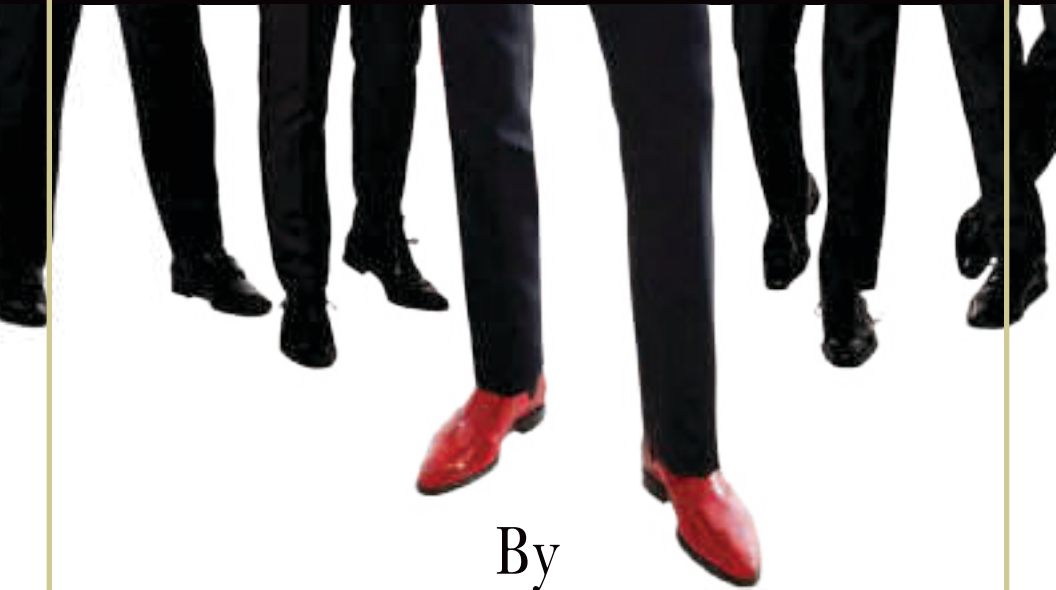


MEGA RICHES\$ — IN — LITTLE NICHE\$



By
Nick Sidoti® A.K.A. Dr. Cashflow®

“THE RED-SHOE
MILLIONAIRE”

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About the Author

Nick Sidoti, R.A.M., has been investing in real estate since 1979. He has purchased real estate every year for over four decades. He is the NATIONAL EXPERT on SPECIAL NEEDS HOUSING and SUPPORTIVE INDEPENDENT HOUSING.

Nick specializes in residential rental properties, single-family homes, special needs housing, and multi-family dwellings. He also buys and rehabs homes, and has amassed a record of producing sizable profits in short periods of time. Nick is the author of numerous real estate courses. His credentials include: licensed real estate agent; Registered Apartment Manager (RAM); and certification by the National Association of Home Builders.

Nick is the founder of Western New York Real Estate Investors, Inc. established in 1986. He is an award-winning author for the “*Ask the Manager*” column and “*Dr. Cash Flow*” which are featured in numerous national newspapers, real-estate publications, and real estate investor newsletters.

Nick was featured in the *Financial Freedom Report Magazine* and was profiled in *Kiplinger Magazine* for his innovative ideas on increasing cash flow through special needs housing. Since 1982 he has lectured and conducted seminars nationally for numerous organizations on various aspects of real estate investing and property management.

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Dedications

To my wife and partner who
is always there when I need her.

Thank you for all the work
you put into this project.

To Daddy's little P J, Mary Kate
You'll always be my pride and joy.
Always and Forever.

To Josh (Gus) you're the best son-in-law
anyone could ask for.

A Special Dedication to Jane Garvey

I would like to make a special dedication of this book to Jane Garvey, my best friend and mentor. Jane is the person who is responsible for my start as a national speaker and the creation of my very first real estate course in 1981. My successful speaking career is due to your continued encouragement, support, guidance, and mentoring. Without you this book would not have been written. Thank You for always being there for me. You are everything and more a person could ask for in a true friend.

“I’M GETTING IT”

At every one of my presentations I start out saying,
“Some People Get It and Some People Don’t.”
“I Want You To Be A Person Who Gets It”

People who “GET IT” know that you can have anything you want if you only focus on getting it. You and only you are in control of your thinking and actions. When you focus your thinking and actions on what you want, you are controlling your destiny. By saying to yourself, “I’m Getting It”, you will be focusing your thinking on what you want. Your thoughts lead to feelings, your feelings lead to actions, your actions lead to results, your thinking will direct your actions to obtain what you want.

If you want something, you have to go out and get it.

If you focus on what you want, you will get it.

You need to focus on **GETTING IT**.

With this in mind as you read this book
I will insert the phrase

“I’M GETTING IT”

after each point or concept that I want you
to think about or focus on.

To help you focus on what you want, put the green “I’m Getting It” business card I gave you someplace where you will see it everyday, like the sun visor of your car, your desk, or your bathroom mirror.

**When you see the green card, it will
remind you to focus on *GETTING IT*!**

“I’M
GETTING
IT”

WHAT THIS BOOK IS ABOUT

This book is about how I became a **MILLIONAIRE** in spite of my limitations. Hopefully it will be a helpful guide so you can become a Millionaire as well. When I say I became a **MILLIONAIRE**, I am not talking about having a million dollars in total assets like Real Estate holdings; I'm talking about having a million dollars in liquid assets, as in **COLD HARD CASH**.

My goals when I first started investing in real estate were:

- 1) Have all my real estate holdings free and clear — no mortgages or other debt.
- 2) No long or short term debt of any kind, like credit card debt or loans.
- 3) Have enough cash flow to do or buy anything I want.
- 4) Have more than a **MILLION DOLLARS** in cash.

I was able to reach all 4 of my goals. In this book I'll tell you how I did it. One of the first things I did was have goals and objectives that were measurable. This is a great time for you to start thinking about what your goals are. What do you want in life? Write it down. More about goals later.

“I'M GETTING IT”

WHY WRITE THIS BOOK?

Why am I writing this book?

To be honest, I had many doubts as I started writing this book. They came in a barrage of questions. What if it's not good enough? What if it's too big of a project? What if people think negative thoughts about me or my writing? What if I never finish it? What if my speaker friends who have already written very successful books read it and what will they think? What if it doesn't compare to the success of their books? What if it is a total waste of time? What if my message is too simple? What if my message seems too self-serving? I can go on and on with a hundred more negative “what ifs” . . . what if, what if, what if?

All of the “what ifs” were excuses for not starting this book. In a nutshell that’s exactly what this book is about, overcoming the “what ifs” and “yes buts” and the “potential” obstacles that come with trying to get something done. By the way, I have trouble spelling the word “obstacle”—spelling is a very big obstacle for me.

Overcoming what other people think is one of the keys to success. Personally, I have found the most challenging thing to overcome is your own self-doubt and negative self-talk. The negative devil that pops up on our shoulders whispering, *no, you can’t do it, it won’t work, you’re not good enough, you’re not smart enough, no one will like it, etc, etc.* I’m just not going to listen to that negative devil; “the what ifs” or the “yes buts.” I’m going to listen to my gut and just do it. So here we go!

This is the book I have always wanted to write. I’m not sure if anyone is going to like it. If you don’t like it, that’s OK — you are not the person I was writing it for. I’m writing this book for those who are the underdogs who know in their hearts that they can do more and want more, but have limitations holding them back. This book is not being written for the money I’ll make selling it. There is very little return, if any, on writing this type of book and trying to sell it. Real Estate, always gave me the greatest return for my time. My greatest return has been in buying and holding real estate. But, after you make it in real estate, you get to do projects like this that may not be very profitable, but is something you always wanted to do.

If this book encourages one person, I’ll be happy. If it encourages one underdog to go out and try something they are not comfortable doing, I’ll be happy. I had to learn to stop listening to people who told me I couldn’t do something. More importantly, I had to stop listening to the negative self-talk, the messages in my mind, that negative devil who tells me — “it can’t be done.” I had to learn to ignore that stinking thinking, that inner voice that holds you back, that always puts doubts in your mind. **“I’M GETTING IT”**

So, that’s one of the goals of this book—to help you overcome self-doubt. It’s exactly what I’m going to do in this book, overcome the same kind of obstacles. Now, we all have obstacles in our lives and we all have our own assets and liabilities, but you can always

find people who have talents that you are lacking. You can tap into people who have the talents you lack and ask for help. People love to help. *“I’M GETTING IT”*

In this book I am going to be open and share what my biggest liabilities are. And for me to do that, I’m going to have to give you some background and some information about my early childhood — some of the things I had to overcome.

