

**No business? No property? No money?
You can be a Millionaire!**

In his very first book *Think Rich — Quick!*, U.S.-based *Pinoy* millionaire Trace Trajano shares his expertise in the “no money down, quick turn” real estate business to help you achieve financial success.

Let Trace teach you the following million-building techniques he has mastered:

- Starting out in the real estate business with nothing
- Wholesaling in real estate
- The retailing formula

Together with *Think Rich, Pinoy!* series author, Larry Gamboa, Trace embarks on a mission of creating one million *Pinoy* millionaires. You can be one of them.

Trace invites you to ride his “jeepney” that will take you on an exciting journey to financial freedom. *Sakay na* and travel the road to a million possibilities.



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THINK RICH – QUICK!

Trace Trajano • Larry Gamboa, PhD



THINK RICH – QUICK!

A Think Rich Pinoy Book

**How to Become a Pinoy
Real Estate Millionaire**

**By Trace Trajano and
Larry Gamboa, Ph.D.**

With a Foreword by **Bo Sanchez**,
Best-selling Author of *8 Secrets of the Truly Rich*

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EDITED BY RISSA SINGSON-KAWPENG

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Dedication

I dedicate this book to my lovely wife who loved me even when I was broke and who has remained loyal to me through the years. Thank you, babes.

I also dedicate this book to my son, Nathan, who amazes me every day. You are as smart as you are charming and loving. Thank you, my son.

Lastly, I dedicate this book to my father. His life as a seaman was hard and full of sacrifices. Thank you, Dad.

FOREWORD

Are You Big?

By Bo Sanchez

Friends, your search is over.

If you're looking for actual, real-life, *Pinoy* millionaires who can teach you how you can become one, then this is it.

My terrific mentors in real estate, Larry Gamboa and Trace Trajano, have teamed up for this life-changing book to achieve one huge mission: To help create one million *Pinoy* millionaires.

Larry creates his millions in the Philippines.

Trace creates his millions in the US.

Both use the same creative real estate strategy, proving that it can be done almost anywhere in the world.

But a million *Pinoy* millionaires? Isn't that uh... impossible? I admit, it's one of those classic big, hairy, audacious dreams. But from my experience, *the bigger the dream, the better*.

Why?

Small dreams attract small people.

Big dreams attract big people.

Are you big? Are you big enough to become one of those millionaires?

Small dreams don't excite people. Small dreams don't create enough passion necessary to achieve them. Small

dreams remain small. Thus, the graveyards of small dreams are many and overcrowded.

As I write this page, Larry and Trace are presently building the *Think Rich Pinoy Network of Millionaires*, and they're attracting big-hearted people.

Big on passion.

Big on hard work.

Big on selflessness.

Yes, Larry and Trace want to attract *Pinoys* who want to be millionaires not for themselves. Like them, they want to attract Pinoys who want to be millionaires so that they can create other millionaires.

Through my book, *8 Secrets of the Truly Rich*, I correct your distorted theology of wealth and enlarge your psychology of money. But once that's done, where will you get the practical, hands-on, step-by-step strategies to create your wealth?

Thus, the book in your hands.

Read on, millionaires!


Bo Sanchez

FOREWORD

What Millionaires Are Made Of

By Deb McMillan

Investing in real estate is the way most millionaires were created. Having the courage and making the time to learn how to make money at investing while working a full-time job, learning a new language and adapting to a new culture... well that's Trace! He has all the makings of a millionaire.

Sometimes you do it right the first time. If you're really good, you learn from your mistakes and just know you're going to make them. The best don't give up, don't lose too much money, and then they try something different the next time. Then they succeed. That's the Trace I know.

Trace and I met a few years ago while I was president of the Ohio Real Estate Investors Association. We hit it off because I had just quit Procter & Gamble (P&G) after being there for 20 years, and Trace was just starting his career with them in the US. P&G is a multi-billion dollar worldwide consumer products company.

I'd been buying and selling residential properties while at P&G, most recently through using the short sale method of acquiring properties — asking the lender for a discount from what the seller actually owes. So my finances were growing, too.

We both knew that even a good job at P&G wasn't going to be the only thing we'd need to provide financial stability for our families and ourselves for the rest of our lives. That's how we met at the Cincinnati Real Estate Investment Association (Cincinnati REIA).

There, we met a couple of times monthly and shared information on how to buy/sell/rent residential homes, multi-family homes and more. Using information acquired from the REIA group, Trace had already successfully purchased two houses. The first house he asked me to help him buy was just around the corner from these two houses and was a pre-foreclosure or short sale. I was amazed to see he had accomplished so much in real estate even though he had a full-time job that kept him out of town a lot.

