earn enough Passive Income from your investments (Property, stocks/shares, Gold, Silver etcetera) to support your lifestyle. So for example if you are earning £2k a month net (after tax), then that is the amount to need to earn passively to achieve Financial Freedom. Which means that you can choose if, how and when to work and don't HAVE to.



5 steps to Financial Freedom

1. Goals

Write down 5 goals you would need to achieve for you to be financially free.

Buy yourself a spiral notebook and write down your top 5 goals you need to fulfil in order to be financially free. Get into the practice of writing these goals every morning so they get wired into your neurology and your subconscious will help you move towards these goals. These should be written in the present tense as though they have been achieved. Also read these before going to bed at night.

Remember goals also need to be aligned with your Values, which is one of the main ingredients to achieving your goals. You might not already be aware of what Values are. They are your personal motivators, the very foundation of your principles, your beliefs. And they are unique to each person, just like your fingerprints. For example, my top 3 values are Energy, Achievement and Fun. Do you think Achievement and Fun could be in conflict?

Have you ever experienced a situation where you feel you haven't achieved your goals? You are not alone in this. One of the reasons might be because your goal(s) is in conflict with your values.

For example, one of your goals in 2012 might be to produce a report on the area that you have chosen to invest. This report can be provided to other investors who can then see the potential in the area and help them decide if they would like to go into business with you and invest in your area. If one of your top 3 values is Fun, then this might stop you from achieving your goal as you won't be able to miss opportunities for going out for coffee/drinks/night out with friends and miss your targets.

2. Mindset

To change your mindset you will need to start being positive and start telling yourself "I love myself, I love myself" every morning before starting your working day. Affirmations are one of the most powerful ways to increase the self belief in your own ability to achieve your goals.

Read books (or buy audio books) on mindset, success and achievement. Some of my suggestions, (as a starter for ten) are:-

- i. Rich Dad Poor Dad – Robert Kiyosaki
- ii. Psychology of achievement (inner games of success) – Brian Tracy
- iii. 7 habits of highly effective people – Dr Stephen R Covey
- iv. Napoleon Hill – Think and Grow Rich
- v. Who moved my Cheese – Dr Spencer Johnson

All the books recommended above are best sellers and have sold millions of copies worldwide. These have proved invaluable for me in my property investing journey and I suggest you buy all of them and read/listen to them in your spare time.

3. Strategy

Work out the best property investing strategy that would suit your situation. There are multiple property strategies in property investing today, so you need to sit down and first work out: -

- a) How much starting money you have?
 - This does not have to be liquid cash; it could be equity in your house that you can draw down from the bank.
 - It could be money from family member who decides to do a Joint Venture with you.
 - It could be an ISA that you have invested in a long time ago and forgotten about. Now is the time to cash it.
 - It could be your parents have equity in their house and you can invest jointly in a property.
 - Attract money from private investors who can get a good Return on Investment (ROI) from your property investing business. In the bank their money is devaluing because the interest rate they earn is far less than the rate of inflation so they would be better off giving you the money to invest in property and get a better ROI.

- b) How much time do you have?
 - You might be in a full time job but you still have evenings and weekends. Stop watching TV and start using your time wisely.
 - Start doing some research on websites like Rightmove, Nethouseprices, Property Bee* of the properties for sale in your area, average house prices, rental demand, rental prices etcetera.
 - Depending on how much time you have, you could buy qualified leads or deals from Property sourcing companies. Please do your full due diligence first before going into business with anyone.
 - Private sourcing can also be achieved by finding full time professional property finders/deal packagers /portfolio builders, who specialise in helping property investors find good investment deal and also help them build a property portfolio if required. They charge a fee ranging from 1% - 3% of the price of the property. They usually get discounted deals so your money is recovered. You can find these

*Firefox is the only internet browser that Property bee can be downloaded on.

transactors/sourcing agents in various property networking events that are held in the country. You must build a relationship with them and only go into business with them after doing your due diligence and establishing trust and rapport with them.

- c) Your skill set (ask yourself which aspect of the property business you enjoy the most).
- You might be a people's person and enjoy viewing properties, taking photos and relationship building with the estate agents but hate doing the calculations afterwards for refurbishment costs, mortgage calculations and cash flow projections.
 - You might not know how to accurately calculate refurbishment costs. If you either over estimate or under-estimate, this could result in you losing the deal because your offer was either way off the mark or you were willing to pay too much and you will lose money if you did get buy the property.

Once you know your strengths and weaknesses you can work how which strategy would suit you best. And which members you need in your Power team.

d) Which strategy suits your personal situation best

- Buy-To-Let
- Buy-To-Sell
- Rent on rent
- Lease options
- Multi-let
- House of Multiple Occupation – HMOs
- Sourcing properties for other investor
- Selling leads
- Building hands free property portfolio for other investors

Depending on your answers above you (on time, money and skill set) will have figured out which 1 or 2 of the above strategies suit you best.

For example it took me a good few months to figure out that I only invest in 3/4 bedroom houses with 2 reception rooms so they can run as a 5 room multi-let with a minimum NET cash flow of £1000 per month per property.