MY FAMILY, CHILDHOOD & SCHOOL

I lived in a household made up of 5 adults and 13 kids (my mother, my father and their 6 kids, an Aunt and Uncle with their 6 kids, my mother’s brother, Uncle Jimmy, and a young woman we took in who had no place to live. The total count was 13 children and 5 adults; 18 people in the same house, with one bathroom. In my immediate family of six kids, I was the youngest. We came from a lower middle class family that worked very, very hard. I had a lot of trouble in school. I was not a great student. In fact, I was a very poor student. D’s on my report card were very good marks for me. I could not spell and I had a very hard time reading. I still have trouble spelling.

I am Dyslexic, have Attention Deficit Disorder and Seasonal Deficit Disorder, but was not diagnosed until I was an adult. The Dyslexia and A.D.D. has always held me back at various points in my life. As a child, I went to public school where teachers focused on the kids who excelled.

In my opinion the public school system failed me. I don’t think they spent the time I needed to overcome my disabilities and limitations. I failed 4th grade and the rest of the grades I was just pushed through. I was pushed through because of my age (I was always 1 or 2 years older than all the other kids in my class) and I was moved to the next grade, to fail over and over again. I had to overcome a lot of stigma in school. I went to a “special reading school” because I had such a hard time reading. I had the embarrassment of being excused from my regular school in the middle of the day to go out and stand at a public bus stop (the bus stop could be seen by all my classmates because it was right in front of the classroom window).

I then had to take two buses halfway across town to another school (the dumb school, as the kids called it) where they were supposed to focus on helping me improve my reading and spelling skills—it was another failure. I actually sat in a room with a teacher who had the bottom drawer of her desk open with a bottle of booze in plain sight. I am sure she was getting drunk all through the day because I could smell it. With the amount of drinking my alcoholic father did, I was a pro at spotting and dealing with a drunk. At the so-called “reading school” I was given the choice of taking a book off the shelf and reading it myself or putting my head down on the desk and going to sleep. I slept. There was no interaction — nothing was done. That was my experience in reading school. I went to a school for reading and never read anything.

I was actually in 8th grade when my Mother was called into school. We were both told that I should go to a trade school for high school because, “he’ll never be able to succeed in life unless he learns some sort of a trade that doesn’t entail reading, writing or spelling to communicate.” So, I should become a carpenter or plumber or something like that. I can still hear the teacher say to my mother, “he will never be able to succeed in life.”

I went to a trade school and I took up carpentry and again, I just slipped by. I spent my time looking out the window. I couldn’t care less what was going on in school. I was always daydreaming. It amazes me that I had such a poor attention span but yet, they always put me next to the window so I could be distracted and look out the window all day. I spent most of my high school years either looking out the window or skipping school. I skipped an awful lot of school. I would go to my cousin Nancy’s house (she was a very caring influence in my young life). I knocked on her door at 7:00 am. She would let me in and I would just watch TV all day long and think about what great things I would do when I grew up. I would go back home at 3:00 pm and act like I was in school all day. I did that for four years of high school and no one ever noticed. My Mother never even noticed it when she looked at my report card attendance record. Never even noticed it! My Mother was very busy cooking, cleaning, and taking care of the 18 people living in our home.

I learned not let my inability to be a great reader or speller hold me back . . . I can read, it's not that I'm illiterate, but I read at a slow rate and may have to read something more than once for it to sink in.

Here's how I explain what it's like being Dyslexic for me. When I look at a written page it's like looking at all the letters in a SCRABBLE game being spread out and I have to unscramble the letters to make a word. I probably read at a grade school level. I am a terrible speller, but don't let it hold me back. I am always asking my wife how to spell something. After being married for 40 years she just answers me without a comment, because she knows how challenging it is for me. I'm actually writing a book, and you are actually reading the book I am writing. Did I physically write it? NO, I tape recorded this book and had my wife, Marlene transcribe what I recorded. Then it was edited many times so you could read it, and here it is! Is it perfect? No, but it's good enough. I learned a long time ago not to let perfection be the enemy of "good enough". Spell check has made my life easier, but spelling is not that big of a deal to me anymore. Below is the reason why:

(I cdnuolt blveiee that I cluod aulacly uesdnatnrd what I was rdanieg. The phaonmneal pweor of the hmuanmnid, aoccdrnig to a rscheearch at Cmabrigde Uinervtisy, it dseno't mtaetr in what oerdr the ltteres in a word are, the only iproamtnt tihg is that the frsit and last ltteer be in the rghit pclae. The rset can be a taotl mses and you can still raed it whotuit a pboerlm. This is bcuseae the huamn mnid deos not raed ervey lteter by istlef, but the word as a wlohe. Azanmig huh? Yaeh and I awlyas thuhot slpeling was ipmorantt!)

MY WORK EXPERIENCE

When I finished high school, I went to a job interview and got a job at a national furniture manufacturer, Kittinger Furniture Company, a company that made very expensive Williamsburg reproductions. This company made a lot of furniture for the White House. Now, was I a very talented carpenter? NO WAY! I was the least talented person there. I got the job because of the one major asset I do have — my ability to be open and get along with people; the ability to

meet people and have people like me — my communication skills. I got that job because of my interview skills (talking skills) and beat out much more qualified, skilled and talented applicants. I was put on a workbench. Where was it located? Right in front of a window, again! So, what did I do, I spent most of my time looking out the window. It didn't take long, I only lasted at the furniture company for about 6 months and wound up quitting, because I was totally bored and I was really poor at what I was doing, so I went out to look for another job.

The employment office sent me to an interview at Western Union. And it is ironic, but again I got a job at Western Union because of my people skills and my interview skills. I killed it at the interview and got the job at Western Union even though I was not qualified for the job. The funny part was that my job description was a "Router" — that meant I would get people's telegrams and read them, and decide how to route them for delivery. It was my job to decide whether there was going to be a phone call involved or the telegrams were going to be physically delivered, or whether they were going to be typed and mailed. You could probably guess that this was not a very good job for a Dyslexic person, with Attention Deficit Disorder and below average reading skills. I ended up quitting that job.

The third job I got was loading freight onto trucks for a trucking company, which is what my 3 older brothers did for a living. One thing you don't want to do is work the midnight shift in Buffalo, New York, in the winter when it is 0° outside loading freight into trucks from an ice-cold dock. For me it was an awful job. I couldn't stand the cold — I didn't last long before I quit that job.

I had enough time from those three jobs, making furniture, Western Union, and loading trucks that I was eligible to collect unemployment, so I collected unemployment. Those three jobs lasted me only a year, probably 3 or 4 months at each job.

The next job I got was at a Psychiatric Center. I was at the Psychiatric Center because I was with my Mother to admit my Father into the Alcohol Rehab Unit of the Psychiatric Center and there was a notice on the wall saying that they were hiring. Once

again, I used my great people skills and my great interview skills to set up an interview at the Psychiatric Center and I was hired.

I started working as a Ward Aid at Buffalo Psychiatric Center. My job involved interacting with clients. I took on arranging large-scale social events that involved hundreds of patients and their families.

Here are a few examples:

There used to be a TV show called the “The Gong Show” — so I orchestrated this huge stage production with the psychiatric patients as contestants and invited local TV personalities to be the judges. It received very positive front-page coverage in the local newspaper at a time when there were a lot of negative views regarding the Psychiatric Center and no one talked about mental illness.

I also organized a Valentine’s Day Ball where all the female clients got their hair done by beauticians and students from local beauty schools. We would also contact the community for donations of used formal evening gowns for the females. The guys were all dressed up in suits. This event was great for the client’s self esteem.

I originated and coordinated a family picnic each year, where all patients would be able to invite their family members to the Psychiatric Center for a family picnic. For some of the patients this event was the only time they got to see their family members.

I was the sole person responsible for all the organizing and scheduling of these large events. I found my calling and did very well at this job. I loved it because it was different. I was rewarded for my unique ability to communicate with people and organize these large events that got very positive TV coverage and newspaper press for the Psychiatric Center.

