

MONEY FOR NOTHING...

AND YOUR PROPERTY

FOR FREE!

*How In My First 12 Months I Bought 74
Properties Worth Over £12,000,000- with
None Of My Own Money!'*

The Passive Investments Strategy

BY

Andy Shaw

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Visit my website www.AndyShaw.com

In Andy's new book 'Money For Nothing And Your Property For Free', there seems to be the perfect blend of "Mindset and Strategies". This combination will elevate anyone to their financial goal by just following this recipe.

- John Childers

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Author's Note

What if I told you that in a few hours you could learn how to create more money than you will ever need – for your children and their children's children? What if I told you that you could get that money for nothing; perhaps even for free? What if I told you the expertise you need will be easy to grasp and will stay with you **forever**?

Would you believe me?

Or would you think I was just pumping out some tired scheme or sentiment?

Well... this is a moment you will look back on and smile. You are about to reach the fork in the road. In the next few minutes you will find yourself at a significant turning point. You just do not know it yet!

When the time comes, the choice will be yours. Will you succumb to your doubts and walk away? Or will you see your scepticism for what it really is... fear of what lies ahead?

If you will suspend your doubt and face your fear as you read the words that follow, my promise to you is this:

I will deliver on the statement I have made above!

Andy Shaw

Note: - Specific dates are mentioned in the book to enhance your enjoyment and understanding, the book was originally written in March 2006.

Introduction

One of the greatest opportunities a published book offers is a public forum in which to thank the people whose encouragement over the years has made you the person you are today.

Just as your own lives are measured by the efforts invested in them, I too have reaped the rewards of the efforts invested in me. The faith, trust and inspiration that have guided me are the greatest riches of all. They mean more to me than mere words can ever say.

This is my first book. It represents a lot that I have learned as I have gone through life. And so, to everyone I have ever met, spoken to, worked with or read from, I say thank you. Learning from your successes and failures has made me who I am today.

I would also like to take a moment to say a few words about the thinking that inspired this book. There are many great property investing books out there. Unlike most that you might read, this book offers two unique features. The first is a practical guide to creating wealth using one simple property strategy as the vehicle. This is only the first step. Much, much more important than merely creating wealth, this book also reveals the strategies that enable you to keep your wealth and make it grow.

The fact is, almost anyone can create wealth. It takes real skill and knowledge to keep hold of it forever. Many authors of this type of book have not actually reached that second phase yet. Their success was driven by their unique personality and the special circumstances they

found themselves in. They are less certain about making long-term wealth strategies work for anyone, least of all you. Their books often skate over the ‘how-to’ parts, leaving you thinking, *‘I want to do it, but you haven’t shown me how.’*

Unlike those publications, this book gives you all the information, tips and website tools you need to make it happen for you! I must make it clear at this point however, that they are not free. You will need to subscribe to membership of the site but this is fully satisfaction guaranteed so there is nothing to stop you subscribing, downloading what you want and asking for your money back. However, it is my intention to retain your membership by offering a risk-free guarantee, and delivering ongoing real monetary value to you. My site’s primary goal is to show you how to significantly build on your net worth year after year. www.AndyShaw.com

When a revolutionary new idea is presented to the world, it takes a bit of getting used to. My team of editors and advisors agreed that the mind-bending concepts I offer are guaranteed to raise eyebrows and generate plenty of questions. Questions are good, I replied. It means that my readers are engaged in the creative process. Before long, the theories I put forth will be accepted as fact by those who are ready to take on the exciting challenge that unlimited wealth can bring. Whether everyone reading this book takes up the challenge is up to them to decide.

If you are used to reading property investment books, but you have not seen anything new for a while, you may be in for a few shocks. The concepts I outline have been touched on but never explored in a way that shows how to maximise their effects.

For those who have never read a property investment book before, you should find it both revealing and rewarding to see how easy it really can be to build lasting wealth if you approach it correctly.

For those who are used to taking cautious steps in life, I urge you to brace yourself! You may find my coaching style a little hard hitting for your taste. To those people, I say that there is plenty of time for subtlety when the money's in the bank.

Finally, a few quick words to the team that makes the dreams come true: A special thanks to my best friend, Phil Doolan. Without him, this material would still be a file stored on my computer, a project waiting to happen. Phil and I have been friends for years, building businesses up from nothing. Our partnership, like our friendship, just keeps getting stronger...Thanks Phil.

Next, to Alison, who is so much more than just my wife: To my life partner and best friend, thank you for your unfailing patience, loyalty, love and understanding. We thankfully share a wonderful life together; she is the person I love most in life and I want to thank her for letting me go off in whichever direction I choose and always supporting me whatever happens. Her support and tolerance are unbelievable, and my business partner, Greg, believes she deserves a medal, for still being married to me nine years on. I love her more with every passing day.-

To my business partner, Greg Ballard, what can I say? It has been 15 years and it just keeps getting better every day – ha ha! But seriously, our bond goes further than friendship and we have a strength together that words

cannot describe. Anyone who has ever been in business knows that true business partners – especially good ones – are very hard to find. We have both learned and grown through our business lives and relish the opportunity of learning more each day. Well, I am very fortunate to have a great business partner in Greg.

To Adrian Daniels: your unique mindset is changing the way I think, keeping it fresh, making it grow. Adrian is always there and will help by going above and beyond what could ever be expected.

To my good friend, Peter Halm, for his inspiration to spread the word. I was just too busy doing it myself. It was his idea to actually start going out there and talking to people about it. If he had not badgered me into it, I would not have started down this road when I did and I may have never let my techniques out.

To Nicola Cairncross, who inspired me to see my skills in ways I never knew.

I would also like to thank my wonderful Personal Assistant Lindsay. None of the things that I do would look anywhere near as good as they do if I did not have somebody as clever as Lindsay looking after me, and making sure that I do everything I have committed my time to.

To my business mentor and friend, Mike Grimes. Mike came along at a time when I had reached my own fork in the road. His blueprint for business became my bible. In his own words, he was the old man in business teaching the young man in business how to do it. Both Greg and I are, and will be forever grateful, Mike.

I would like to pay a special tribute to my Uncle Dave and my Aunt Sylvia. My Uncle Dave was the person who first inspired me to go out and become a multi-millionaire. He assured me from the age of 13 that I had what was necessary to do it, and the bits that I had missing, he told me, I would find along the way. He said: “The people you need will come to you. You just need to be able to recognise them when they do.” Boy, was he right! Those words have served me so well, and they can serve you too, if you believe them.

After his death in the ‘90s, my Aunt Sylvia - who was a fair bit younger than Uncle Dave - carried on her support for me. Unfortunately, she passed away last year. She told me how very proud she was of what I had managed to achieve and she told me that Uncle Dave would have been proud as well.

Thank you to my mum and dad. They have always been there for me and supported me through all my business ventures. When they were both retired they let Greg and I use their home as security to enable us to expand our business. My mum and dad are wonderful people; they can both be a little strange and Dad’s a bit of a space alien at times, as anyone who knows him would agree! I would just like to say that I love you both very much and thank you for everything you've done for me. I hope I will always continue to make you proud.

And finally, thank you to Bill Evans, to whom I will be forever grateful because he was the first person to inspire me into a lifetime of reading. Bill gave me my first self improvement book, ‘In Search of Excellence’ by Tom Peters.

Thanks to all.

And thanks to you for allowing me to take the time to honour the people who have made it possible for us to begin an exciting journey together.

Are you ready? Then it's time to get you started on your own road to wealth!