Please do **NOT** pick more than 2 strategies to focus on at any one time. You could move on to other strategies if the ones you picked initially do not work for you.

e) Your financial freedom money (how much monthly net cash flow you need in your hand month after month).

We all have an amount that we need every month to run our lives. This consists of mortgage, food, bills, maintenance, social and any other minimum money we need to have coming in month on month in order to live the lifestyle we live currently. This tends to be in the region of £2-£3 for most people.

There are also people in the £5-£10k bracket who have higher commitments with higher mortgage payments, private school fees, and other commitments. Decide what that amount is. Be truthful to yourself when writing down the answers.

This is the amount you would need to earn through your Property business, at which point you can decide to give up your day job if you are not happy in it. And put your feet up and enjoy the money. Or pursue a hobby/business that you have always wanted to but never had the time or the money to do it.

4. Invest in yourself

There are different ways to educate you, depending on time, budget etcetera. These include (but are not limited to): -

- a. Read books (in your chosen property investing strategies)

Once you have chosen your strategy in Property investing, buy a few books in that topic. And read at least 30 minutes every day in that topic. For example, you have little or no money to invest so you can choose The Lease Options strategy. Go and buy books on Lease Options and learn about it until you feel confident of knowing it so you can start finding the leads.

- b. Attend networking events.

Property networking events are held throughout the country. Pick 2 or 3 meetings closest to you or your investing area. Speak to other investors who are doing the lease option deals and learn as much as you can in these meetings. You can also meet solicitors, mortgage brokers and other professionals you will need to have as part of your team.

- c. Attend courses/workshops/seminars.

There are many professional speakers within the property industry who run specialised seminars and courses on niche property investing strategies.

For example the Wealth Dragons and Three Amigos focus on investing in Lease Options and you should follow them on, At the very least you must buy their books/manuals and work out an action plan for getting leads, negotiation and doing lease option deals.

- d. Find a mentor.

Depending on the strategy you chose, find other successful property investors in that niche and follow them Face book, subscribe to their newsletters and take on their mentorship programme if available.

The key thing to look for in a mentor is someone who has the relevant experience in your chosen strategy and their willingness to teach you the skills that you need to get started.

There is a famous saying by Sir Isaac Newton – “Stand on the shoulders of giants before you.” If you follow other successful people, the chances of your success are very high.

5. Take MASSIVE action

It is not easy to become financially free but it is definitely doable and achievable if you work out exactly what you want and then take MASSIVE ACTION to get it.

- a) Research the area to invest (stick to within 20-25 miles of your home).

Start focussing on one area to invest in and find out the positive and negative aspects of that area.

Do research on your area using UKs most useful property website www.rightmove.co.uk Look at the areas where the rental demands are more and less. Also look at the spread of prices within the area. For example if you want to buy 3-bedroom houses look at the average price of those in the area. Hypothetically if they are priced for sale between £200k - £225k, anything less than £200 is below market average and over £225 is above market average. So you know these facts when you are putting in offers to buy.

Go and visit estate agents in that area face-to-face and let them know that you are an investor. Let them know your criteria (if you already know that) otherwise tell them your budget and view as many properties you can through them. This will help you to get an idea of what gives you maximum value, type of houses in any area and quality of construction etcetera.

- b) Produce a marketing plan (online and offline).

Pick 1 or 2 ideas from the list below and implement them as part of your property investing marketing plan. The marketing plan will target getting direct leads from vendors looking to sell their property. This will put you in a strong position of and allow you to negotiate directly with the seller. You can either buy these properties yourself or sell them on to other investors.

- Leafleting
- Newspaper adverts
- Advertise on websites (www.spareroom.co.uk www.gumtree.co.uk , www.rightmove.co.uk)
- Postcards

- Landlord meetings
- Council meetings
- Estate agents
- Lead generation website
- Ugly marketing (car boot sales, banners, corex boards)

c) Implement the plan (Take MASSIVE ACTION).

Taking small steps every day towards achieving your goals is most important. You will have good days and bad days

Never get emotional about a property deal. Always work out the cash-on-cash /ROI on a property because that is a true indicator of money that you will make on your investments.

Financial Analysis

The industry standard to measure the financial returns from property investment is to calculate gross yield and/or Return on Investment. To give you an idea, flats and houses in prime central London give average gross yields of 3%.

A savvy investor should look to achieve gross yield of 7%-8% from single-let properties and over 10% from multi-let properties.

You can calculate these by using the formulae below: -

Gross Yield

$$\frac{\text{Annual Rent}}{\text{Purchase Price}} \times 100\% = \% \text{ Gross Yield}$$

Return on Investment (ROI)

$$\frac{\text{Net Rental income}}{\text{Total capital invested}} \times 100\% = \text{ROI}$$

I would like to wish you all the very best in your property investing journey and the thing to remember is quitters never win and winners never quit, so go for GOLD.

If you have any questions on any of the points that I have made in this report, please contact me via my website or mobile number (details below).

To OUR Success

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Property Success Without the Stress

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