Two staff members at the Psychiatric Center were influential in my life. One was a Psychologist and the other was the Head Social Worker. They encouraged me to go back to school and get a degree in Recreational Therapy, with a minor in Psychology. It was amazing that I was able to get a degree with my poor reading skills and poor writing skills, but again, my asset of good communication skills overcame those liabilities. I actually talked my way through school. I was 30 years old when I went back to

school. The department head and some of the teachers were a lot less experienced than I was and many had little or no work experience in the mental health field. I ended up sharing my real life experiences quite often. After all, I was going back for a degree in a field that I had already worked in for 10 years. I had much more work experience in recreational therapy than the people that were teaching recreational therapy. So, I was able to get my degree very easily.

At the Psychiatric Center, I moved up the ladder very quickly — I got four promotions. I actually loved this job! I loved working with the clients and organizing large events. I was rewarded for being on the cutting edge and taking on projects that other staff members did not want to try. Another one of those major projects was the placing of clients in the community. The project was designed to place clients, who could function on their own, back into the community. Of course, we made sure they had a good support system. We were mainstreaming our clients into the community, also known as deinstitutionalizing. It was because of my involvement in this project and the difficulties and roadblocks I ran into trying to find housing for my functionally handicapped clients that I developed my system —THE LANDLORD'S GUIDE TO SPECIAL NEEDS HOUSING. (MY NICHE TO RICHES). I'll tell you more about this later.

After working over 30 years and at age 50, I retired from the Psychiatric Center because I felt I was no longer providing services for clients, like doing special events or placing clients in the community, which was my specialty and the part of the job that I loved. I was forced to spend all my time writing reports. In order for the State Psychiatric Center to get federal accreditation and funding, they had to have progress notes and documentation of all the services we were SUPPOSED TO be providing for the clients.

I was forced to spend most of my time writing notes and treatment plans, rather than doing the treatment and providing service. It was more important to write about unrealistic treatment plans and have staff meetings, than to actually treat patients. I soon became the nightmare of the system and every supervisor, because of my

poor writing skills. Writing became the main goal in order to get accreditation and funding from the Federal Government and that was definitely not my strong point.

I no longer liked what I was doing, so I left. The second reason I left the Psychiatric Center was because I became increasingly involved in creating my real estate empire and my niches.

Lets talk about some of the NICHES I was involved in. This book, put simply, is about creating lucrative niches that can make you very wealthy.

DEFINITION OF THE WORD NICHE

For the purpose of this book, a NICHE is a product or service currently or not commonly available in the market, but highly desirable once the market is made aware of its existence. Financial rewards are obtained and realized when you are the one discovering or the person PROVIDING the “NICHE” product or service. Like buying a franchise, you don’t have to re-invent the wheel — you just provide the product or service (niche) that someone else invented. Example: You can profit from My Special Needs Housing System. Go to DRCASHFLOW.NET.

“I’M GETTING IT”

SHORT TERM NICHES

I’ve been involved in one sort of niche or another most of my adult life. Some were profitable and some were more enjoyable than profitable. I’ll share some of the small niches I’ve participated in. They were basically short-term niches (AKA part-time jobs), while working at the Psychiatric Center.

I was a DJ spinning records in an all black nightclub. Yes, I was a white man spinning records in a black nightclub. I also taught dancing. I was actually a dance instructor and was very good at it because of my people skills, my ability to communicate, and make them feel good about themselves. I used my ability to meet somebody and build a relationship and bond with them very quickly. I was able to cash in on the soul train/disco era and use

the money from these part time niche jobs to invest in income producing real estate.

I also started a singing telegram business, where I would send people out to corporate offices, home parties, or anywhere to surprise someone for their special occasion with a singing telegram. I had belly dancers, hula dancers, and guys would go out and do gorilla grams. This little niche became a very successful business. I was able to get front-page coverage in the local newspaper and my telegram business was featured on Monday Night Football. It started when an ad I had in the local paper was seen and mentioned by the commentators of Monday Night Football. It was seen all over the country. Eventually, I ended up selling that business and using all the extra income from these little niches to buy more income property.

Another niche I started was a real estate group, Western New York Real Estate Investors that I was president for about 25 years. I really enjoyed running that group and helping other investors. During my 25 years as president I was very active in Landlord Rights and even sued the city when they passed a law to inspect rental property and license Landlords. I won this lawsuit and the law to inspect rental property and license Landlords was abolished. As time went on, I was spending more and more time traveling with my speaking career, so it was time to give the reins over to someone else.

During the time I was running the REIA, Western New York Real Estate Investors and suing the city, I found another niche. I started a tenant screening business called TENANT TRACE. I wanted to call it LANDLORD'S REVENGE, but could not use that name to advertise because of the powers that be said it was not politically correct. If you have ever heard me speak, I do have a tendency to say things that are not politically correct; but always true. I started this business because I was very angry that a tenant could trash a rental, not pay rent, get evicted, go on to the next landlord and screw him too. I thought if landlords were able to look up a perspective tenant to see if other landlords evicted them, they could avoid renting to this deadbeat tenant. The City Court Clerk told me that I could not get a copy of the eviction records. I could have access to them

because they were public records, but I would have to go into the clerk's office and make an appointment to look at the records and copy the information by hand. I offered to pay for copies but was told no. So I sued them under the FREEDOM OF INFORMATION ACT to get hard copies and computer downloads of the eviction records. The chief judge (coming up for re-election) did not like the NEGATIVE media attention the city recently got when I sued them over the law to inspect rental property and license landlords. Hoping to avoid bad press, he ordered the clerk to give me a copy of all the evictions each week. Now that I had all the eviction records in our county, Landlords would call and we would search the records for evictions and let the landlords know if their prospective tenant had ever been evicted before. I also eventually sold that business.

Above are just a few of the short-term niches I was involved in. They were all profitable, but not anything great. Although together, they did make a great impact on my life because I used all the extra income from these little niches to buy more income property.

"I'M GETTING IT"

REAL ESTATE INVESTING — MY LONG TERM NICHE

My long-term niche has always been real estate investing. I started investing back in 1978. My first building was a small duplex. I became exposed to investing in real estate in order to do my job at the Psychiatric Center. As I mentioned before, one of my responsibilities at the Psych Center was to place clients back into the community. It was called Deinstitutionalization. We took the clients from the Psych Center and mainstreamed them into the community and found them apartments to rent and helped them adjust to leaving the Psychiatric Center after long-term residency. That's when I came up with the concept of Special Needs Housing. I soon found that the clients I had, even though they were capable of living on their own with some follow up and some basic after-care, didn't have enough income to afford living independently paying rent and utilities. They had limited income from SSI —

Supplemental Security Income or SSD — Social Security Disability. My concept of all-inclusive corporate rentals and Special Needs Housing was born as a solution to my clients' limited income problem. I was actually placing clients in the community and offering landlords more rent than they were asking for. I would place 3 clients in a rental and pay the landlord per person if the landlord provided all the utilities. I was giving the landlords a lot more money than they would be able to collect on the open market. They were getting two or three times the market value of their rentals because we were co-opting three people into each unit. The landlords jumped at this rental concept, because I greatly increased their cash flow. After a while, I realized I was making these investors (landlords) very rich.

“I’M GETTING IT”

I decided I was going to go out and buy some real estate of my own and put some of these clients into my own real estate and make a lot of money just like the landlords I had helped. I didn't know much about real estate so I went out and bought a book on how to invest in real estate. You know, the type of book you used to buy for 35 cents. I quickly learned how to buy real estate and I went out and bought my first house. I bought my first rental by following the book word for word. I also went to an Al Lowry seminar that changed my life drastically because I had a few rentals and after I went to the Al Lowry seminar I was so motivated that I was buying at least two to three buildings every year and I was hanging on to these buildings. That became my long-term niche of buying and holding real estate. And I tell you — there is no better way to make money consistently than buying and holding real estate. I am a firm believer that buying and holding real estate is the key to becoming a MILLIONAIRE and that is what this book is hopefully going to encourage you to do. The key to my success, and possibly yours, is to buy and hold real estate and rent it as Special Needs Housing.

“I’M GETTING IT”

WHY REAL ESTATE?

THE LOW DOWN ON LOW DOWN

I always knew I wanted more. I wanted to be rich. I heard that real estate was the easiest way for the average (and not so average) person to achieve financial security.

I had a preoccupation with real estate. I heard that real estate offered the average person the chance to start with little and acquire a large fortune because real estate, when carefully selected, offers the greatest predictable rates of return of any investment alternative. I learned that real estate was the IDEAL investment because real estate offers:

- I ncome,
- D epreciation,
- E quity Build Up,
- A ppreciation, and
- L everage.