1

The Backbone Of Real Wealth Creation

As a lot of my readers will know, I am very big on the whole wealth creation thing and I consider Long Term Property Investing to be the **backbone** of *real* wealth creation. I am also doing quite well in other fields, such as the Internet and business, as this book will show later. This year I have also set aside time to get back into stock market trading. I did that for a short time just before property and I was not at all bad at it. But property turned out to be the absolute **backbone** of everything I have created so far and is where I really excel.

The point of this book is to show you how easy it really can be to build a solid investment portfolio and how over-analysing everything is what stops the vast majority of people from ever reaching their goals. This book will show you how any damn fool can create wealth through property investing. It will also show you that you do not need to go to an expert like me. You will become the expert in a very short time if you follow the system I am going to present to you here and on my website.

So take heart. Once you understand what to do and why, all it takes is a belief in yourself that the decisions you make are right for you.

In a nutshell, the single most important step to creating long term wealth through property investing is to

buy a property – any property, that is – and hold onto it. As long as they did not make the silly mistake of selling it, anyone would do well over time.

That is it! That is what hundreds of property investment authors take hundreds of pages to tell you.

I am going to focus on just one way in this book to make serious long-term wealth. I am not going to generalise over too many different strategies, as a lot of property investment books seem to need to do.

To give you an idea of how much you can learn in property, I could write 100 books on different styles of property investment. I could write an entire book on each chapter title in this book, and I could probably write a book on each paragraph. That is how much you can really go into detail on property investing, how many angles there are. Everywhere you look, there are new angles with new ways of creating money.

This is going to be very, very specific about one particular area, one strategy that most people will know about if they have ever owned a property before. And if they have not owned a property, it is probably an area they will know about because they have rented.

The subject of this simple strategy is enormous. So, I am going to be skipping over a hell of a lot. But that will not hold you back, or it should not hold you back anyway.

Anyone can do this, anyone out there, anyone in this country, probably anyone in the Western world. Anyone can put this strategy to work in their local property market. They do not have to be anything special. They do not have

to have huge credit ratings or anything like that. They do not have to have lots and lots of money. They just have to be inspired to do it, and they must have a desire to start with. They have to believe they can. If you can manage to find a passion for it within yourself, then boy, does this get easy!

In your own markets the maths may and probably will be different than the examples I give in the book. New mortgage products and new ways of calculating mortgages are becoming available every day. Interest rates will change and therefore the exact style will shift slightly but in the end you'll still be able to make it work as long as you remember the rules about cashflow that I explain later.

2

The Learning Curve

When I first got into wealth creation, I had not read any of the gurus whose insights can save you money, heartache and time. It was not because I thought I knew better than they did. It was because I did not know anything at all! I did not know that the world of wealth creation mentors and self improvement books even existed and had no idea there were places you could go and be taught how to create wealth!

In my ignorance, I assumed that creating real wealth – like anything else – was something I had to sit down and figure out for myself. Unaware of all the books on the market, I just got on with it. I found ways to do things and reached conclusions that many of the experts do not seem to share in the material I have since discovered and read.

This does not mean that I urge you not to read their work. Having valuable information at your fingertips and refusing to use it would be worse than crazy! You will find all kinds of fantastic insights on property by reading Dolf de Roos. Michael Gerber gives unbelievable insights into business in his book, *The E-Myth*. There is a link on my website to it that I strongly urge you to use. Robert Kiyosaki's *Rich Dad Poor Dad* is only one of several excellent books in a series. *Retire Young, Retire Rich* is my personal favourite – what a read - but make sure you read the full series in order. It is excellent. All of these and many more can be linked to from my website:-
www.AndyShaw.com

The purpose of my book is to show you how to create wealth for yourself without too much expertise; in fact, with very little expertise; and if you want to, with no expertise at all. It does not get any easier than that.

You should, by the end of this book, have all the bits you need to know to get on with it yourself, to go and do it. That is what this book is all about.

And so, because of the length, I am trying to keep it short so that I do not overload you with too much stuff. I want to give you just what is needed for you to make an informed decision about whether you want to do property investing or not. And I want to give you an exact plan of achieving it.

By the end of this book, if you still won't do it for yourself, if you look at it and think, no, there is not enough money in it for me to give up a couple of weeks of my time; no, it is too much time; or no, it is not for me, I still really have a fear, **I will show you another way.** I will show you a way that you can have all of the benefits of property without any of the effort. I will show you how to get other people to do it all for you!

I am emailed weekly by property investors who say to me things like I've been in the business for five, ten, twenty years and I already own ten, twenty, thirty properties, but until reading your book I didn't understand it in the way I do now.

Those people go on to make extraordinary gains after reading this book, one person bought another thirty properties (to my knowledge) after reading it. This book

shows people how wealthy they are and removes all of the bu****it that is in the media, which frees them up to create substantially more.

To all of you that have never gotten into Property Investing before, you will see that all the seemingly hyped up marketing that goes with my book isn't hype at all. Just us trying to get the message over that this is a must-read.

It was suggested by a book reader that when I re-edit this book I include a few of the testimonials I've received to show people how the 'average' person can really achieve this. This would let people know that the read is well worth the effort and it might then help more people to achieve wealth.

So here are a few of the many testimonials I have received from people who were probably just like you before reading my book.

"Your Book is a TOTAL DISGRACE !!!! Yes you heard that right !!!! A TOTAL DISGRACEthat it isn't in the Hands of EVERY SINGLE child, mother and father on the planet !!!! WHAT AN AMAZING BOOK :- It's AMAZING and I just wanted to thank you sooooo much and anyone who was involved in its making. I've been a fulltime Property Investor for one year. I've read all the books, been on all the seminars and I believed I had all the answers... For the first time in my investing career I feel as if I could be actually purchasing 3/4/5 Props at any one time and it's all thanks to you :-) Thank you for taking the time to write this book. I now see how people can buy 100 props in a year !?!" - Mark Chapman

“The book made me think in an entirely different light. It is quite simple to understand and completely opposite to what property gurus have written in the past.” - Brian Hamilton

“I just wanted to say WOW, WOW and WOW! I am reading your book and I’m about half way through. Already it has changed my life by changing a lot of my thinking and beliefs regarding money and abundance. WOW! That’s saying something as I’m a person who is very logical and not easily persuaded at all. I am so excited. I feel like your book has woken me up after being asleep at my job for 15 years. I now have the passion and the drive and feel alive again. I have been touched by your honesty and down to earth no nonsense approach when you talk about your first hand experience. Thank you so much for sharing this most amazing experience and journey.” - Karen Strutt

“I think it is the best thing I have ever read and I have already had offers accepted on two one-bed flats in my chosen area. Thank you for writing this book and sharing your knowledge. I have already started telling people that the day I read it was the day I knew my life would change and believe me, from where I come from, for people to think a book can change your life is a leap of faith.” - Paul Heaton

“Congratulations on the launching of your book. I have just read it for the first time ...it’s an excellent, insightful and thought-provoking read. I believe it should be a reference book for the uninitiated and for people who need a bit of motivation!!. What I find particularly interesting is your ability to instil a sense of urgency and clarity on paper ...not a gift too many authors have.” - Michael Tracey

“The Book is the BEST read ever and I was cross-eyed after reading 15 chapters non stop! It is better than Rich Dad Poor Dad as it is more practical, down to earth, and it is British! You are also DRIVING people to ‘do it’.” Ken Ward

“I have just finished reading your amazing book tonight. I have been reading some self improvement books over the last couple of months (Rich Dad Poor Dad, Think and Grow Rich etc.) and I have learned a lot but to be honest with you, this was the only book which made me set my goals while I was reading it and I wrote them down as I was delaying it all the time. I do not know how to express my feelings but I am so excited and determined and cannot wait to buy my first property. I enjoyed the book a lot. It is just fantastic!! By buying your book I have made the best investment in my entire life. Thank you for sharing your knowledge and experiences in property investment with us. I have not put the knowledge into practice yet but I am sure I will and be successful.” - Yasemin Turan

(Do you know how long it took me to find six favourable testimonials? 😊)

Seriously now, this book is for you if you have been searching for the way to easily become wealthy and have been let down in the past, when the get rich quick scheme you thought would sort you out didn't even get you slightly wealthy slowly.

