

VINCE AND CORALIE ... EMBRACING LIFE'S JOURNEY

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Vince and Coralie Mandin would like to personally thank you for subscribing, to our real estate investing newsletter. The newsletter is intended for educational purposes and

to stay connected with others. Feedback / comments, and suggestions regarding future topics of interests are encouraged and greatly appreciated.

I am so thankful that the days are now getting longer. The winter can bring about some pretty long dark days but when this time of year arrives it gives hope and yearning for a fresh new spring and summer. Individuals appear happier and the snow apparel and supplies are on clearance. Perfect...bring on spring...as quickly as possible please.

Our home becomes full of excitement this time of year. We plan for the next business season with goals and ideas. This is always essential in owning your own business. One must always attempt to create opportunities in business to continually move forward.

Jake is preparing for playoffs and of course we are thrilled to watch. Special THANK YOU goes out to Bill Callahan for always bringing an exciting broadcast to each game. Paige is preparing for spring dance competitions yet continues to enjoy every moment of the snow.

OUR JOURNEY

The complete concept of being a business owner may bring forth some challenging questions and events. Starting your own business should begin with a list of questions directly related to that business or industry. One essential component is always keeping in mind the concept of supply and demand. What are you able to supply to your customers that may be in great demand? Always make sure your business rates at the top with all the newest and latest technologies and

ideas of the times. Truly one of the most important issues related to business is making sure that you have a definite set of systems in place. These systems allow your business to operate even when you cannot physically be there to operate that business.

So, if you want to start a business or own business make, sure that you have done your due diligence. Is this a business that is going to create assets?

EDUCATION

We continue, this month, with our series on the six profit centers of real estate and why it is so important to own real estate. We discussed the first three profit centers – Equity, Appreciation and Principle Reduction. This month we discuss the fourth Profit Center:

#4 – Cash Flow

As expected the most important profit center is Cash Flow, this puts money in your account each month. To achieve cash flow in a property you simply need to have the monthly rent be more than the monthly expenses. The expenses are broken down into three categories:

- Operating Expenses are the fixed costs such as, property taxes, property manager, condo fees, minor repairs, bank charges and repairs.
- Capital Expenses are major repairs or upgrades such as roof replacement, hot water tank and furnace. This is why a little money should be put away every month from the rent to cover the unexpected costs of owning real estate. This is your rainy day fund.
- Debt Service is the monthly mortgage payment.

Ideally, you want to purchase properties with a positive cash flow. Ask yourself this question; How many properties must I own to cover my monthly income from working? Once you have enough cash flow you can escape the rat race.

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