We worked this short sale together but weren't able to get the lender to discount enough to make it worthwhile to purchase. Trace was a quick study though, and was soon completing short sales on his own.

Subsequently, he bought several more houses, was mentoring other students who came to the real estate investor association and still continued to work at P&G. He was not wasting any time to get his feet and his head firmly planted in the real estate market: Lease-optioning houses to tenants, buying houses on short sales and wholesaling residential and multi-family homes too.

Every successful investor has goals — written ones, not just objectives bouncing around in his head. Trace's goals are written and he works toward them every day. With this book, he is on his way to fulfilling another one of his goals:

To help create 1,000,000 millionaires by 2020. He's doing that by sharing his experience, knowledge and his successes with you, the reader, so you can benefit, too. It's amazing what we can do when we just say "we will do it."

Trace is an extraordinary individual and with work, you can be too!

*Deb McMillan is called the "Shortsale Queen" and is also the past president of Ohio Real Estate Investor Association and Cincinnati Real Estate Investor Association.
www.shortsalequeen.com*

PREFACE

Entrepreneurs: Learn to Sell (or Perish)

By Larry Gamboa

Do you remember times in your life when you “got it?” For example, when Brother Benedict, my algebra teacher, would explain polynomials, I just could not get it. “*Di ko ma-gets.*” No matter how I try.

But four years ago, when Robert Kiyosaki wrote the following on a flip chart at his two-and-a-half day Business School in Singapore, I got it!

SALES = INCOME

When I saw Robert Kiyosaki of *Rich Dad, Poor Dad* write that on the easel pad and explain it in his blunt way, it seemed like a curtain opened and a light bulb flashed, illuminating my mind and heart. Getting a Doctorate in Business Administration from the University of Michigan didn't do it. Being a professor at the Asian Institute of Management didn't do it. But Robert's flip chart and the words he wrote did. There must be some truth to the saying that when the student is ready, the teacher will appear.

Yes, **Sales=Income**. “*Pare, naintindihan ko ito* (This I understand),” I told myself. That day, unwittingly, *Think Rich, Pinoy* was born.

No sales. No income.

And it does not matter who, but any successful entrepreneur — past, present *and* future — has to learn how to sell. Henry Sy. John Gokongwei. Donald Trump. Bill Gates... No sales, no success.

“Bill Gates,” says Blair Singer of *Sales Dogs*, must have been “quaking at his boots when he faced giant IBM and sold them the DOS operating system (which he later transformed into Windows).” Why? Because Mr. Gates did not even own DOS at that time! Don’t you think he must have been a teeny-weeny scared?

Mr. Gates actually sold IBM the product DOS and afterwards went out to find and buy the system. Now that’s selling! And you now know the INCOME that followed from that sale. They were enough to make Bill Gates the richest man in the world today. SALES = INCOME. It’s a powerful equation.

Now granted there are other things that make for a successful business, like an efficient system, a legal and decent product or service, not to mention a binding mission, an inspiring leadership and a good team, but unless you have sales bringing in income, the business will collapse. *Nada. Bokya. Zero.*

“Profit,” says Mr. Sixto Roxas, my first business boss and mentor, “is a condition of viability.” In short, no money, no honey. And where does profit come from? SALES! So here is what I learned from the Asian Institute of Management and the University of Michigan:

INCOME (from Sales) - <u>EXPENSE</u> PROFIT (Savings)

This is what is taught in every business school: The Income Statement. You want to improve profit? Either cut down expense or increase your income. But what if you do not have income? You get the dot-com fiasco where companies that were being valued wildly had no real income or revenue stream. And what follows is the dot-com collapse. So before any income statement comes the basic insight.

SALES = INCOME

And that is not learned in business school. It is learned in the school of hard knocks. The school of the family. Street-Smart University they call it.

The goal is simply to generate cash flow by learning the art and discipline of selling. Only when a product or service is sold does a business begin. Sales breathe life into a business.

“Nothing happens until something moves,” says Albert Einstein. How do you move with the equation sales=income? By becoming an entrepreneur. Successful entrepreneurs have mastered the art that SALES=INCOME. The reality of this is injected into their DNA.

Through the act of entrepreneurship, a business is conceived. But only when SALES=INCOME does the business grow strong, survive and thrive.