This isn't a get rich quick scheme; this is a get rich CERTAINLY scheme. I used it to get rich quickly but I am not recommending that, because now that I know it is a certain way to wealth then I know how easy it is to do and

it's not going to be ripped away from you if you don't make it happen now.

This is something you can do now, or come back to in 20 years time and it will still certainly work. The maths may change and I'll be updating the book like I am now every couple of years but the techniques can be used when you are ready. This is not a 'jump in now or you've missed it' message. But if you do jump in now then it will work for you because it makes you wealthy whether you want to continue with it or not! This makes you money despite you!

Now-that message when you start to believe it shortly, may cause you to get somewhat excited. That's why one of the most common questions I am asked comes up. People say to me, 'Andy, I get it. It is unbelievable. The trouble is that my wife/husband is a sceptic and they think this is just another hair-brained get rich quick scheme that won't work. So how can I convince them of how simple it is?' Well, towards the end of the book I will be giving some ideas to help get your partner to open their eyes a little.

3

Feedback – The Cornerstone Of Success

I truly believe that I have achieved success thanks to feedback. Whether I get feedback from close friends, business associates, bank managers or clients; whether the words are full of praise or anger, they never fall on deaf ears. Why? Because those words help me grow.

I have bought property for dozens and dozens of clients. I have bought property for family and friends and obviously a seemingly endless amount for myself. And feedback is one of the most useful tools in my bag of tricks because it keeps me from losing sight of my goal. Just because I may think I am making the right choice does not always make it so. The only way I can judge is by getting feedback, whether it is good or bad.

This book covers a lot of bases for me but I wrote it to cover one main thing for you, and that was to inspire you into action. In their feedback, a lot of people have told me that I motivated them, and that worries me a little because a motivated person will go cold when not spoken to regularly, whereas an inspired person will go and make it happen for themselves.

My policy towards feedback has not changed. Please tell me if I have inspired you as hopefully some of your messages will help to inspire others to change their lives too. And if the feedback is bad then I invite that too.

Without negative feedback, how can I hope to improve what I show people? Please send your feedback to feedback@andyshaw.com

4

Why You Should Listen To Me

Success is predictable. As my friend Gill Fielding says, all you have to do is check the right boxes. Do your due diligence, make sure that you're happy with the way things are going and you will be able to predict your own success.

Success is not a mythical thing that only the cleverest people on earth can achieve. How does Richard Branson do that, or how does Donald Trump do this? Their success is predictable to them -and you can make yours predictable to you! Of course there is an element of risk in all ventures. Some of the greatest successes you see these guys have could have been speculation. If you go out to bat enough times, you are going to hit a home run or two.

But at the core of what they do is predictability. You have to do something that's predictable. And what I am going to show you in this book - this one technique that everyone can use, will help you to achieve predictable success. Both success and wealth **are** predictable and above all, they **are** easy.

I was chatting to a friend of mine, Terry, the other day. (A lot of you will know him for his simple, but effective method of Nerve Release Therapy – “Tiukaan”).

-- A quick sidetrack here: I have endorsed his unbelievably simple cure since he changed my life a few years ago and believe me I do not endorse things lightly! I

had a bad sciatic problem and I was fortunate enough to have him relieve 99.9% of it by his very clever treatment and I avoided surgery altogether! If you have tried everything else and you just can't shift that pain, or worse, you are facing surgery as I was and you want a more 'sane' option, then email me for his contact details. If you would like to read the full story of this experience, and how the treatment has helped so many others that I have recommended to him, then visit my site. --

Anyway, I was chatting to him over the weekend and I said, 'Yeah, I am writing a book.' And he said 'Oh, yeah? What is the title of the book?' And I said 'The title is *Money for Nothing and Your Property for Free.*' He paused and I said, 'What do you think?' He said 'Sounds too good to be true.' And I said, 'Yeah, it does sound too good to be true, doesn't it? Funny thing is, it isn't.'

I am nothing special. People view us (Greg and me) as special because we had a big business, or they perceived it that way. We employed well over 100 employees plus we had a lot of sub-contractors. We had 25 -30 vehicles. We had three factories with five different production facilities. We had over 100 pieces of machinery. It was considered a successful business. I considered it a bit of a pain in the backside and a huge millstone around my neck.

Don't get me wrong. When we first started it, I had a lot of fun making it work and I really, really enjoyed myself. I was production-trained as an apprentice. I loved that and I loved the installation side. Some of the people I worked with were just fantastic and I made some really good friends. Though it was a struggle at times, I think it is fair to say that I enjoyed every day – it just wasn't fulfilling

my life plan if you like, but I had a lot of fun, as I do with everything I do.

One day I realised that the life I wanted was not going to happen if I carried on doing what I was doing. I realised that owning this business was the same thing as having a job but without the benefits. I said, I want more. I wanted more than I had got there. This was not enough for me.

When I was 13 years old, my millionaire Uncle Dave sat me down with my brother and asked us a series of questions. When each of us had answered him as best we could, my uncle gave my brother a fiver and said, 'Well done. You can go and buy a lolly in a little while.' My brother ran off happily to play.

Then my uncle turned to me and said, 'I have got something to tell you.' He was a smart man, my uncle. He knew that I had been hoping for a fiver as well. He said, 'I am going to give you something far more valuable than five pounds. I am going to tell you your future.'

He said, 'You are going to become a multi-millionaire. You are going to go out into the world and you are going to create a lot of money. You are going to have a fantastic life and you are going to help a lot of other people to do the same. Most importantly, you are going to have great fun doing it.'

'But,' he said, 'You are missing some key elements that you will need in order to be able to create this money. But do not worry. There are people out there who will have the skills and talents you will need. Some of them

will become your business partners. You have got to wait and they will come to you. Just be ready when they do.'

Wow! Still blows me away when I say it now.

I could have taken that several ways. I mean, to be told that sort of thing at the age of 13.. But I took it the right way and, sure enough they did come to me. It was years later and only a few years ago I read about manifestation and I realised that I'd been practising it for years. But that is for another book and time!

I was very fortunate when I met my first business partner, Greg. We were both quite young, about 18 or 19 years old. I recognised him the instant he walked into the room, and I had my back to him as well! I do not know why. He just seemed to have a sign on his head that said 'He is the one to go into business with'.

Since that day I have found that a sign is present on a lot of people I meet, but what is written on it is often very different. But that is for another book and time as well!

Okay, back to the point and skipping forward several years, Greg and I were at lunch with our business mentor, Mike, in October 2001. We had done quite well since he had first come to help us when we'd had a bit of trouble in the '90s. Back then, he had been sent by another friend to help us.

Mike was about 55 when we first met. He says we were like frightened rabbits at the time. After looking things over, Mike said, 'I am going to help you and I am going to show you how to stop these sorts of problems ever occurring again. But I am not going to just sort it out. I am

going to teach you how to sort it out. I am going to fill in the blanks for you' and over the next few weeks he gave us the real foundations for good business.

