

Rental Research News

Rental Research Inc. May 2006

Building Wealth with Real Estate

(from the soon to be released, Chapter 9 of the
Washington Real Estate Guide)

5 Easy Pieces



If you can play five easy pieces on the piano you are on the way to becoming a player. If you can take five easy steps you are on your way to wealth with real estate.

1. Decide it's ok to be wealthy.

Sounds simple enough, but you would be surprised to the number of people that think down deep, they should not strive to be wealthy. Not a worthy goal. After all, the Bible says "It's harder than a camel to go through an eye of a needle than to be rich and go to heaven". I hear remarks like; "rich people are all jerks", "rich people have more problems"; "I'm busy, I don't have time to be rich"; "I've never really tried".

Some people will go out of their way not to become wealthy, they will shoot themselves in their foot to prevent becoming rich. Maybe subconsciously they feel they don't deserve to be wealthy.

Is it ok to be wealthy? Maybe, depends on how you define wealth, how you treat other people, and what you do with your wealth.

What's the upside of wealth? It's fun. More control over your time and life. You can help other people. You can create jobs and opportunities, you can make someone else's life better, yours too.

2. Decide on a figure

First, let's define wealth as financial independence. How much money do you need to make you independent so that you can spend your time as you wish, live a life style you are comfortable with, have enough reliable income, and enough resources to provide for emergencies? Is it \$5,000 a month, or \$50,000 a month? It's up to you, give it considerable thought and then (very important) decide on a figure. Write

it down. Justify the figure in your mind. Add up, again and again, the components for arriving at that figure. Get slightly obsessed with that figure. Tie a rope to it and drag it behind you wherever you go.

Maybe you decide on \$1,000,000 a month. That's ok, but it won't happen unless you can justify it in your mind and totally believe it. The figure must have a concrete basis.

3. Have a plan.

We've all heard "Life is what happens while you are busy making plans". Do we have control of our lives? No. Can we make an impact on our lives? Yes! We can plan and strive, and sometimes it works.

The ship's Captain does not tell his crew "let's sail around for awhile and see where we end up". The Captain has a destination and a detailed plan on how to get there. The Captain knows how to handle problems, emergencies, or even a change of destination. You too, must have a plan and be prepared to make adjustments.

A wealth plan is tied into your life plan. For example, when you are young you may want to invest in your education and hold off on investing in real estate until you are firmly established in your career. After you are established and have some discretionary income, that's the time to start investing. Maybe you need some tax deductions. Single family homes are a great place to start. They don't give you much income but they go up in value faster than most other real estate investments. No income, but you are building wealth.

**Zaran Sayre will be speaking
at the ORA
(Olympic Rental Association)
Spring Conference Saturday
June 10th, 2006**



**La Quinta Inn in Tacoma
"Building Wealth with Real Estate"**

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