INCOME

Ask any beginning real estate investor to list his most important goals for real estate investing and income or cash is sure to be near the top of the list. *Income* is the first and most important benefit of the IDEAL investment.

DEPRECIATION

The second benefit of our IDEAL investment is the tax benefits. One of the main tax benefits is Depreciation.

Fact #1: Depreciation rules allow us to shelter the positive cash flow from our real estate investments.

Fact #2: Depreciation rules allow most Mom-and-Pop investors to also shelter some of their non-real estate income.

EQUITY BUILD-UP THROUGH LOAN REDUCTION

Through loan reduction there is a second form of “cash benefit” from the ownership of most properties. Out of each and every mortgage payment, a portion goes to paying off the balance of the loan, the principal. As you reduce the loan principal with money from the tenant’s rents, your EQUITY in the property increases. If you own the building long enough, it will eventually be Free and Clear.

APPRECIATION

The fourth cash benefit of real estate is APPRECIATION or the increase in value of the property. Appreciation has two forms -- “natural appreciation” caused by inflation and “forced appreciation” caused by your money making changes to the property. One example of forced appreciation is increasing the income by renting to special needs tenants. When the income increases the value increases.

LEVERAGE A POWER TOOL

The benefits described so far of the IDEAL investment are all wonderful. You can have INCOME each and every month, use DEPRECIATION to shelter income from taxation, watch your EQUITY buildup on the mortgage, watch your property APPRECIATE due to inflation and from your own money-making improvements, and LEVERAGE, the ability to own or control a large asset with little money down.

If only I had the money to buy the property. That’s what a lot of people think and it’s the main reason they don’t take action. None of us have the money to buy all the property we want using only our own cash. At the very least, we need to finance some of the purchase price with a mortgage. With real estate investing you can use little or none of your own money and have the ability to own, control and get the financial return of a larger asset.

THE ULTIMATE LEVERAGE NOTHING DOWN

There are two types of people who need to buy property with no cash down (or at least as little cash as they can get by with). The first of these is the average person and the second is the person who is an active, aggressive investor.

The average person is getting by from paycheck to paycheck, unable to do much saving, hopefully staying ahead of the bills, counting on Social Security for retirement. This person has to learn to borrow in order to buy real estate or he won't be able to buy real estate.

There is only one difference between active investors who start out poor and active investors who start out rich. The poor investor has to learn how to borrow, then buy, then borrow and buy and so on. The rich investor can buy and buy, then learn to borrow and buy and borrow and buy. *Learn to buy property with low down payments and conserve your cash, if you have some, by maximizing leverage and minimizing down payments. This is fundamental to your success as a real estate investor.*

“I'M GETTING IT”

BUYING REAL ESTATE MY WAY MY NICHE

What I did was buy real estate for a rate of return and rate of return only. I would buy property and I would always get owner financing (I used the bank only once in my life and once was enough). I just use a very simple form of deciding what my rate of return was going to be. My real estate philosophy was very simple. What was my rate of return going to be?

Example: if I invested \$10,000 and made \$5,000 positive cash flow the first year, that was a 50% return on my money. Making \$5,000 a year on a rental is not a lot of money. But, if you do that 10x and if you make \$5,000 on each one — that's \$50,000 plus all the other benefits of owning real estate. Then I added on my Special Needs concept and I turned that \$50,000 into \$200,000. By using Special

Needs Housing I was able to get a lot more money. I always used owner financing. I did not have money for large down payments. *“I’M GETTING IT”*

WHERE DID I GET THE MONEY TO BUY REAL ESTATE?

When I started investing I had no money. So, while I was working at the Psych Center, I went to the credit union and asked the credit union if I could borrow money for a house. They told me I could not borrow money as a house down payment, but I could get a personal loan if I had a co-signer. I had my older sister co-sign. I borrowed the money from my credit union and used it as a down payment and bought my very first house. I offered full price for the house with owner financing and they agreed. They held the mortgage. A few years later I called and asked them if they wanted to be paid off and they said yes. I discounted that mortgage by almost 50% because they wanted their cash, so I cashed them out of that property and the property was now free and clear. Where did I get the money to cash them out? I saved it from my little niches (part time jobs listed above) and saved it from the rent I was collecting because I did not spend any of the profit I was making from that building.

I learned quickly never to touch the money you make from your real estate investments. I had my full time job at the Psych Center, so I lived off my Psych Center pay check and any money I made as cash flow on my rental property. I just saved to buy more property. I bought my first house, had some cash flow from that house, saved the cash flow to buy my second house, third and so on. All the time I was doing this I was living off my paycheck from the Psychiatric Center. I was also living in an apartment because it was cheaper for me to live in an apartment than it was to live in the houses that I bought. Besides, I was putting Special Needs Clients into my rental and I was making more money than I was paying for my apartment. When I bought that first house I was told I was crazy. My family members told me I was absolutely nuts trying to do this. They told me I would lose all my money. I didn’t listen to them. I

decided I was going to make it work and I went out and followed what I learned combined with my intense desire to succeed. I just kept doing it over and over again. “*I’M GETTING IT*”

Check out THE LOWDOWN on LOW DOWN PAYMENT on my website (drcashflow.net) for a detailed course on how to get started with little or no money—leveraging owner financing.

Here are a few things I did differently then most investors.

First, I didn’t buy like most investors. I looked for buildings that had many bedrooms. I looked for properties that had at least 3 or 4 bedrooms. The more bedrooms the better for my Special Needs Housing market niche.

Second, I did not market my rentals to the open market. I focused on a specific rental market niche —Special Needs Housing. That became, MY TENANT NICHE

“*I’M GETTING IT*”

FINDING MOTIVATED SELLERS

I focused on owner financing with little money down. I found the best place to find sellers who were willing to consider owner financing were estate sales. My way of finding this type of seller was to look in the obituary column of the newspaper and find people who had passed away leaving real estate behind. I would study the obituary column. It would list the name of the person who passed away and give information like the names of their children and where the children were living.

Example, Joe Smith, the deceased, was a father of three children from Arizona, California, and Florida. I now knew all of the heirs of the estate were not living in the area. That told me they would probably want to sell the property quickly. I would then contact the heirs and make an offer on the building. The best part of these types of houses was most of the time the deceased had been in their house for many, many years and kept it up. They would need updating but were basically sound. Because they needed updating, I was able to get them under market value. *They needed a face lift not brain surgery.* They would often leave the entire household

furnishings because I would add in the sales contract that they did not have to empty the house. That way, I got free furniture for my furnished rentals.

I also focused on multi unit buildings. I loved to buy real estate that had four apartments on one lot — either two duplexes on one lot or a 3 to 4 unit building.

When I first started my real estate career, I bought duplexes and as time went on I only bought 4 units and up and I bought every one of them with owner financing. I was very good at presenting an offer and getting the owner to hold the financing for me. Owner financing was a niche that I was able to focus on and perfect.

My buying niche became

- A.) estate sales,
- B.) 4 units and up,
- C.) properties that had 3 or 4 bedrooms, and
- D.) owner financing with little down.

I found that most real estate investors follow the crowd and do the same thing over and over again. The two most common methods of real estate investing are: 1.) buy and hold or 2.) flip. First, let me cover my view on flipping. **STOP DOING THAT!** I do not believe in flipping houses. The key to financial success is to have passive residual income coming in month after month. When you buy a house and flip it, you have a J O B also known as “Just Over Broke”. There are many real estate gurus out there teaching people to go out and find a short sale, then buy it and flip it. When you use this strategy, it is like a job because you have to keep doing it to keep getting paid. You go through the trouble to find the house, structure the deal, get the financing, rehab the building and then you sell it. That’s like selling the goose that lays the golden egg. My suggestion is to stop doing that and buy and hold instead.

“I’M GETTING IT”

MY TENANT NICHE

My tenant niche is what really made me rich.

Buy and hold is the key to financial success. But, truth be told, buying property and becoming a landlord can be a total pain in the butt. Tenants can make you crazy, ask me how I know and I'll tell you—but don't ask.

The problem is all investors who are landlords are fighting for the same good tenant. Too much product and not enough demand. Everyone is going down the same path. They buy a piece of property and list it for rent in a newspaper or online and compete with the other 400 people that have something listed. Well, I found that there were very few landlords that offered furnished apartments. So, I took a different approach and only rented furnished apartments. I would look in the ads and there might be hundreds of ads for unfurnished apartments for rent, but only 10 to 15 for furnished apartments; sometimes only 2 or 3, hence much less competition. My niche was furnished apartments. I looked for a niche tenant, which turned out to be to college students when I started investing. This was actually my second choice of tenant who could benefit from my special needs model.

