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# How to pay the nanny

Investor Tracy Ma wanted two things in life – a financially secure future and help to manage the kids. She tells readers how she is achieving both through a growing real estate portfolio now worth \$4.5 million



**E**xhausted but ambitious. Stressed but determined to generate enough wealth to build a financially secure future. And the guilt. The guilt of not having the time to spend playing with the kids, spending that extra hour at work or making that long overdue visit to friends.

Being a mother in today's demanding world is tiresome. I, like so many other moms, always dreamed of having our very own Mary Poppins to help out while I hold down my full-time job with the government. The only way, in my eyes, that I could afford a good nanny to manage the day-to-day workings of my household was through real estate.

Here is how I was able to hire a nanny:

## 1 Move to a house with a rental suite

A house with an in-law suite or basement suite can help pay for a nanny. Before I had kids, I rented out a studio apartment in my house for \$850 per month for more than two years and saved more than \$20,400. Subsequently, the live-in nanny used this space and under the live-in caregiver program, I could deduct another \$400 per month for room and board. This has been a big bonus, having a nanny to help take care of my twins, while I juggle a full-time career, real estate, and for my own sanity.

## 2 Create passive income

Invest your money to make your money work harder. It is possible to buy

a new investment property with a tenant and property manager, and have it generate more than \$400 per month in your pocket. I have several properties doing just that. You need to know what to look for but there are places out there that can generate solid income.

## 3 Look for turnkey investment opportunities

There are many specialized companies that offer turnkey real estate investments with fixed returns ranging from 8 to 15 per cent annually. You can invest your savings, typically a minimum of \$20,000, and watch your money grow by receiving a fixed return tied that is secured by a real property asset. This is ideal if you are keen to invest but



One of the most challenging situations I faced was dealing with tenants when I was six months pregnant

want to be hands-off if you don't have time or the energy to be a landlord.

**4 Create a new unit** You might already be sitting on an income property. Your basement, with the three-piece bathroom that nobody uses and the outdated wet-bar that seemed cool before you had kids could be an ideal rental suite. Consider hiring a contractor and converting that dated wet-bar into a kitchen and adding some walls to create a bedroom. Furnish the unit, and you can easily expect an extra \$800+ per month while you live

in your home. This small sacrifice of space can equate to a major lifestyle change. Converting a rarely used space into a money generator can make having a nanny a reality and free up your time doing whatever it is that you really want to do.

**OVERCOME THE OBSTACLES**

Obviously, being able to afford a nanny takes a lot of hard work and sacrifices along the way. I grew up hearing that real estate investing was one of the safest ways to create wealth however, I lacked the confidence and had no idea where to start. Initially, I read a

lot of real estate investing books and learned from other like-minded investors.

I scrimped and saved to create a small RRSP to buy my first property, a condo which I rented out to medical students. I netted \$150 dollars per month towards my monthly "jacket fund" after paying all the expenses.

I continued to save and found a joint-venture partner to get into my second property, a tri-plex for \$390,000, also in Ottawa. Unfortunately, I faced a number of tenant and maintenance issues and so this property quickly ate up all of my passive

Location	Type	Purchase Year	Purchase Price	Market Value	Joint Venture	Rent
Ottawa, ON	Triplex	2007	\$390,000	\$600,000	Yes	\$3,050
Ottawa, ON	Detached home	2008	\$226,000	\$350,000	-	\$1,395
Ottawa, ON	Personal residence	2009	\$292,000	\$495,000	-	-
Hamilton, ON	Condo	2010	\$220,000	\$230,000	-	\$1,450
Vancouver, BC	Condo	2011	\$370,000	\$430,000	Yes	\$1,800
Ottawa, ON	Condo	2011	\$320,000	\$320,000	-	\$1,500
Ottawa, ON	Pre-construction condo	2011	\$280,000	\$280,000	-	\$1500 (estimated)
Estevan, SK	Condo	2012	\$235,000	\$265,000	Yes	\$2,400
Ottawa, ON	Duplex	2013	\$300,000	\$425,000	-	\$1,750
Estevan, SK	Townhome	2013	\$299,000	\$310,000	Yes	\$2,400
Estevan, SK	Condo	2014	\$215,000	\$215,000	Yes	\$2100 (estimated)
Edmonton, AB	Townhome	2014	\$302,000	\$302,000	Yes	\$1,975
Edmonton, AB	Townhome	2014	\$302,000	\$302,000	Yes	\$1975 (estimated)

