

Introduction

In April 2000, the Technology Stocks Crash of 2000 began a three-year decline that erased trillions of dollars of investor wealth leaving dead companies and crushed retirement accounts in its wake.

As a result, the U.S. economy plummeted with the steepest decline in recent memory. Millions of jobs were lost. Unemployment climbed. Bankruptcies and foreclosures escalated. Investment and retirement accounts were decimated.

Out of all this, I am both happy and relieved to say that I was not one of these unfortunate victims.

In January 2000, I converted all my mutual fund holdings into a cash position. When the crash occurred three months later, I knew I had made the right decision to liquidate.

While some people may simply say I was lucky, there were clear indications that a crash would occur in the near future. The problem was I did not have a crystal ball to tell me exactly when it would happen. Nevertheless I escaped unscathed.

How did I manage to escape?

The Escape

In late 1999, I experienced an unusual decline in my mutual funds portfolio. While it was not the first decline I experienced that year, it was unusual because I began to realize that my allegedly stable mutual fund

TurnKey Investing with Lease-Options

portfolio was becoming more volatile with each passing month.

And since the volatility of mutual funds went against everything I was taught about how mutual funds worked the previous 15 years, it seemed to me something was wrong. Very wrong. So I decided to do the only thing I knew how to do at the time. Liquidate and escape from the stock market so I could re-evaluate future investment plans.

The Change

With no expertise or experience in the stock market, I turned my investing activities to another direction. I chose to invest in small houses to produce cash flow. While many so-called investors like to buy and fix-up houses for resale, it is not what I consider true investing. That business is called property renovation. It is what many car dealers do. They buy old cars, fix them up, and resell them. They make money but it isn't investing. It is a job. The pay stops with that one transaction.

I was looking for ongoing, spendable cash flow I could count on month in, month out until I grew old. I knew once I built up a portfolio of investment property, I could stop acquiring properties at any time and not sacrifice ongoing income.

In 1999, I bought a couple of small investment houses. Although I had dealt with family rental property and rental contracts as a teenager, I was still relatively inexperienced. It is a very different experience to buy and manage your own investment property.

The Move

After a slow start and a big move to the smaller city of Columbus, Georgia, I began to quickly learn the art and science of creating a profitable system of investing that worked in my new home city. I learned through a combination of research, teachers, investor friends, seminars, courses, books, and, yes, hard-core *field experience*.

With each property I acquired and every tenant I placed, I got better at the real estate investing and management process. After a few months living in Columbus, Georgia and making a few more acquisitions, I met someone who first became my apprentice, then my friend, and eventually my business and management partner. His name is Wes Weaver. I am proud to have him as the Lead Contributor of this book.

The Growth

Since our alliance, Wes and I have gone on to acquire and manage three dozen properties for cash flow using our turnkey lease-option system.

In layman terms, we buy small investment houses and resell them with “owner-financing”. (*Lease-options are generally recognized as a form of owner-financing*). We collect a small “down payment” and receive ongoing monthly payments from our tenants. We have no ongoing maintenance or repair expenses. We do very little fix up of properties, if any. And if these tenants stop paying, we have them removed and then repeat the selling process with minimal expense and effort.

We have developed our own “recipe”, our own “cookie-cutter” investment system, which we call TurnKey Investing. More specifically, we do **TurnKey Investing with Lease-Options**.

The How-To Guide

Quite frankly, the information contained in this book is not a gold-mine, but a platinum-mine of information. To date, there is no book quite like this one with all the details and inside secrets we share. Some of the hard-to-find information we provide in this book came at a cost of years of experience and thousands of dollars. This book is easily worth 100 times the cover price.

Wes and I generate several thousands of dollars of spendable income each month for ourselves and our investment partners. We are proud of this fact. Our investment partners often do not have the time, expertise, or inclination to do it themselves. You will see later in the book, how we make money from buying these small investment houses and lease-optioning them out.

This book was written for a variety of reasons:

- Because of our lead position in our market niche and the number of investment properties we manage for others, more and more people we know have become interested in learning what we do, and more importantly, how we do it.
- Because we invite investment partners to work with us, this book allows us to more completely and efficiently communicate what we do without all the fluff of a brochure.
- As our management team grows, this book serves as both an instructional and operational guide into what and how we do things. It is a more concise alternative to a full-scale Operations Manual.
- For those people who choose to manage their own real estate investment portfolios, this book will be an invaluable guide to implementing the lease-option strategy in their own markets.

The Reminder

As you read this book, please keep in mind our system constantly changes and evolves as we adapt to new circumstances and situations. We reserve the right to change, update, and revise the information in this book. So keep what you read in the proper perspective.

As a bonus, I have provided a list of questions you should answer for each chapter to get the maximum benefit from this book. Remember, there will be a test. I check financial statements.

In many ways, this book was both an ambitious and challenging project. I look forward to hearing your comments, questions, and feedback. So make sure you write them down.

Until we meet, I thank you for reading this book.

Matthew S. Chan

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