At one point I said, 'Look, you know, why are you helping us? Why help us at all?' And he said, 'Well, it is like this. I am the old man in business teaching the young man in business how it works. This knowledge comes with a price and the price is you have to go on and you will have to do it for other people as well.' And sure enough, we have been fortunate enough to have been able to help quite a few people out since Mike passed on the skills. It's when I save someone's business using the skills he taught us, that I get my greatest pleasure in business.

Anyway, I was at lunch with Mike and Greg in an excellent Chinese restaurant in Worthing. We used to go there at lunchtime, as it was Mike's favourite; it was always packed in the evening. It is a very large restaurant. But in the daytime, it is nice and quiet so we had the restaurant to ourselves.

We were sitting there, enjoying lunch and the conversation. I was coming out with yet another idea for something and I was trying to sell both Mike and Greg on this fantastic idea I'd had for some new business venture or whatever it was. I can't even remember what it was to this day.

Suddenly, Mike cut into my presentation. 'Look, Andy,' he said. 'All of your ideas are excellent but they all lack one thing: money. If you have not got the money, then they are useless. Besides, you have already got enough business, you do not need to start any more.'

Like a giant switch inside me, something flipped and my life changed. So I turned to Mike and I said, ‘All right. I will go make us some money then.’

Now, up until that point, I had virtually forgotten what my Uncle Dave had said to me. It had come back to me in my late teens, because I lost my way in my teenage years as most teenagers do. It showed up occasionally over the years and then it came back to me later that evening.

I suddenly realised that I had not achieved the goal that my uncle had set me, which was to become a multi-millionaire. I had forgotten to do it!

So, I had to go away and learn about money and learn how to make money. I did not know what *creating* it was at that stage.

You know, I used to think it was automatic. You go into business, you build the business up, you get good turnover coming in, and you get reasonable profits coming in. Then the bank looks after you and you go out there and make lots more money. And you know, up until lunch that day, for no reason at all I still believed that; I really thought that was what was going to happen – *naivety beyond belief!!!*

Sure enough, that was complete rubbish. Or as Blackadder would say, there was only one problem with that plan: it was bollocks!

I had been working for 18 years when I decided to dedicate my efforts to achieving real wealth. It took me less than one year to make my first million. I was a multi-millionaire a couple of weeks after that.

5

Beginner's Luck

The reason I believed so completely in my Uncle Dave's prediction of my future was because he knew what it took to be wealthy. He had told me that I would be wealthier than he was because I had qualities he didn't have - persistence and desire. But most of all, he'd said, I had passion. All I had to do, he had added, was focus it toward my goal.

So there I was, a millionaire in waiting and no sense of direction, so I went out and bought a copy of the Sunday Times Rich List. I figured that rich people knew where the money was, so I'd just copy them. I read it from cover to cover.

As I read up on all these people I started to notice where they kept their money. Again and again, I saw that this one or that one had made his money or kept it in property. By the time I was done, the number was staggering: Something like 60 to 70 per cent either made their money in property, or now kept the money they had made elsewhere, in property. And I thought, that's a hell of a lot. There has to be a reason for it.

I then researched property prices, inflation and deflation. I kept thinking, maybe I should look at what I have done in property. I have always been a big history fan. I believe you can predict the future by looking at the past.

I had bought my house, the one I was sitting in, about a year before. I'd paid less than it was worth, but I'd spent money on it so I didn't feel I'd made money on it. I'd just turned it into a nice home. I also owned another house that I had bought in 1988. It's near a shop, near a parade of shops, and near a school.

When I bought it, it was considered to be a rundown part of town. Originally, it was owned between me, my brother and another friend. The friend pretty soon left because he couldn't pay the mortgage. And unfortunately, because of negative equity, when Alison and I decided to get married in 1997, my brother had to give us money to remove his name from the mortgage. After that, what with the business, I didn't think anything more of property and wasn't interested in buying. I was more interested in saving because we were not making a lot of money at the time. Business got better and the better it got, the busier it got and I still didn't think about property for its own sake.

So my second house was an exercise in keeping up with the neighbours, or in this case, my business partner. Greg had decided it was time to buy his first house. His decision made me take a second look at our finances and the market in general. I did a bit of digging and discovered that with the deposit I had sitting in the bank, plus the money I could get out of the house, we easily had enough to buy a bigger house than Greg was looking at. In the end, we bought a property nearly twice as expensive and I managed to keep my first house as well.

When I began looking at property as a path to wealth, I had one house worth £450k and another worth £130k. Though I didn't know it at the time, I already

owned an investment property. Before I had even started my journey, I was halfway to my goal!

I had also bought another house in partnership with Greg earlier that year. We had been looking at buying a house that could be extended. That way we would have a 'hospital' job for our building teams in the lean times. It was one of those ideas you have each year, but you know you probably won't get around to.

Then one day one of our employees came and asked for help as she was going to be evicted from her home. As she worked for us I knew we could be sure the rent was paid. (She and her husband are still renting the property five years later and are always up to date with the rent and are excellent tenants).

I said to Greg, 'Look, why don't we buy a house and rent it out to her? If we do that, we get to keep the house and control the hospital job on it. She can let us in to do all the refurbs when we want, and she gets to live somewhere. We get a house that the mortgage is paid on and we get a job for our builders.'

Greg thought this was a great idea. I did too, especially because I didn't have to put any of my own money into it. So we said, 'Yes, let's buy a house.' Greg picked up the phone to a local estate agent that we had done some work for and we said we would like to buy a house. He said, 'What do you want to buy?' We said, 'We want to buy something where we can put an extension on the side of it.' He said, 'I have got just the house, right around the corner from you.'

So we agreed to meet him. Five minutes later we drove the 500 yards down the road to this house. Got out, looked at it, spent five minutes looking around inside it. Went outside, told the agent we wanted it. We used our trained negotiating skills, to haggle the owner down to the full asking price and we bought our first property. There. That was it. Done, no regrets as we had *actually* taken action.

Our research was non-existent. Our looking at the market was non-existent. We did not know if we were paying the right price or not. We paid the full asking price because we did not know any better. This was in March 2001.

The property purchase took three or four months to complete. Nowadays, I look at three or four months as being nothing at all but at the time, it seemed to take forever. The sale was completed on the 31st of July, 2001 and Greg and I had our first property together. We both felt pretty good about it and thought we might buy another one the next year. Our employee couldn't believe her luck when we managed to complete the purchase a few days before she was to be evicted.

When the deal had finally closed, I was looking at the prices of property because someone had said to me in a pub that he couldn't believe how much a certain property was selling for. When I looked at the property he was talking about, I saw that it was in the same area as Greg's and mine. The asking price was the same as we had paid for ours, and yet ours was much bigger and in a better road. So I thought ours might be worth more. I called the agent the next day and sure enough, our house was now worth

£135k to £140k. I got out my calculator. It had gone up in value £25,000 in 4 months!

I did another calculation and worked out that £25,000 wasn't far short of 25% of our whole group of companies' net profit. As I stared at the numbers, I realised that we did not need to employ 100+ people; we did not need several factories, all under lease; we did not need over 100 pieces of machinery; we did not need 25+ vehicles; we did not need to give personal guarantees; and we did not need suppliers. And we would never again need credit control! All we needed to do to make that kind of money was buy property.

We had just made more money by mistake than we ever had when we were trying to make it. I took my calculations to Greg and said all we needed to do was buy a few more properties over the next few years and we would be doing okay.