That's why I established my business: The Think Rich Pinoy Millionaire Network (Think Rich Network). The Think Rich Network is a franchise system that creates real estate millionaires who, in turn are committed to creating other real estate millionaires, each acting and knowing in their gut that SALES=INCOME.

Through this business, you become a millionaire-maker in the Philippines while linked at the same time to a Filipino mentor in the United States. Enter Trace Trajano, a Pinoy millionaire from Cincinnati. His story speaks louder than words. It's similar to mine lived out in the United States. When you listen to Trace, you listen to Larry. Through synchronicity and the Law of Attraction triggered by my book, *Think Rich, Pinoy*, you now have this book in your hands.

There is a saying, "When the student is ready, the mentor appears."

Know that becoming a *Pinoy* Real Estate millionaire is a team sport. There is no such thing as a self-made millionaire. Even Lone Ranger had Tonto. Batman had Robin. Dolphy had Panchito. Think Rich Pinoy Millionaires are team-made, individually crafted through the Think Rich Pinoy Millionaire Network (for details on the franchise, email me at **thinkrichpinoy@gmail.com**).

But most of all, feel the energy and the passion of a *Pinoy* committed to "giving back" to his *kababayans*. And, in the process, allow yourself to be infected by the virus of real estate entrepreneurship in Think Rich Pinoy style.

So be warned. Each page is infectious and highly contagious. Read at your own peril.

Once you “get it,” your life will be changed forever. Because not only is becoming wealthy OK; it can be done — by *Pinoy*s who have the love, passion and dedication to succeed.

It happened to me. It happened to Trace. It can happen to you: be you an employee, an OFW, a housewife, a small business owner, a doctor, nurse, teacher, accountant or lawyer.

Jim Rohm says it so well: “The greatest value in life is not what you get. The greatest value in life is what you *become*.” You can become a *Pinoy* millionaire. Let Trace show you how. And you too will “get it.”

INTRODUCTION

I was wide awake even though it was 1 a.m. I knew I had to wake up early the next day for work but I couldn't put the book down. I flipped through the pages quickly and I could hear my heart pounding in the silence of the night.

The book I was reading was no thriller or mystery novel. It was a book written by a Filipino author named Larry Gamboa entitled *Think Rich, Pinoy*.

It was a book I was destined to read. Why? Because Larry had converted into reality what I have envisioned. He had done what I was saying all along.

I am a Pinoy working full-time in a Fortune 500 company in the United States. On the side, I invest in real estate. My field of expertise is “no money down, quick turn” real estate. It's investing that can be done with no money, virtually no risks and you get your profit in a few weeks, sometimes in a few days. Hence the name “quick turn.”

I've been telling my relatives and friends back in the Philippines that this could be done there. But no one believed me. Instead, everyone had excuses as to why it couldn't be done.

“Walang pera sa Pilipinas.”

“Masyadong corrupt dito.”

“Iba dito, bawal 'yan.”



But Larry Gamboa has proven them all wrong.

I finished the book at 3 a.m. Thoughts kept swirling in my head and I was torn between sending the author an email or sleeping and waiting for the next day. Logic eventually won over my excitement as I lay down and fell fast asleep.

The next morning, I sat in front of my laptop and started pounding away at the keys. I could barely contain my excitement as I wrote him a long email.

Send.

Would Larry respond to me? *Maybe not. He's probably too busy*, I thought. A week passed and I was pleasantly surprised to receive a reply from him. He was excited about my email

and agreed to meet me five months later during my two-week vacation in the Philippines in August 2006.

A MILLION PINOY MILLIONAIRES

Our meeting place was at the lobby of 6750 on Ayala Avenue, Makati. I arrived five minutes ahead of our scheduled meeting, having shed the “Filipino time” after living in the US for six years. I saw a man walk in and didn’t think it was Larry. “Too young,” I told myself, as I waited some more. But the man, wearing a neatly pressed shirt and glasses approached me with energetic strides to greet me.

“I’m Larry Gamboa,” he said as he shook my hands, adding, “You’re very punctual.” Before I could say another word, he told me to get into his car because he needed to drop by the bank.

On the road, I told Larry about my burning mission. “I want to help Pinoys succeed financially and your book is right in line with this mission,” I said. I was stuttering as my lips tried to catch up with the thoughts rushing through my mind. I took a deep breath and told Larry to brace himself for a long conversation.

“Don’t worry,” Larry said, “we have time.”

I forgot I was in Manila and the traffic “gives you time.”

“So what’s your background,” Larry asked as we waited at the bank.

“I’m a chemical engineer at Procter & Gamble,” I replied.