When I first started buying real estate, I thought I was going to rent to my patients from the Psychiatric Center, but I was told there was a conflict of interest. So, I took the same concept that I was using to find rentals for my clients, all inclusive, corporate rentals for psychiatric patients and looked for other places that I could apply this method. Student housing was a perfect fit. I was able to tap into the student housing market and I did very well with that niche. I would rent to 3 or 4 students and I would put those students in units with one person per bedroom and make it all-inclusive. I was able to get more than the market rent—in fact, 2 or 3 times the going rent. I later learned that it was legal for me to rent to clients from another agency that had handicapped clients in need of housing, as long as it was an agency that I was not working for. I focused on finding agencies with clients that had other disabilities, but were also in need of housing. That's where I found an untapped gold mine.

“I’M GETTING IT”

For a detailed course on How You Can Get 3 Times The Market Rent Guaranteed and Mailed to You Each Month from Government Agencies Without Section 8, SEE DR CASHFLOW’S, LANDLORD’S GUIDE TO SPECIAL NEEDS HOUSING. You’ll find it on my website, drcashflow.net

MENTORS AND SUPPORT

I owned rental property for about 3 years when I attended the Al Lowry seminar. I will never forget what Al Lowry said to me when I first met him. He said young man you’re a “M.I.M.” I asked, what that was? His reply was, “You’re a Millionaire In the Making.” My wife actually bought me a little clock from one of those places like, “Things Remembered” and she put M.I.M. on it. I put that clock on my desk and looked at it every single day. Whenever I looked to see what time it was. I was reminded. I knew I was going to be a millionaire. I knew that I was going to succeed in REAL ESTATE. I focused on buying more and more rental properties every single year. By buying one or two 4-unit buildings every year, I was able to build a small empire allowing me to retire very early in life.

Another thing that was very important to my wealth building was working with my wife. She was there beside me, working with me every step of the way. When we first got married, my wife worked, and we lived off one paycheck. We saved my wife’s paycheck to buy more income property. We also saved to buy the house that we were living in. We were able to buy it by saving one paycheck and using that money to make a very large down payment. We bought that house when interest rates were 18%. There was a 7% assumable mortgage on that house and we actually bought that house by assuming the financing that was already in place at 7%. We got a great deal based on the large chunk of cash we were able to put down when interest rates were at an all time high and no one was buying.

I found that making money was not only improving my net worth, it was also improving my self-esteem. I felt much better about myself because I was making a lot of money and was successful.

INVESTING EXCUSES

Many times, when I am on the road speaking at Real Estate seminars, I hear excuse after excuse for not taking any action. My advice is — you need to just get over it, get over the excuses and go and do something. **LIFE REWARDS ACTION AND PUNISHES PROCRASTINATION.** I hear the excuse of not having money to invest in real estate. Go get another part time job and save some money and get going and do something. Owner Financing and Lease Options are out there and are very easy to find. So, you don't have the excuse of not having money to invest in real estate. *I include a FREE Two Day Lease Options Boot Camp with all my courses.* One strategy to use if you don't already own property and you're just starting out is you can go rent a 3-bedroom house and sub lease it by the room as Special Needs Housing. Example: rent a 3 bedroom house for \$800.00 per month and sub lease it by the room at \$800.00 per room (\$2400.00) as Special Needs you pocket \$1600.00.

For more information on How You Can Get 3 Times The Market Rent Guaranteed and Mailed to You Each Month from Government Agencies Without Section 8 — check out **DR CASHFLOW'S LANDLORD'S GUIDE TO SPECIAL NEEDS HOUSING.**

You'll find it at my website (drcashflow.net).

“I'M GETTING IT”

The other thing I want to encourage you to do is — stop getting stuff! It seems like we are in a “gotta have more stuff” world. We get more stuff and more stuff and more stuff. And most of it is useless. We buy stuff because we think it is going to make us feel better and after we buy it, we don't feel any better. Nothing happens — we are just buying stuff. There is a big difference in needing something and wanting it. If you are starting out as an investor and you haven't got money for a down payment, tighten your belt. What's the difference between needing and wanting? *Do you really need it, or do you just want it.* If you just stop spending money on things you want and only spend money on things you need, you will have money for a down payment to buy a house. **THE ONLY EXCEPTION IS SPENDING MONEY TO MAKE MONEY.** A good example is investing

in your real estate education. The best money I have spent is money I spent to learn all I could about real estate investing.

When I started out, I was driving an old used vehicle. I didn't drive a new car. I had the money, but I wasn't going to buy a vehicle with that money. I was going to take that money and use it to invest in a piece of property. Now I had choice: A.) buy a new vehicle and pay for it by having a loan on that vehicle and pay it monthly or B.) save that money to buy another rental property. I found that saving that money for another rental property gave me a much better rate of return.

I am a firm believer in getting out of debt and paying off everything. I have nothing that I owe money on. I owe absolutely nothing. I have not carried a credit card balance for the last 40 years. I will not pay interest on credit cards. If I buy something and put it on a credit card, it is paid off when that bill comes in. I have no expenses at all. Right now at this point of my life I have income coming in and I have no expenses going out. I have no mortgages, I have no credit card debt, and I have no debt of any kind, because I don't believe in BAD debt. Of course, there is good debt and bad debt. Good debt meaning that you owe money because you use it to make money. You are borrowing money to buy an asset, to buy real estate. Bad debt is money you owe on a credit card because you bought clothes you could not pay for and did not need.

I am totally debt free, even investment debt free. When I want to buy a building I have enough cash to buy it and I just buy it for cash at a discount. If the rate of return is there, I just pay cash for it. Cash is good. I believe in having cash. I've always wanted to pay off my buildings as soon as possible so I didn't have to have that monthly mortgage payment going out month after month. I wanted to be able to collect my rents, pay my operating expenses, without a mortgage, and keep that cash in my pocket. **I WANT IT ALL — CASH FLOW, EQUITY, AND NO DEBT. "I'M GETTING IT"**

Many people use a lot of fancy ways to invest. Me, I am a slow and steady guy. I just kept buying property by looking for multi-unit buildings with more than one bedroom. If possible, 2 or 3 bedroom apartments, four unit buildings and making those "owner-held

mortgage” offers. I became very good at getting the owners to hold the mortgages. Every single time I used this method of buying rentals it worked out very well for me. I encourage you to get rid of your investment excuses. If you are starting out, just do it. Learn how to calculate a rate of return, go out and find that down payment, make owner financed offers and just get going. For details and to learn more about investing with little or no cash see *The Lowdown on Low Down* by Nick Sidoti and Jane Garvey on my website, drcashflow.net.

“I’M GETTING IT”

KNOW YOUR NET WORTH

What is your Net Worth now and what do you want it to be in 3 months, 6 months, or 1 year from now?

Like a GPS or Map Quest, you need to know where you are starting from if you ever hope to get where you want to go. You need to know where you stand financially so you can make changes in order to reach your financial goals.

EXAMPLE GOAL: Become a millionaire

Determine your net worth today to make smart plans for tomorrow

Determining your Net Worth is not hard. You list the dollar amount of all your assets and the dollar amount of all your liabilities. Then, you subtract your liabilities from your assets.

$$\text{Assets} - \text{Liabilities} = \text{Net Worth}$$

ASSETS

Your assets amount to the dollar value of everything you own. Don't include your paycheck.

Here are a few examples of assets:

- The market value of your Home
- The value of your Car(s)
- The money in your Investment Accounts (including your Retirement Accounts and Life Insurance contracts, cash value)
- The amount you have in your Checking and Savings Accounts, including CD's
- Stocks and Bonds
- Vacation Home
- Rental Property
- Boat
- All other items of value you own

LIABILITIES

Liabilities are the total amount of money you owe to others. Your total liabilities are not the monthly payments you make, but the entire debt you owe. Do not include day-to-day expenses like a phone bill, cable bill, or utilities.

Here are a few examples of liabilities:

- Mortgage Balances
- Car Loan Balance(s)
- Credit Card Balances
- Student Loan Balance
- Outstanding Medical Bills
- Home Improvement Loans
- Lines of Credit Balance
- Rental Property Mortgages
- Liens and Judgments against you
- Other Debt

TIME TO DO THE MATH

After you've listed all your assets and liabilities, subtract your liabilities from your assets. This will give you your **NET WORTH**.