So, I am sitting there in September with a comfortable sum in the bank, some of which was about to be spent on a second property that Greg and I had agreed to buy. We called this property the Yellow Peril. It was painted bright yellow. I mean, this house was visible from outer space. It was a Victorian end of terrace, nothing special at all and we could not extend it. A teacher was selling it. We bought from the same estate agent again. He wanted to sell it for £105,000, but he had not counted on our new amazing negotiation skills. We managed to buy it for £102,000.

We were negotiators! We had learned how to haggle with the pros by the time we were on to our second

property – okay, I admit it: we were still rank amateurs, but £3,000 was a lot of money at the time.

After we had agreed to buy it, Greg kept delaying for some reason. He did not really like the property so he did not want to buy it. I kept saying, buy the house, buy the bl***y house. In the end, we had an argument about it. No, to be truthful, we had a blazing row. Very unprofessional, but we did – it was our style at the time.

I said, look, we just buy the house. He said, ‘Is it that good a deal?’ I said, ‘Yes.’ I said, ‘The house, I think, is worth more money than we are paying for it. I think over time it will go up in value.’ I do not know why I said that. I just did. Because I had not evaluated it. I was just coming out with some rhetoric I had learned somewhere along the line.

We weren’t getting anywhere, so finally I said, ‘Look, if you aren’t going to buy it with me, I am going to buy it on my own.’ That got him because he did not want to miss out. Greg got it done quickly after that and we completed that deal on 1st October 2001.

At this time one of our other employees came to me and said he was going to have his house reposessed unless he sold it. I thought, why not? So we agreed to buy his property as well. This sale was completed 14th Feb 2002.

Even though I was doing all of this with property, I had not stopped to think that I could make this into my business. I just looked at what we were doing as something you did with your money after you had earned it in a real job.

When I was looking at my own property buying history, I found myself wondering if the Yellow Peril had gone up in value. I called the agent and he said, 'Yes, it is now worth £125k - £130k.' So we'd done it twice: earning nearly 50% of our companies' net income by taking some money from one place and putting it in another.

I thought, I am a property investor now. I own two properties with my business partner, with another one on the way; I own a property with my wife and I own my own home. So, what has this taught me?

The first thing that popped into my head was, 'Hang on a minute, what if we could do this more often?' The second thing I realised was that the profit we had made on the property would not be taxed unless we sold, and if we re-financed we would not pay tax on any of the equity that came out, unless we sold in the future. I thought, 'Well, that's pretty good.' (Don't worry I'll cover this truly amazing little gem in more detail later and tell you how you can use it to fund your life forever ☺)

So I thought, 'Okay, property seems to be quite good for us, and I really like the no-tax thing.' So I looked deeper and I started to research the market. I tracked my property back and then I tracked my dad's property back. My dad had bought his house in 1971 on the 4th of January and he had paid £5,400. Thirty years later, his house was worth, in my opinion, £160,000. It was really hard to take in. I thought, 'It's gone up in value so much over that time, surely it can't be repeated.'

I am a bit of a formula nut on Microsoft Excel and I just started writing this spreadsheet. I back-tracked house prices that I knew about. Then I went out and started

asking friends and employees, everybody I knew in fact, to tell me how much they had paid for their house , and their previous houses. I asked what the price was when they actually completed the sale as compared to when they were viewing the property. I tracked a lot of house prices in a lot of different areas for a lot of different types of houses.

Then I went and did all the research I could in the library, because I had not learned to use the Internet properly at the time. The earliest properties I found were from 1901 so it was over 100 years' worth. Some of the research I did, though, as it happens, was not necessary.

I finally decided to focus on the late 1960s to early 1970s, as the property market trend line in Britain changed significantly about 1966 (I've since then discovered why but it's not relevant for the book). Since that time, prices have more or less doubled every seven years. Actually every 6.74 years, to be precise.

I am a big believer in the thing they put on the History Channel: if you want to know the future, then look at the past. Yes, I know I have said it before, but it bears repeating as repetition is a master skill!

So I thought, 'I wonder if that means the prices today will go up in future?' And I thought, 'well, let's run a spreadsheet to do it.' And I ran the spreadsheet.

Almost immediately, I had a setback. The house I had bought in 1988 should have been worth more than it was. According to my calculations, it should have been worth £300k if this formula was right. And it was not worth that at all. So the formula was wrong.

Then I thought, ‘Hang on a minute, was that the only answer?’ What else could it possibly mean? So I decided to use my parents' home as a calculation base because their ownership covered a thirty-year period from 1971 to 2001. Actually, this was into January now, so it was in 2002 when I first got to this point.

I am being specific with the dates for those of you who will be going and doing the research to verify what I'm telling you, and checking what the market was doing about then. You should find my predictions quite inspiring – even though I say so myself!

Anyway, I used my parents' home and my first house as a basis for my predictions. My parents' home was worth about £135k and mine was worth about the same. I thought, ‘They're both worth that same money today, so let us see what that tracks back to.’ When I tracked it back, it revealed to me that when I bought my house in 1988 for £65k, according to my spreadsheet it was really worth £33k - £35k.

I thought I couldn't have paid twice as much money as the house was worth because if I had, then there should have been a big market correction straightaway to restore the prices to the way they should be.

And then I thought, ‘No, that is too simple. I cannot have found a baseline for property that easily.’ So, over a period of time I went and did more research in different areas. I managed to establish a baseline for where the property market was as a whole and more importantly, where it was in my area. I wrote two spreadsheets. ‘*What will it be worth?*’ and ‘*What did you buy it for?*’. The results were pretty impressive. I was able to tell people

what they had paid for their property and if they had bought well or poorly, working on an ever-increasing baseline for property.

I'd go to friends and ask, 'When did you buy?' They would say, 'I bought in August.' I'd say, 'So you actually negotiated in March?' 'Yes,' they would reply. 'Well,' I'd say, 'You paid this amount for your property.' They always said, 'Yes I did. How did you know?'

I would go to other people and I would know what their properties were worth now, based on what they had paid for them. I had concluded, somewhat simply, that the property market was something that went up in value over time. 'Right,' I thought. 'That's fixed. If I buy property and wait, it will go up in value over time.'

When I ran the program forward I noticed something else. I noticed the first property Greg and I had bought was not worth £135,000, but actually 20% to 30% more. Again I thought, 'Well, that cannot be right - or can it?'

I could feel I was getting somewhere, even though it was taking all of my free time to research and test the spreadsheets. I sat there with Alison sitting next to me on the sofa. She was heavily pregnant with our little girl, Sarah, at the time. I was sitting in front of my laptop for 18-19 hours at a stretch, just crunching these numbers, coming up with graphs and different reasons for this and different ways to do that.

As you may have guessed, I am a bit of an amateur analyst. According to Greg, I write spreadsheets the size of Asia to actually work my figures out on. I was analysing

them forwards, backwards, up, down, every different way I could think of. I was trying to understand all of the different factors that made the property market move differently at different times; why some areas would go down one year and an area twenty miles away would rise 30%-40% over the same period.

I was trying to analyse what had gone on. I looked at many different aspects of property investing and many ways to make money from property. I looked into why banks loaned money and how they made their money. I looked into money multiples and investigated ways of using the same money at the same time for different investments.

Eventually, I was able to predict what was happening. Well, at least I felt I was.

I reached the conclusion that the property market as a whole was undervalued. At the same time, even though all my calculations without fail showed it to be as undervalued as I thought, my rational side was saying that the numbers couldn't be right; that I had to be wrong. If it was undervalued, everyone would know and they would all be buying.

And that is when I came over all shaky. I have had several real revelations in my life. Every time I've had one that I am absolutely certain of, even though I cannot always say why, my hands start shaking. It has proved quite a useful guide to tell me when I am onto something.

