



With rental market occupancy rates on the rise and the stock market experiencing another volatile year, there may be no better time than now *To Get Rich Slow*. John Webber, author of the book *Get Rich Slow*, offers potential investors an easy-to-follow 9-step approach toward investing and building wealth in the rental real estate market. This book is a roadmap to financial freedom in a market space that tends to be easier to predict, experiences less volatility, provides steadier rates of return and is a good hedge against inflation.

***“With this 9-step approach, we get into the “nitty-gritty” of investing in the real estate market.”***

*“If a potential investment doesn’t work out on paper; it won’t work out in real life!”*



John Webber is a business professional and teacher within real estate development. John has held many leadership positions such as:

- ❖ Vice President of the Salt Lake Board of Realtors
- ❖ Chairman of the Education Committee for the Utah Association of Realtors
- ❖ Regional Governor for the National Association of Independent Fee Appraisers
- ❖ Partner at Intermountain Tax Consultants

John teaches at the Salt Lake Community College and has authored several books:

- ❖ Math for Business and Life
- ❖ Contemporary Business Mathematics
- ❖ Investment Analysis

However, this book won't turn investors into instant millionaires! This investment strategy requires methodical thinking and patience. John's philosophy, "I consider investing in the real estate market to be a *slow* but *reliable* opportunity to build wealth. This investment strategy minimizes much of the risk that investors experience today when investing in the stock market."

The following is an overview of *Get Rich Slow* and John Webber's roadmap to financial success...

### **Step 1: Weigh the Pros and Cons**

John helps his readers evaluate a variety of investment alternatives from the traditional stocks and bonds to rare precious metals and collectibles. He then outlines eight critical factors for people to consider when making investment decisions.

After providing an overview of a range of investment types, the author narrows his focus on real estate investment. He prompts readers considering investment in real estate to ask themselves, "Do I really want to be a landlord?" If the answer to this question is "YES!" then continue to read on....John clearly outlines a roadmap to building wealth in the real estate market in Steps 2-9.

### **Step 2: Get Your Ducks in a Row**

Chapter two focuses on building a foundation for Success. The author advises hopeful investors about how to assemble a team of experts to help them make solid real estate investment decisions. This team of experts will help investors to find appropriate properties, determine appropriate timing, locate adequate funding and analyze potential partnership benefits.

### **Step 3: Eliminate the Duds**

No investor wants to purchase a money pit. John helps investors analyze potential properties to assess whether or not the purchase is a valuable one. He helps readers calculate the price per unit, the price per square foot and the gross rent

## **8 Critical Investment Decision Factors**

- 1. Management of the investment**
  - Determining the level of involvement needed to maintain a positive ROI
- 2. Liquidity**
  - Understanding how quickly one can turn their investment into cash
- 3. Cash Flows**
  - Knowing when and how often one will receive money inflows on their investment
- 4. Appreciation**
  - Not all investments experience an increase in value such as CD's a fixed return investment
- 5. Tax Consequences**
  - Not all investments are taxed equally nor in an equal time period
- 6. Risk**
  - Determining the investors level of risk adversity
  - perhaps the most important factor to consider when making an investment
- 7. Leverage**
  - Using borrowed funds in order to make an investment—impacting cash flows
- 8. Rate of Return**
  - Determining which investment provides the highest level of return

***“Get Rich Slow brings value to the novice investor because the proven, easy-to-use 9-step approach minimizes the fear of investing in rental properties.”***

multiplier. Once these calculations have been made, investors can determine whether or not the investment is worth pursuing by comparing these figures to the average comparable sale of the investment.

#### **Step 4: Estimate Net Operating Income**

How much income will the property produce each month after all expenses have been paid? Every investor will want the answer to this question and John helps them determine it. He explains what an operating statement is, the importance of analyzing the properties historical operating statements, how to project future revenue streams, and determining the investment property’s capitalization rate.

#### **Step 5: Get to Know Your Hidden Partner— The Tax Man**

It was all fun up until this point. However, taxes are just one of those things everyone can count on and investing in real estate is no exception to this rule. John outlines the different set of rules laid out by the Internal Revenue Service (IRS) and helps investors determine their after-tax rate of return after determining their tax bracket, depreciation, purchase and loan costs, passive losses, paying tax on gains and the alternative minimum tax.

#### **Step 6: Crunch Numbers Like a Pro**

John points out that in order to make good financial decisions and money, you need to know how to crunch the numbers. In this chapter, John outlines three important financial calculations every investor should know and understand: time-value-of-money, amortization of mortgage loans, and calculation of cash flows. He makes several calculator recommendations and features keystrokes for the newly released HP 10bII+ financial calculator and the TI BAII Plus.

#### **Step 7: Figure the Bottom Line: Cash Flows & Rate of Return**

As John states in this chapter, “It is time to get our money’s worth!” After making the calculations in

***“Get Rich Slow also appeals to experienced investors because now they have a method for evaluating investments, instead of relying heavily on gut-instinct.”***

steps 3-6 investors can now project their cash flows and determine their final rate of return. John helps investors figure their cash-on-cash return, project their cash flows after tax and operating expenses, project cash flows after tax for the sale of the property, and finally, calculate their after-tax rate of return.

#### **Step 8: Buy It or Walk Away: Decision Time**

Now that investors have calculated their after-tax rate of return, John walks them through the process of determining whether or not the property meets the investment criteria. If so, John then explains how to make an offer on the

property, discusses the importance of due diligence during the purchasing process, and encourages investors to modify their calculations of after-tax cash flows and rate of return based on any new info discovered and the final negotiated numbers.

### **Step 9: Help the Money Tree Thrive: Effective Landlording**

At this point investors are now officially landlords!!!! It's time for them to roll-up their sleeves because the real work begins. John informs landlords of all the follow-up items that need to be accomplished after the closing, the importance of selecting good tenants, the need to keep the property in good condition, the importance of good record keeping, how to maximize rent and control expenses. IF all of that sounds a bit overwhelming, John outlines the benefits of hiring a property management company.

Need and want to understand how to use your HP 10bII+ calculator? John can help you; he provides step-by-step problems that will help make critical financial calculations a snap!

***Keystrokes for the HP 10BII+ are shown throughout the book to calculate:***

- A. Time Value Money calculations
  - i. Present and future value of Single deposit investment
  - ii. Present and future value of a multi-deposit investment
  - iii. Yield on an investment
  - iv. APR for an installment plan
  - v. Amount to pay for a promissory note
  - vi. Time remaining on a term loan
- B. Amortization Calculations
  - i. ARM's and Balloon Payments
  - ii. APR for a mortgage loan
- C. NPV: Calculate the net present value of an investment
- D. Additional calculations also shown in excel