EXAMPLE 1

Assets:

- Your Home (market value)	\$200,000.00
- Your Car(s) (market value)	\$5,000.00
- Retirement Accounts	\$4,000.00
- Life Insurance (cash value)	\$0
- Checking Accounts	\$450.00
- Savings Accounts	\$2,000.00
- CD's	\$0
- Stocks and Bonds	\$900.00
- Vacation Home (market value)	\$0
- Rental Property (market value)	\$125,000.00
- Boat (market value)	\$30,000.00
- All other items of value you own	\$3,000.00
Total Assets	\$370,350.00

Liabilities:

- Mortgage Balance	\$190,000.00
- Car Loan(s) Balance	\$0
- Credit Card Balances	\$1,200.00
- Student Loan Balance	\$5,000.00
- Outstanding Medical Bills	\$0
- Home Improvement Loan	\$0
- Line of Credit Loan Balance	\$0
- Rental Property Mortgage(s) Balance	\$95,000.00
- Liens and Judgments against You	\$0
- Other Debt	\$0
Total Liabilities	\$291,200.00

Total Assets	\$370,350.00
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Total Liabilities	<u>\$291,200.00</u>
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Net Worth	\$79,150.00
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(subtract liabilities from assets)

EXAMPLE 2

You may find that you have a negative net worth if your liabilities are more than your assets as in this example:

Assets:

- Your Home (market value)	\$200,000.00
- Your Car(s) (market value)	\$5,000.00
- Retirement Accounts	\$4,000.00
- Life Insurance (cash value)	\$0
- Checking Accounts	\$450.00
- Savings Accounts	\$2,000.00
- CD's	\$0
- Stocks and Bonds	\$900.00
- Vacation Home (market value)	\$0
- Rental Property (market value)	\$125,000.00
- Boat (market value)	\$30,000.00
- All other items of value you own	\$3,000.00

Total Assets

\$370,350.00

Liabilities

- Mortgage Balance	\$190,000.00
- Car Loan(s) Balance	\$0
- Credit Card Balances	\$20,000.00
- Student Loan(s) Balance	\$5,000.00
- Outstanding Medical Bills	\$0
- Home Improvement Loan	\$25,000.00
- Line of Credit Loan Balance	\$50,000.00
- Rental Property Mortgage Balances	\$95,000.00
- Liens and Judgments against You	\$0
- Other Debt	\$0

Total Liabilities

\$385,000.00

Total Assets

\$370,350.00

Total Liabilities

\$385,000.00

Net Worth

-\$14,650.00

The net worth in Example 2 is negative because this person owes \$14,650.00 more than he or she is “worth” in monetary terms.

“I’M GETTING IT”

WHAT ARE YOUR GOALS?

GOAL SETTING AND OBJECTIVES

What is the difference between a goal and an objective? The difference between goals and objectives is that a goal (*What you want*) is a description of a destination, and an objective (*The steps to get to your goal*) is a measure of the progress that is needed to get to the destination.

The first thing to do is have a GOAL that is realistic and obtainable. Example, the goal of owning the Empire State Building is not realistic, owning a 6-unit rental is very realistic or buy your first rental property is also realistic. After you write down your goal, make a list of the little steps (objectives) you will take to reach your goal. Here is a simple example.

Goal

Own First Investment Property
(RENTAL — SPECIAL NEEDS HOUSING)

Objectives

Learn the Basics of Real Estate Investing
(The LOWDOWN ON LOWDOWN Course)

Join A Local Real Estate Group

Learn your local market value so you know a good deal when you see it

Find a local Realtor to work with you

Make offers on properties for sale

Close on a property

Rent it as Special Needs Housing using the
Landlord's Guide to Special Needs Housing

“I’M GETTING IT”

GET EDUCATED AND GET MOTIVATED

The number one thing I want to encourage you to do is to join your local REIA group — Real Estate Investment Association. They can be very powerful in the accomplishment of your goals. There is a lot to be learned in REIA groups. They can provide support, encouragement and motivation to get you going. Also, if you get a chance, get to a **REAL ESTATE INVESTORS CONVENTION**. They are great networking opportunities where you can meet a lot of people. When you're at a real estate investor's convention — you'll meet 200-300 people who are of the same mind-set and it can be very encouraging. You will be rejuvenated and you will want to do something. They are powerful networking environments. Whether it is through a national group, a local REIA group or a real estate convention — go out and network and meet people.

When you attend these REIA groups, local real estate investment groups, or conferences go with a goal to devour as much information as you possibly can. Spend some time meeting new people. Sometimes we only talk to the people we already know. Meet someone new at every meeting. You never know what opportunity will come from meeting someone new. Ask the “big guys” questions; they love to help. Be sure you go with an open mind and keep the negative devil off your shoulder. At many of these meetings you will have the opportunity to invest in yourself through your real estate continuing education. I have never listened to any real estate speaker who has not given me one or two new ideas that helped me make money. So, go out and listen to the speaker with an open mind. A 30-second idea might be worth \$25,000.00 to you. Use other people's talents. Everyone has their own set of assets and liabilities. Find someone who has a talent that you lack and learn from them.

“I'M GETTING IT”

INVEST IN YOURSELF

Today's real estate market is constantly changing. You must keep up with what's going on. The question is—how do you keep ahead of the industry? You can do that by developing and nurturing

your real estate education. If you don't, you will be seen as an uninformed rider frantically galloping your horse down a four-lane highway. Invest as much as you possibly can in your real estate education. It WILL pay tremendous dividends. Remind yourself that you are never too old to learn. Likewise, you are never too smart to learn. Don't be penny wise and pound-foolish. Think about your rate of return when you invest \$797.00 or any amount in a real estate system that can provide income and financial security for the rest of your life.

As a real estate investor, hopefully your real estate library is bigger than your TV. Think about that. Do you pay hard-earned cash for cable/access to 500 channels to fill up your priceless, discretionary time? Or do you dedicate a portion of each day to read a book or listen to an audio program from your real estate library? Which choice yields the best return on your time and money?

Educating yourself in real estate is like attending medical school — physicians learn all aspects of medicine before they specialize in one field. Is Special Needs Housing your new field of specialization? Wouldn't you agree your earning potential is limitless when you specialize in a niche? *There's no greater rate of return on investment* than the money you invest in your real estate education.

“I'M GETTING IT”

MY TRUE CALLING

I have shared some of the niches I've worked in throughout my life. Buying multi-unit buildings with little money down, and turning them into special needs housing was, by far, the most profitable. In this chapter I'll share how I found my true calling, love and passion—National Public Speaking.

It all started when I went to Florida. Let me set the stage for you. Before my incredible trip to Florida, I developed and wrote a course on Property Management. When I say wrote, remember I'm the

guy who's Dyslexic with Attention Deficit Disorder, and can't spell. I didn't physically write it. I tape-recorded it and my wife transcribed it. Then I put it together. It's called *Highly Effective Property Management* (See DRCASHFLOW.NET).

When I first thought of creating this course, it was out of pure need. I needed a property management system for my own rentals and could not find one that was any good as far as I was concerned. It was time consuming for me, but I just decided to dive in and just do it. I knew I had a great property management system when I showed it to some local investors. They loved it and wanted to buy it. They also asked me if I would make time to teach it to other investors.

That's how I began teaching my property management system. I also taught How to Get Started in Real Estate at the local REIA group I started. I really liked speaking and learned it was my true passion and my true talent.

My speaking career went from local to national with the help of someone who became my closest friend, Jane Garvey. Jane is actually responsible for my first national speaking engagement. I met Jane at a Financial Freedom Convention by Mark Haroldsen. I had only heard of Jane before because she was the author of a very famous newsletter, Creative Investor Advisor. It was the most widely distributed newsletter for real estate investors in the country. I was very honored to meet her and could not believe she would take time to talk to me. I showed her the Property Management Course I wrote and she told me it was something all investors needed to hear about. I loved the compliment, but I honestly thought she was just being nice.

Jane was, and still is, very well respected in the real estate investing industry and someone who is often sought out for her opinion. When she was asked by the CEO of the *Financial Freedom Report* if she knew of any new speakers for the next year's National Convention she recommended me. At first I didn't think my course was good enough or I had what it took to be a speaker at such a high caliber event. I didn't have the confidence. Jane reassured me, that it was actually a very good course and something other

investors needed. With Jane's help, connections and reassurance I was able to get my very first national speaking engagement. I started speaking on Property Management at the Mark Haroldsen's Financial Freedom Report Conventions. Jane also gave me the honor of writing a column called "*Ask Dr Cash Flow*" in her famous newsletter, Creative Investor Advisor. Jane and I went on to write the Lowdown on Low Down Payment course together.