I spent the next few weeks checking my information. I could not believe that I was right, especially when you bear in mind that it was all over the news about

an imminent property market crash because it had risen sharply in the previous few years.

But I knew differently. What had actually happened was that the property market was busy correcting itself from the years when it *should* have been going up in true value but hadn't actually shifted. I figured out that what had happened in the '90s was that the market had overcorrected. And the property market had stayed so flat because the whole economy at the time was flat as well.

After that, it took too long to come back up. As a result, the curve looked like it was too sharp. The press simply refused to believe that the trend could continue. They wrote what they thought and everyone agreed. The last thing on nearly everyone's mind was that the market was 30-35% undervalued. They did not know or had forgotten the underlying rule: that property doubles in value every seven years.

It is there, whether you can see it or not: Whether the property market is flat or not, it is still going up in value. That was the underlying truth I had figured out from my endless hours of research. I'll go into more depth on that as well, later on.

So I thought, 'Hang on a minute. If I know the property market is undervalued, surely if I were to buy property now, I'd make 20-30%.?I can raise £50-£60k from different sources and go out there and buy maybe four properties.'

So I looked at ways to raise money. I had to come up with new ways to raise the sort of money I needed because I had not got the reserves to really capitalise on my

research. I had what I felt was a dead cert with no money. I had an amount of money that I never touched and I was tempted to use that, but in the end I didn't.

Obviously, I was looking at acquiring the maximum amount of property possible, based on the limited reserves I had. I could buy five properties and have a total value of, say, £600k. When the market lifted – based on my calculations – I would stand to make as much as £180k. That number proved to be a pretty big carrot! This was like, WOW! FANTASTIC! I have got to get into that.

We had the Annual General Meeting for our business lined up in early February. Greg knew I had been doing a lot of research, but he did not know what I was up to. I told Alison I was going to announce my property investment scheme at the AGM and explain that I thought we should all go into property because the market was undervalued.

When the day of the meeting came, Alison wished me luck (I still believed in luck at that time. Of course now I know otherwise – but that's for another time).

At the meeting were our external auditors, our company accountant, our in-house accountant, our bookkeeper, Mike, Greg & me. When the numbers had been accounted for and all the reports were read, we were very pleased with the company's results. We had made significant progress in all of our businesses – not significant profits – but they were all profitable and all pointing in the same direction.

When we had discussed everything and had finished patting ourselves on the back, I stood up and started

drawing up my plan on a big whiteboard in our old boardroom.

I said that I had been doing the research and had worked out that the property market was 25-30% undervalued in the UK. 'Not only that,' I added, 'It is going to go up in value over the next six months by that same amount.'

Instantly, everyone jumped into their cars and went to the local estate agents and bought some property. Really? Of course not. They all started sniggering and laughing.

I said to them, 'No, no, seriously, I am right. I think we should sink as much money as possible into property. We will all make a lot of money this year.' They just looked at me and carried on sniggering. They went, 'Yeah, right. You're pretty good at analysing stuff, Andy, but no, not this time. If the property market was that much undervalued, everybody would be doing it. There are people out there who are a lot cleverer than you and they do not think the market is undervalued. In fact, the experts say that the market is very over-priced at the moment and if anything, there's a fall in prices coming.'

I was pretty cool about it. I said, 'All right. Okay.' If they did not believe me, I thought, it had to be because they did not understand that my uncle had told me I was going to be a multi-millionaire or that this was the vehicle.

At this point I hadn't figured out that my suggestion that we go into the property market and bank on a market rise was not investing. This was pure gambling, nothing more. I will cover that essential difference properly later.

I went home feeling pretty down. I had shown my peer group and they had laughed at me. I was now beginning to doubt my own findings. Maybe I was wrong, maybe I had mis-calculated somewhere.

I went in and started watching the telly. Alison said, 'How did it go today, then?' And I told her, 'Not very well. They all laughed at me.' I asked what she thought. She paused and then said, 'I think you should take every penny we've got and do it. You're right, they're wrong. Just Do it!'

I told you Alison has always supported me, but this was and still is the time she supported me most. I was so confused and let down that I very nearly took the wrong turn. If she had not said what she did and inspired me with her support, I probably would have.

It almost doesn't bear thinking about, because if I had taken that wrong turn, all the lives I have changed and all the wealth I have created, and all the help I have been able to give people just wouldn't be there. I would probably have been one of the guys in the pub saying that I had predicted when the housing market was about to rise and did nothing about it.

I went in the next day and said to Greg, 'All right, this is the situation. Just to let you know, I am doing this whether you want to or not. Whether anybody else does it, I am going out there and buying property. I am right and you are all wrong. I am going to raise the money I need and I'm going to buy as much property as I can.' He said, 'Fair enough, but I think you're mad!'

Later that morning I went out and viewed five properties and bought three. I did not do too much negotiating; I more or less paid the asking price on two of them and on the other I knocked the price down a bit. I came back to Greg and I crunched the figures and said, 'Look, if I'm right, I've made £120k today.' Greg took a look at my calculations and went, 'You are right, they are wrong. I am in!' From then on we bought properties together, but those first few were the seeds to my own portfolio.

From that point on we just went hell for leather and it got a little crazy. The following week we went to Portugal and Spain, on a previously planned trip because we had been talking about buying villas. We looked at plenty of villas in both Portugal and Spain. We had not really decided what we were going to do until we came back and said, 'No, let's go for this undervalued market scheme and buy all we can in the UK.'

So I went out and started buying and buying and buying. I realised pretty quickly that I had committed far more money than we actually had. I decided to pay the full asking price to keep the vendors happy now, as I knew we were going to be messing them around later when the sales neared completion.

Greg said, 'How are we going to fund all this?' And I said, 'We will have to figure that out when the time comes.' At that point, I was just going out and getting my name on deeds before the properties went up in value. I wanted as many as I could get my hands on so that when the time came, I would make a small fortune.

I thought, right, okay. I will buy 20-30 properties and will try and hold on to as many as possible, which is what we did.

In the meantime, we had to find some money. We raised money on the three properties we had and we both re-mortgaged our homes. We raised money on credit cards. We raised money on loans. We raised money from family. We even went to bridging loan companies known as hard money lenders. We raised money from friends as well; anywhere we could get it, we did not hesitate to borrow it. We raised money to buy all these properties because we had a 50-1 shot that we were certain was going to pay off.

One thing we had going for us was our reputation. We were known for our honesty and integrity so people trusted us. We looked for ways to compensate them properly and our guiding principles of never missing a payment and always paying money back when it was due led to more funds becoming available. So we kept buying.

One day, we had lunch with Mike. I think it was around June. Greg and I chatted about how we were going to break to Mike what we had done. Since it was my idea, I had the pleasure of doing it.

He was eating his soup when I told him we had bought 23 properties and he nearly swallowed his spoon! He said, 'Just how the bl***y hell have you done that?' I said, 'Well, we don't really know actually, but we've done it.'

Anyway, we completed the first one in May. After that it was just steady completions, one a week, two a week sometimes. Almost as soon as the ink was dry, I was

setting the new properties up for re-mortgage so we could keep the money coming in. We had to keep going because at that point, I was able to buy properties for the prices pre-what I thought the rise would be. I had thought by now (it being summer) that everyone would have figured out that a market rise was upon us.

Unfortunately, the rest of the market didn't know there was a rise out there. So, when I was instructing the valuations for re-mortgage, they were coming back with a lift in value but not enough of one. In other words they were not coming back right by my calculations.