“Really? I used to work there, too,” he said with enthusiasm. We talked about how great the company was, how he liked the way we were trained to write one-page

memos and convincing, logic-based recommendations.

Back in the car, we talked about real estate again and the mission of teaching others to become financially free.

“This is a big mission,” I enthused. “I want to help ‘create’ or train — directly or indirectly — one million *Pinoy* millionaires.”

I went on to enumerate the enormous benefits a million millionaires would have on our society. The number of jobs these rich people would create would be tremendous. If they would donate just one percent of their income to help the poor, that’s P10 billion a year! That would be a lot of schools, hospitals, food and medicine for the destitute. These one million *Pinoy* millionaires would undo the damage that our politicians have caused. In one year, they could contribute more to the Philippines than all the presidents of the country combined throughout our 100 years of independence.

I paused to catch my breath and thought to myself, “Larry might think I am a flake. One million *Pinoy* millionaires? Who am I kidding?”

But, I was wrong.

“Let’s do it!” Larry replied, matching my excitement.

WHAT GIVES ME THE RIGHT?

Now, you might say, “Who are you, Trace, to propose such an ambitious dream?”

Let’s just say that, like Larry, I like to draw from my experience and teach people about real estate.

I have bought over \$3 million (roughly P150 million) of real estate in the United States, mostly with no money down.

In fact, the latest deal that I did was a 36-unit apartment building with only \$1 down. That's just P50!

I know this is hard to believe but for now, hold your breath, suspend your disbelief and open your minds.

By the time you've finished reading this book, I assure you, you will say, "*Ganun lang kasimple yun?*" And it is!

But I'm getting ahead of the story.

For now, suffice it to say that it's possible to buy properties in any country even when you have no money. Larry has proven it as I did and this book will teach you a no-money-down business in real estate that I've used as a vehicle in my journey towards financial freedom. This is my jeep and Larry helped convert it into a jeepney — *para sa Pinoy*.

Sakay na and let's go on this journey together!

CHAPTER 1

Real Estate as a Vehicle to Millions



Mom's tears glistened in her eyes even as she tried to hide it. It was always like this whenever we were at the airport to drop off Dad, a seaman who was off to another trip.

"How long will you be gone this time, Dad?" I asked. I must have been only eight or nine but even at that young age, I had lost count of how many

times I'd said goodbye to him.

"Around 10 months," he replied.

"And all that time you're just on the boat?" I asked. "Don't you get bored?"

"No, *hijo*, we have a big ship and there are a lot of things going on there," he said. My dad had probably done everything on a ship. He told me he was a cook, a foreman and he was even close to becoming a captain but he didn't have the right education.

"Where will you go this time?" I asked. He said they were off to Japan to haul cars and ship them to the US.



Dad had traveled the world because of his job. I think the only place he hadn't been to is Antarctica. And all those months and years he was away from his family was rewarded with several million pesos in the course of his 30-year career. It would have been a nice ending if he lived the good life in retirement. But, sadly, he did not. In fact, he can barely make ends meet. After working so hard for decades, he has nothing to show for it.

Little did I know that I was following in his footsteps.

A FINANCIAL LOSER

When I first worked as a management trainee in a big multinational company, I was ecstatic. I made a lot of money.

My first paycheck was P10,000 a month — a lot for a college graduate back in 1994. I felt rich. I made more money than I ever dreamed of and the work was exciting. I got promoted one level after the other and I got raises — big ones — and they became bigger and bigger as the years progressed. My salary doubled every other year.

But you know what?

Despite making a lot of money, I was a financial loser. I spent more than I earned. I ate out a lot with friends and drank a lot, too. I played bowling almost every day and the only paraphernalia I didn't own was a bowling alley.

My credit card bills piled one on top of the other. Before long, I could barely keep up with the minimum

payments. I was slowly drowning in debt. I was living the same “program” that ran the life of my dad. The program read, “WORK HARD — EARN-SPEND-WORK HARD-EARN-SPEND. REPEAT.”

That program changed when I read the book *Rich Dad, Poor Dad* by Robert Kiyosaki. Like Larry’s book, I couldn’t put it down. I “devoured” it and I read it cover to cover in one sitting because it was as if Kiyosaki was writing about me. “Poor Dad” was like my dad — he made a lot of money but he never saved nor invested on anything.

It made me realize that I, too, had a “Rich Dad.” It was my aunt, my dad’s sister. She worked as a bank clerk but started a part-time business with “no money down.” She bought chickens on consignment then she butchered and re-sold them. She then paid off her supplier, kept the profit and reinvested it to buy more chickens. Each time people asked her how life was, she’d just say, “It’s hard to earn money.” She lived a simple life and none of us suspected that she was building an empire.