As a National Speaker I found out Property Management courses are very hard to sell. I was an excellent speaker and had a great course, but that didn't matter. I just wasn't a great salesman. I was trying to teach too much during my presentation. I also found teaching property management and selling property management courses are two very different things. Everybody liked what I had to say and knew they needed my system, but they didn't want to buy. It's like we all know we should exercise and eat a balanced diet, but we don't always do it.

I needed to do something different, so I started incorporating theatrics in my presentations. I tapped into my people skills and people really liked my speaking style. They really enjoyed hearing me speak. I was edgy and a little outrageous. People came up to me afterwards and said they listened to me speak for an hour and a half and loved it. They thought I had a lot of good things to say and that I was a great speaker but, I still didn't sell as much as the other speakers on the circuit. I soon found out if you don't sell a lot on the circuit, you are not asked to come back. I had the bug though. I knew my true passion and my niche was my speaking ability. It never left me. It was always there. I could not stop thinking about speaking. Speaking gave me a rush. I absolutely loved to do what most people hate doing. I loved being in front of people, on stage and speaking in public. I had found my calling. Public speaking was my calling. It was my natural talent. I wanted the stage. It was something that I would do for nothing if I had to.

I found if I could put on a better show than everyone else, I might be asked to come back even though I wasn't the best on sales. I was becoming the best "info-tainer" on the circuit. I also found that if the promoters liked you, you're in. But I knew I still had

to improve my sales if I was going to make it as a speaker for any length of time. I actually perfected my speaking style to be a little edgy and a little bit outrageous. I found that when you identify and take advantage of a viable niche; *you can become very rich with that niche*. I had my speaking style niche — now I needed to learn how to sell from the stage.

I started to sell more when I realized that it was a very big disservice to my audience if I didn't sell them. By not selling them my course, they wouldn't be able to learn from it and put into practice the tips and insights that would make them money. So, I learned quickly that if I was going to be a successful speaker I had to sell from the stage and, if I wanted the people who were listening to me to improve their life and to change their lifestyle and financial status, I had to get them to take the product home so they could benefit from it. The bigger picture for me is if they used my course, they would be able to provide housing for people in need, the special needs community, including veterans.

I had the privilege of knowing Ernie Kessler, who gave me a lot of tips on speaking. Ernie Kessler was one of the greatest platform speakers around. The first thing I learned from Ernie was to teach less and cut out some of my jokes. I told some great jokes and great stories in my presentations when I started speaking. I would get the audience laughing and they were engaged; they were having a good time.

But, the jokes did not sell products. And if the jokes didn't sell products, the people were not going to take the product home. If they didn't take the product home, I wasn't going to help them change their financial status because they would not have the information to make the changes they needed to improve their lives. If I didn't sell them — they would miss out. Ernie Kessler coached my speaking and convinced me to speak on the topic of Special Needs Housing. At one point, I considered this my secret. I didn't tell many people about my Special Needs Housing system. I felt that I would be revealing my secret recipe to success. It was because of Ernie Kessler encouraging me to speak on Special Needs Housing that I actually created the course *The Landlords Guide to*

Special Needs Housing and I am now teaching that course. I am the only speaker teaching Special Needs Housing. I am the NATIONAL EXPERT on SPECIAL NEEDS HOUSING and SUPPORTIVE INDEPENDENT HOUSING. I created this system and trademarked it. It is my niche product.

MAKING IT AS A NATIONAL SPEAKER

MY SPEAKING NICHE

Most people start speaking at local REIA groups and move on to the big promoters. I actually started with the very biggest in the industry, Bill Nickerson and Mark Haroldsen. After that first introduction from Jane Garvey, I was asked to come back and speak at their events. It was because of my people skills—they just liked me. And they loved the great reviews from their audiences on my presentation skills. It was my calling. It was my gift. I learned that if I could just develop my niche, I could be very successful.

That is exactly what I did. I resisted following the crowd and being like all the other speakers who followed the standard pattern. They just stood there and did the same presentation over and over. I call it the “robotic presentation.” I decided to make it very theatrical. The more theatrical I was, the better my presentation was received. I never followed the pack. I found out, very quickly, if you are going to make it in this industry, as a national speaker, you have to have people like you and it’s the little guys out there that will make you or break you. If the little guy doesn’t like you — you’re done!

I get the most rewarding feeling from the investor that comes up to me and says, “I bought your course and I’m using it every day. I’ve made a lot of money with your system.” Or, “I used your Special Needs Housing course and I increased my income and I’m providing housing for many who need it.” This one puts a smile on my face, too, “I use your Property Management course and your Special Needs Housing Course — it has solved so many of my property management headaches.”

It really feels great when somebody comes up to you and tells you their lives have changed because of what you’ve given them. It is extremely rewarding. How did I change their life? I owe it all to my

speaking style, being different and being edgy. I like to call it the, “I DID IT MY WAY, NICHE.” (“I Did It My Way” sounds familiar, I might have hear someone say that before).

Go to YouTube and search
DRCASHFLOW
for testimonials from students who are
successfully using my system

I’m fortunate to be one of the most sought after speakers in the country. I have people contact me regularly to speak at their REIA groups and national conventions—and it is a genuine pleasure. I feel honored when asked to speak. I try to remain true to myself and just be me. I do what I need to motivate other real estate investors to provide housing for people in need. I still speak at the small REIA groups. I take small speaking engagements that nobody else wants. I don’t feel like I am too big for the small events, unlike some speakers who think they are just too big to go out there and speak to small groups. Believe it or not, that is where I get a lot of satisfaction.

Going to that REIA group and speaking to the guys that no one else wants to speak to and encouraging them and giving them ideas on how to make money, excites me. I also help them learn how to invest in real estate and finding a niche they can use to improve their lifestyle and improve their financial status. I like it when people come back to see me, over and over again, even after they buy my course. It means a lot to me that they still come back to see me to say hello. It gives me lots of satisfaction knowing I’m making a difference in their lives. Please remember, I would not be able to do exactly what I love to do unless I had started investing in real estate. It is real estate investing that has helped me to be able to do whatever I want to do, whenever I want to do it. And, what do I want to do? Speak from the stage — my true passion — that is what I love doing and I am only able to do that because of my real estate investments.

I have refused to speak at some engagements because I do not believe in their philosophy or their basic concepts. I refused to

Speak for them and I had the freedom to say no because I didn't need them for income. I was able to take a stand on principle, rather than need. To me, that is success, doing what you want to do, not what somebody tells you to do.

I really truly enjoy what I do. I was asked at one point if you could do anything else what would you rather be doing. I thought about that for a couple of minutes and I couldn't think of anything else I'd rather do. I realized that success is doing what you truly enjoy doing, loving it and being paid to do it. That's success.

I am often asked why I don't do my own Boot Camps. The answer is simple, at this point in my life, I don't want to. I'm quite content with what I do.

See Fisherman story at the end of this book.

SELF-MOTIVATION

One thing I believe in, very strongly, is self-motivation. You have to stop watching football games, soap operas, and all the junk on TV, and start doing something to improve your lifestyle. We have all heard the sayings, *What you see — Is what you get and Garbage in — Garbage out*. If you have negative thinking, you get negative results. If you have positive thinking, you're going to get positive results. There is a lot of power in affirmations and a lot of power in positive thinking. I encourage you to get rid of the "yes, but" syndrome if you have it. The people who say, "yes, but" to everything are going nowhere. It's like having a devil, with stinking thinking, on your shoulder always saying, "yes, but yes, but — yes, but." I want to encourage you to work on keeping that devil off your shoulder. I want you to say YES I CAN DO IT — YES I WILL DO IT. Because ... *"I'M GETTING IT"*

WHAT'S YOUR NICHE?

Is my Special Needs Housing System the answer for you?

In this book I told you about my niches. What about your niche and the possible niches that you can tap into? Let's start by asking yourself some questions like:

Why Me?

What makes me stand out?

What do I have to offer?

What do I do different than everyone else?

What do I love to do?

What's the thing that makes me stand out as a potential real estate investor?

What can I become an expert on?

What is my NICHE?