I thought, 'Why are they not valuing the property correctly? I paid £110k for it and it is worth £140k today. Why don't they know that? Okay, so I've only owned it five days, but it is worth the money. Why aren't they seeing this?'

Suddenly I realised what the problem was: I had been so caught up in getting the deals done, I had not told the Worthing property market it had gone up in value. I know this is amazingly arrogant, but that is exactly what I thought at the time.

So I thought, 'How am I going to do this?' I decided to put back on the market, and this was in July, ten of our properties that were in key locations, even though I had no intention of selling them.

One of my little strategies had been to buy properties that were on roads that I went down. As I was driving through Worthing, I wanted to see my properties because it gave me a little buzz, you know, a little bit of an ego trip to remind myself, that property is one of mine!

I have found that continually re-affirming your decisions in life and patting yourself on the back when you remember an achievement you have made is very important to your inner self. I have never been someone who beats himself up over every mistake. I look at mistakes as yet another positive way of moving forward and it has always served to protect me from losing heart when I make them. As Henry Ford said, mistakes are just an opportunity to begin again more intelligently , so they are to be relished and learned from, not feared.

So, most of my properties were in key locations and people could see them as they drove past. I said, 'We're going to put them back on the market at the price they're now worth.' I had to get Greg to talk the estate agents into putting them back on the market at a price they did not think was reasonable. One particular estate agent said, 'Oh, I can't do that. You paid £120k for it. You can't put it on the market for £170k. It's not worth £170k!' We said, 'Look. Do us a favour. Would you please put it on the market for that?'

We finally managed to put all the properties on the market, thanks to Greg's wonderful persuasion skills. Then we sat back and waited. In just two weeks we watched the property market in Worthing lift to the price that I had said it was worth all along. Now the estate agents were valuing everyone else's properties at the prices they had put my key properties on for. I had trouble getting my head through doors for a while after that!

At that time, as my strategy was a market rise, I wanted to be in tune with the feelings that were running through the town. I was speaking to most of the agents on

an almost daily basis. As they were the people running the property market, all I had to do was get them all facing in the same direction to achieve my goal. So that is what I did.

The agent that said he could not put the property on the market for £170k rang me two weeks into my test and said, ‘Andy, just to let you know, I’ve just put another customer’s house on the market for this same price. I don’t know what to say to you, and I don’t know how you knew the market was so much under valued.’

Okay, the market had lifted and Greg and I, with all of our properties, made our first real wealth overnight. We never had a problem with a single valuation for those properties.

We had bought 30-40 properties at that time with another 25-30 in the pipeline, each of which had made £30k-£60k. I had bought quite a few on my own as well and I had also bought several for my parents.

It wasn’t all roses. We also got it wrong a bit as well. We ended up losing a few and it cost us a lot of our reputation. To this day, some agents still don’t think they can trust us. This is very unfortunate. Everyone makes mistakes when they first start out and we had proven ourselves as responsible businessmen long before we had got into property investing. But some of the agents whose deals went sour just haven’t figured out that we are in the business that they make profit from and they can make very good profits from selling to people like us. I think that it is very much an English attitude, and I find myself guilty of it in other areas quite often.

In the end, it worked out for us because we managed to hold on to a lot of property and made our first fortune, even though it was just a house of cards at this stage. It is one of our guiding policies now, to never and I mean **never**, back out of a deal. When we do a deal now, the people we deal with know that the deal is done and the sale will complete.

I had set myself a goal in October 2001 of creating wealth. At Christmas 2001, I said I wanted to be a millionaire within two years. It took me seven months to become a paper millionaire. It took me another two weeks to become a multi-millionaire. I had been in my working life for nearly 18 years. It took me 18 years to make my first million. It took me two weeks to make my second.

The trouble was that this had just been a speculation that I had got right. This was not a replicable system so therefore it would be of little use to me and no use to you going forward.

6

Success Is No Gamble

That was it, goal achieved, financial freedom and independent wealth were just a few short months away. We were done, right?

Wrong! As I sat there, thinking back over the steps I had taken, I realised that all I had done was gamble. This was not investing. This was at best speculating, which was not sustainable, and was wholly reliant on the property market going up!

If I was going to become a ‘property investor’ and carry on buying property, I had to take the gambling aspect out of it. How the hell was I going to do that?

By this time we had, as I said, quite a few properties with another 25-30 due to come in at some point in the next six to eight months. I went back to the drawing board after the realisation hit me that I wasn't clever at all; I had simply guessed on a market rise and, based on some intensive research, guessed correctly. Having to revise my thinking was a bit unsettling because I had really thought: “That's it. I have discovered my way to wealth. I have done it. You know, I am there.” Some people might say I was, but I was in search of a strategy to build constant, sustainable ever-increasing wealth, and what I had done did not qualify, not by a long shot.

I started to look at what I had actually accomplished. I had reached my goal of acquiring a lot of

property that would go up in value year-on-year. I had become a millionaire and this was a realisation that gave me great pride.,, I had achieved the goal my uncle had set for me, which was to become a multi-millionaire. What I had to do now was figure out a way to achieve predictable success.

We had about 35 props on the go so we probably had, between the portfolio with Greg and my own portfolio, between seven and ten million pounds worth of property we had bought or were buying. It was an enormous amount of money at the time. Quite unbelievable really. Don't get me wrong, it is still a huge amount of money today. It is just that, compared to the wealth I have gone on to create, and much more importantly, am creating all the time, it is a small amount of money in relative terms.

I suddenly realised that I had actually achieved probably all I would ever need to achieve in property. But I did not feel wealthy. I did not feel rich. I had achieved it because I had recognised that this five million pounds worth of property was going to go up in value at 10 per cent a year as an average over time. So, if I wanted £750,000 a year, I had already done it.

There was something really important about it. It was more than £750,000 a year created for myself, Alison, Greg and Helen.

And do not think I did this all myself, by the way. Greg played no small part in this, I can tell you. He might not have chosen the properties, but he held a hell of a lot of this together. Without him, this would not have happened.

I realised that we had created a £750,000 yearly income that had one other great advantage. If I did not sell any of the properties there would be no tax to pay on that money! (I'll come back to this in more detail later.)

I thought, 'Well, hang on a minute. All I have to do, if I want a £1million a year income, is to own £10 million worth of property.' It seemed pretty logical to me then and it still does today. The truth is that it's not always easy to get at this money even though it should be. So rather than rely on 10% equity release a year, I rely on 2% and the rest is a bonus. So if you want £20k per year tax free then you need a £1million pound portfolio. Simple eh?

Greg and I were already there. The property was going to produce easily three or four times what we were earning, made even easier because of the tax advantages. So I thought, 'That's a good thing.'

I don't remember who said it, but someone once said, when you see a big success, someone took a big risk. Boy was that true of us, but how blissful we were in our ignorance. I can tell you now that I am so risk averse that to think about the odds that were stacked against us is enough to give me plenty of sleepless nights.

We had made our money by gambling on a market rise. This was a really bad way to build our future, as it would simply be a matter of time before we tied up too much money in property, or worse still, we ran out of cash by taking a deal too far.

If we were just buying property, we would have to do what most other long term property investors did: We would have to buy and wait until the property had gone up

in value enough to pull our money back out. Now, I know I have said it goes up in value 10% every year, but that is an average taken over time. This means that some years, you have to wait. That is where great cashflow planning is essential.

The problem with that style of purchasing, the ‘buy property and wait’ method, is that it is just not fast enough for me. It is really what I call ‘old-style’ property investing. It is still a sure-fire winner; a very, very safe way to invest. I mean, you are at risk for longer because your money is exposed longer. But you are virtually guaranteed that your rental incomes are not so tight, that if the market changes shape slightly, you are not in a cashflow deficit situation.