## 5 SHORTCUTS TO BECOMING A SMART INVESTOR MUM

**1 DEFINE YOUR PRIORITIES.** Do you want more personal free time? Or spend more quality time with your family? Do you want to be healthier? Start creating a list defining your priorities in life, e.g. finances, health, relationships, career, family. Then, type it up and post it on a wall because, this makes it a constant reminder of your priorities in life.

**2 CREATE YOUR VISION BOARD.** This helps you navigate in life and reminds you why you are doing this and what you plan to achieve. Start going through magazines and cutting out pictures that inspire you, such as those that depict the way you want to live and the things you want to experience. It can be as simple as an ice cream machine, as elaborate as a trip around the world, or as bold as living on waterfront property. Glue all your pictures on a board to create your vision board. Why? The vision board is your destination.

**3 INVEST IN YOURSELF.** Read 3 books in real estate investments with proven systems like 'More than Cashflow' by Julie Broad and 'ACRE System' by Don Campbell. Join a local real estate investment group and meet-up groups to learn and to build relationships with like-minded people. This will motivate you to take financial action and start building a network of people to whom you can reach out. It will also get you closer to real estate opportunities.

**4 DEVELOP A PLAN.** Create an investment action plan to reach your destination and meets your priorities in life. It could be as simple as a to-do-list. Start small, in bite size chunks broken by two to three month increments with tasks. You may want to reach out to a real estate expert to shorten your learning path and help you create your action plan.

**5 TAKE ACTION.** With a plan in your hand, take action. Every little step you take, takes you closer to your destination. This is a critical step. Most people will not take action.



income. I quickly realized that small multi-family units and student rentals were not the best investment strategy for me.

I was able to devise a more focused personalized plan through the help of my real estate coaches (Julie Broad and Dave Peniuk from RevnYou), who have not only accelerated my learning, but also helped me become hyper-focused. And this strategy is clearly working for me as I am now a managing partner of a real estate portfolio with over \$4.5 million dollars of real estate with 16 doors.

### A JUGGLING ACT

Juggling motherhood and managing real estate can be challenging, and hence why I needed to employ someone to help mind

my children. One of the most challenging situations I faced was dealing with tenants when I was six months pregnant. I vividly remember getting a call at 10pm about a water leak and as there was no one else around to deal with the problem, I had to trot over to the property in the middle of a winter's night, shut off the water, and poke holes in the ceiling to release the trapped water. I spent many hours that evolved to months dealing with tenants and contractors.

My husband and I have set roles and responsibilities when it comes to taking care of the kids, and running our real estate investing business. I spent many years finding and creating a team of knowledgeable, like-minded real estate professionals. And once the day is done, and kids are in bed, I continue to seek ways to plan and prioritize my time or read about real estate investing. It's now my obsession.

### EMPOWERING WOMEN

Most women want it all – the good career, happy home life, quality time and the ability to financially provide for the family in the future. But, as most women know, achieving that can be difficult. But it is not impossible. Women should be encouraged to embrace their ambitions, especially in the world of real estate. And that is why I established a website, [www.financialnirvanamama.com](http://www.financialnirvanamama.com), which is dedicated to helping women similar to myself. My long-term goal is to retire early with my husband with at least 10 mortgage-free properties – a goal that I am already on the road to achieving. And only possible from that initial intention of getting enough cash to pay for a nanny. ■