It doesn't need to be something brand new. I created the LANDLORD'S GUIDE TO SPECIAL NEEDS HOUSING so you can learn and copy my system of all-inclusive housing. This system can make you a lot of money and give you a lot of satisfaction because you will be helping others. You can learn to be the expert in your town by making my niche, your niche.

Using my LANDLORD'S GUIDE TO SPECIAL NEEDS HOUSING is like starting your own fast food franchise.

"I'M GETTING IT"

NOW IS THE TIME TO DO SOMETHING Now is the time to take action

If you want something, go for it. If you want something, you've got to do something. You've got to start somewhere—you have to take action. At the beginning of this book, I told you that at every one of my presentations I start out saying, "Some People Get It and Some People Don't." If you want something you have to go out and get it. You need to focus on getting it. Focus on what you want and

you will get it. During my presentations, I use another phrase that I think is really important – “Life Rewards Action and Punishes Procrastination”. If you want something you have to take action. If you take action, you will be rewarded. I want to encourage you to invest in yourself and build a real estate empire with my SPECIAL NEEDS HOUSING SYSTEM. When you implement my SPECIAL NEEDS HOUSING SYSTEM you will be rewarded financially and will begin helping people who deserve quality housing.

You don't have to be the biggest, but I will tell you right now, if you help others get what they want, they'll help you get what you want.

You don't have to be the biggest, but it does help if you're the best.

You don't have to be the biggest, but it does help if you have a niche.

“I'M GETTING IT”

I would like to share a story

Success is not the key to happiness.

Happiness is the key to success.

A rich investment banker was visiting a small coastal Mexican village when a tiny boat with a fisherman at the helm docked. The banker complimented him on the quality of his fish and asked how long it took to catch them.

“Only a little while,” he replied. The banker asked, “Why didn't you stay out longer and catch more fish?” The fisherman replied, “I have more than enough to support my family's needs.” The banker then asked, “But what do you do with the rest of your time?” The fisherman said, “I sleep late, fish a little, play with my children, take a siesta with my wife and stroll into the village each evening where I sip wine and play guitar with my amigos.”

The banker said, “If you spend more time fishing, you could buy a bigger boat, and with the proceeds from the bigger boat, you could buy several boats. Eventually you could have a fleet of fishing boats and open your own cannery. You could move to a large city and make millions.”

Unimpressed, the fisherman asked, “Then what?” The banker replied sheepishly, “Then you could retire and move to a small coastal fishing village where you could sleep late, fish a little, play with your kids, take siestas with your wife, and stroll to the village where you sip wine and play guitar with your amigos.”

The way I see it: *Success is not the key to happiness. Happiness is the key to success.* If you love what you are doing, you will be successful.
“I’M GETTING IT”

SO WHAT’S WITH THE RED SHOES?

I have been wearing red shoes (and this is not a publicity stunt) since 1975, long before I was a public speaker. I wore red shoes to my wedding reception in 1980. It’s kind of funny how I came up with the red shoe idea. Let me share it with you. I was watching the Price is Right on TV when Bob Barker was the host and there was a contestant who was wearing blue jeans, a red Hawaiian shirt, and red shoes. I thought that it really looked cool. So, I have worn red shoes ever since and it has become one of my many signatures and now part of this book title!

NOW IS THE TIME FOR YOU TO CASH IN ON YOUR NICHE.

“I’M GETTING IT”

Courses Available on my website www.drcashflow.net

LANDLORD’S GUIDE TO SPECIAL NEEDS HOUSING COURSE

DR. CA\$HFLOW’S® CASH REGISTER

You will learn how to rent to special populations and double your cash flow. Learn how to market your rentals to special populations and choose tenants that will make you very wealthy. Some of my most carefully guarded secrets are revealed in this course. This course provides the details, forms, and instructions to turn your rentals into tremendous cash flow generators. Nick was profiled and featured in the well-respected national publication, KIPLINGER’S PERSONAL FINANCE MAGAZINE. The story featured his innovative ideas for increasing cash flow through special needs housing.

“The ideas in this course and step by step guide will teach people how renting to special populations can actually double or triple cash flow, thus adding thousands and thousands of dollars of profit to each rental unit. Your profits will soar. When it comes to generating income, Nick is the Cash Flow King.” - Kiplinger’s Personal Finance Magazine

**Thousands of landlords trust Dr. Cash Flow’s
proven home remedies and prescriptions to double
their cash flow.**

YOU WILL LEARN:

\$ HOW TO GET 3 TIMES MORE RENT

Mailed To You Each Month.

\$ How to put \$100,000 in YOUR POCKET,

TAX-FREE right now.

**\$ How to market your rentals to government
agencies who pay more than market rate.**

- \$ How to avoid the #1 mistake investors make because of misinformation.
- \$ How to say good-bye to the bureaucratic Section 8 inspections.
- \$ How to dramatically reduce headaches while you're increasing profits.
- \$ How to get the government to stuff your mailbox full of money every month.
- \$ How to keep your sanity, prevent ulcers, and still have tenants.
- \$ How to get tenants who NEVER, NEVER, NEVER MOVE.
- \$ How to collect rent checks even though you don't own rental property.

MANAGEMENT PACKAGE

Highly Effective Property Management — Nick Sidoti®

Eliminates yesterday's property management problems AND avoids the problems of tomorrow. This course includes a manual and data disk with a complete encyclopedia of rental forms, the best income protection rental application and rental agreement in the country, and six audio CD's from a full day seminar on Property Management. Nick, aka, Dr. Cashflow, will teach you how to increase profits and reduce tenant headaches. You will receive his prescriptions for healing your festering property management ailments. His CPR — Cash Producing Remedies — will breathe new life into the heart of your management operation and your bank account.

A must have survival kit for every landlord.

Successful Property Management Nick Sidoti®

This course includes a manual and data disk with a complete encyclopedia for accurate record keeping. This course will get you organized today to save time and avoid costly mistakes tomorrow. As a real estate investor it's not only how much money you receive, it's also how much you save. You will save money by keeping track of your rentals.

This is the nations #1 Property Management Course. Written by Nick Sidoti, profiled and featured in the national publication, *“Financial Freedom Report”* for his innovative ideas of increasing cash flow, dealing with problem tenants, and neighborhood problems.

LOWDOWN ON LOW DOWN PAYMENT COURSE

How to Make Real Money Doing Real Deals in Real Estate

This course takes you step-by-step through the information required to acquire real estate with little or no money down. This course contains six audio CD’S, a detailed workbook with fill-in-the-blank worksheets and a data disk with all the formulas needed to make a profit investing in real estate. This course takes the confusion out of what to do first and what to do next. It is the result of a collaborative effort between Nick Sidoti and Jane Garvey. With the knowledge and experience of these two successful real estate investors, this is a thoroughly, well rounded course which views real estate investing from a variety of angles.

Topics covered include:

- The secrets of successful real estate investors
- How to find properties with the most potential
- How to determine true condition and find hidden defects in property
- How to determine true value of property so you never overpay
- How to structure deals using low down financing techniques that really work
- How to present low down offers so they get accepted
- How to write, present, and negotiate contracts
- How to calculate the potential return on investment
- How to increase the value of your property
- How to make huge profits doing real estate rehabs

This course gives you a solid foundation on how to be successful in real estate. This is how Nick Sidoti, Jane Garvey, and 99% of all real estate investors made their fortunes.

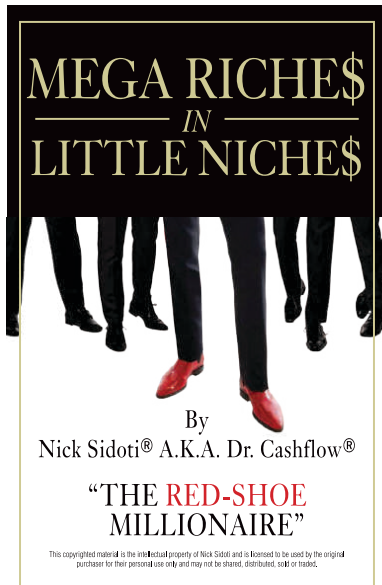
**GO TO YouTube and search
DRCASHFLOW
for testimonials from successful
students who are using my
SPECIAL NEEDS HOUSING SYSTEM**

**Now is the time to take action
so you can be
THE NEXT SUCCESS STORY**

*If you read this book you are entitled
to a discount on the courses offered
on Nick's website*

DRCASHFLOW.NET

*Fill out the special discount
form and Nick will
personally contact you.*



Nick Sidoti® A.K.A. Dr. Cashflow®