So, while it is a lot easier to do it that way, it is a lot slower as well and I had no interest in doing it slow. I have tried making money slowly and I have tried creating money fast, and fast seems to work better for me. I had already created 85% of my net worth in under six months, which was less than 3% of my working life. This meant that 97% of my working life had created just 15% of my net worth. Under the circumstances, you can see why I wanted to take this to another level!

Do those figures demonstrate the power of leveraging what works, or what! We’ll get back to that in more detail as well.

Quick side note: the book has been written as my story so that it inspires you to get into property investing. And by being written as a story it is not as dry as a lot of property investment manuals. But that doesn’t mean that there isn’t clear instruction in here on how you can do it too. There is also going to be a lot of profound knowledge

that will give you some reality shifts- -so you'll definitely want a highlighter pen and you'll probably want a note book and pen.

Back to the story. I wanted to buy property that was under market value, instantly refurb it where needed and revalue it for more than we paid. To achieve this on my terms, I wanted to buy property with a 107-110% mortgage. Unfortunately, there are not many lenders out there who will do this and the ones that will, won't do it on 50 props a year.

So first off, I needed to be able to source property that was below market value (BMV). Then, and this was most important, I needed to be assured of getting the property valued for what it was really worth at the re-mortgage stage. So, for example, if I am seeing it on January 1st, I know that I will complete the purchase between the beginning of April and the end of May. I know that it will take four weeks to refurbish the property. It will take a week to instruct the re-mortgage and get the valuer into the property. Then the re-mortgage will take, say, eight weeks. This means that I was looking at a cycle of probably six months.

If I say that it's an average property cycle of about six to seven months, then I want to design my system so that it can meet that criteria. So I have got to know on January 1st, when I agree to buy the property, what that property is going to be valued at in July or at the end of June. So, that is what I did. I came up with a system that allowed me to do exactly that. How I was going to negotiate the properties down to the price I needed to pay and how I was going to find all the properties I would need.

I had never heard the term ‘motivated seller’ in those days and when I did hear it,, I did not know where to find them. I just knew that I had to flush them out if I was going to find property at the price I wanted to pay.

I knew how to get the properties to value correctly; how to get the tenants to pay premium rents; how to find the right mortgages. The lot. So I came up with a system that would do everything else. I had already worked out that my cash was only exposed for an average of three months in a property, which meant that if done properly, I could use the same cash to buy four properties a year.

One of my strongest features as a property investor is that I am completely unemotional about property. To me, haggling on a property deal and not chasing deals comes naturally. One of my weaknesses at the time was the harm we had done ourselves at the beginning, buying a few too many properties and having to let some of them fall by the wayside. As a result of that experience, some of the estate agents thought we were a flash in the pan and, at that time, they were right. They looked at us as people who had come along, didn't know what they were playing at and would be gone tomorrow. It meant that I had to fight a lot of the estate agents who wouldn't sell me property because they were afraid I would not complete on it. They were quite right to be afraid at the time because I was pushing the envelope, to say the least.

I went to Greg and said, ‘I have redesigned the system. It is based around math now. We don't need to worry if the market is going up, down or is static. I have taken the gambling aspect out of it and what we have got now is property investing pure and simple. I can now predict success in what we do. I can get our exposed money

out in less time and re-use it faster. I think we should go again.’ He said, ‘What do you mean, go again?’

I said, ‘I think we should go and raise some more money and go and buy another load of property.’ He freaked. He went, ‘You are absolutely bl***y mental. What the bl***y hell do you want to do that for? There is absolutely no need to do that, we’ve made an absolute fortune this year so far. Why do you want to put all that at risk?’

In his own words, he said to me, ‘Thanks to you, you’ve put us in a position where we are going to be financially secure for the rest of our lives. What the hell do you want to go and put us both under more pressure for?’

I said, ‘Because I have a new, improved system and I want to give it a proper test.’ And he said, ‘Well, I don’t think we should. I think we should talk about this another time. Let’s complete the ones we’re buying now and then decide.’

I said okay but I went away and thought about it and I decided to do it anyway. At the time, I had a need to try this new system out; it was like an uncontrollable urge to just do it. From my point of view there was not even the slightest chance of failure.

I said to Alison, ‘I am going ahead, even though Greg does not want to. I need to do this and I want to do it now.’ She said, ‘What do you need from me?’

‘I want to get together with you and my mum and dad one afternoon. We are going to get on the phone and raise the money I need to do this.’

And sure enough, we did it. I left work early one afternoon and between the four of us we raised £150,000 worth of credit, which I put in my bank account. I used about £80,000 and kept the remainder available as cashflow.

As soon as it was in the bank, I just went for it. I started buying property. Within a month I had agreed to buy 20 properties, plus another 25 that would not complete that side of Christmas. They would complete in January, February and March. I had picked some vendors who would allow me to complete transactions early and some late. This allowed me to use the same money to buy multiple properties at the same time.

As I kept buying, I kept getting better deals. I got better and better at finding the deals and negotiating the purchase. I did not fail to complete on a single property. I was in control and knew exactly where I could go with it.

I did not tell Greg what I was doing for about eight weeks. By the time I did, I was close to exchange on the first four or five. Again he said he thought I was mad, but I knew I was right.

I had got my cycle times down. It was not even taking six months to do it most of the time and my money was exposed for no more than about 6 weeks. Several of the props were actually re-mortgaged before the first mortgage payment came due. I was buying the property and then I was controlling the time, dragging it out to make sure the cashflow landed from a re-mortgage in time to complete the next deal. I had the properties refurbished, if they needed anything at all in a week or 10 days at the most.

Most of the time I arranged an eight-week completion and was in at the exchange, refurbished it and started the re-mortgage four-six weeks prior to completion. The quickest I ever got one of these to work was two days and that was because I did not need the money for two days, so I took it easy on the solicitors and bank.

I had the valuers going round, sometimes before the carpets were going down. Most times, they were giving me the valuations I wanted because I had negotiated the property so well and I had got the right valuation.

Don't get me wrong, I wasn't 100% on every deal. About 85% came in valued on target and about 15% were coming in with only okay valuations. I factored these into my calculations and carried on. I would take it the way it was and the ones that did not work first time, I went for re-mortgages a second and even a third time within a one-year period.

I was refinancing at such speed that when my money was exposed, it was only exposed for a very short period of time. Of course when I say my money, it was not really my money: it was money I had borrowed and that money was now only exposed for an average of six weeks at a time. So, I was turning the same borrowed money seven times a year. One pot of money allowed me to buy seven properties.

Somewhere along the line, I got even better at buying and cutting costs. I not only got my money back, I was also getting surplus cash out of every property I bought. I worked out that each property produced, at first re-mortgage, an extra £6,999 cash. Wow! So not only was I

buying them and getting my money back, I was getting just under £7,000 in cash from each one. This obviously meant that I could buy more.

The money was just coming in, and I was getting more and more and more of it. So every six weeks, as an average, I had an extra £40,000+ coming in, over and above what I needed, tax free! Which meant that I could buy more. I projected this success forward and bought more.

In 2003, my purchasing went through the roof. My improved system was making the previous year's gains look just reasonable; the portfolio I held with Greg was growing at warp speed too. The old style property investing I had started with was already a distant memory and the new technique just kept getting more efficient. In 2003, I think I bought 40 or 45 properties for myself, and something like 30- 35 for Greg and me. It was something ridiculous like that.