Fast-forward to 30 years later.

My aunt now owns two apartment buildings, a resort, a *sari-sari* store and a big rice farm — all in Bataan. And to think she was just a bank clerk!

How did she acquire all that wealth when she didn’t earn much? The answer: A “no money down” business. *Laway lang ang puhunan.*

The difference between my father and his sister was as wide as the ocean that Dad sailed on.

THE BENEFITS OF REAL ESTATE

I believe that a lot of the lack of wealth of *Pinoys* is due to a lack of the right attitude and aptitude about money.

Notice that the *Chinoys* became rich in this same poor country as the poor *Pinoys*. Yet, the *Pinoys* have to fly or sail outside the country to bring back dollars so that their families could live a better life.

That's why I'm writing this book about real estate as a vehicle to millions.

Why real estate?

First, it's a commodity that people everywhere need. It will always have a market. In the United States, everybody wants to own a piece of land — that's why it's called the American Dream.

In the Philippines, the need is low-cost housing.

Since land cannot be manufactured — unless it's reclaimed like the site where the SM Mall of Asia now stands — plus the fact that prices of building materials like cement and wood tend to go up over time, prices of real estate goes up over time. That's why you hear of people who said they, too bought a piece of land for P500 per square meter and they sold it 10 years later for P4,000 per square meter.

As famed real estate guru Robert Allen said, "Don't wait to buy real estate. Buy real estate and wait." This second benefit of real estate is called **appreciation**, and if you have deep pockets like Henry Sy, you can afford to speculate and park your billions in a 4,000-hectare land in Cavite hoping someday it will appreciate.

Third, real estate generates cashflow. This is the difference

between the rent you're getting from the tenant and the expenses you incur like mortgage payments, real estate taxes (*amilyar*), insurance, etc.

LOLO VICTOR'S STORY

My late grandfather, *Lolo* Victor, was a conservative man by nature. He rented an apartment in Manila for 35 years because he would rather save the money he was earning from the Bureau of Internal Revenue in the bank. He did own a house in Bataan, which he visited during vacations, but he never owned the house where he lived, together with my *lola*, my mom and my aunts.

Lolo paid his rent like clockwork. His landlord was quite happy because of the consistent cashflow that my grandfather generated for him all those years. Once in a while, the apartment needed some repairs, but his landlord would send his maintenance man. He didn't have to do anything personally.

Except collect Lolo's checks.

That's why Kiyosaki calls cashflow from real estate passive income. It comes in every single month and all that *Lolo's* landlord had to do was open the mail and cash in the checks!

The other thing that *Lolo* did unknowingly was that he paid for his landlord's loan on the apartment he was renting. This is called equity. Equity is the difference between what the



property is worth and the loan balance. In 35 years, the landlord's loan went down to zero and now the apartment is *free and clear* of any loans.

THE POWER OF LEVERAGE

The last benefit of real estate is called **leverage**. That is, you can buy real estate with only 20 to 30% down payment and sometimes 10 or even 5% down. Even if stocks generally appreciate faster than real estate over the long haul, leverage multiplies the effect of appreciation of real estate.

Let me show you what I mean.

Let's say you have P100,000 cash and there are two investment opportunities. Your friend tells you that a blue chip stock, say Jollibee, normally appreciates by 10% a year. But there's also a one-bedroom house near a university that's being offered to you for P1,000,000 with a down of only 10%. You can rent out this house with break-even cashflow. The house appreciates by a mere 5% a year.

Which one is a better investment? Let's see.

Your stocks next year would have grown to P110,000 — with its 10% appreciation. Broken down it looks like this:

Stock original value	P100,000
Appreciation	<u>x 10%</u>
Stock appreciation	P10,000
	+
Stock original value	<u>P100,000</u>
New stock value	P110,000

Now let's look at the one-bedroom house. After a year, with a 5% appreciation, it's worth P1,050,000. But since you only invested P100,000 in it and the one-bedroom house appreciated by P50,000, you have a whopping return of 50%!

Broken down it looks like this:

House, original value	P1,000,000
-----------------------	------------

Appreciation	<u>x 5%</u>
House appreciation	P50,000

Investment	<u>÷ P100,000</u>
Return on investment	50%

This is the power of leverage. It makes you become wealthy in a very short span of time.

Now think: What if you have *nothing* invested in the property by doing no-money deals? Then your return is *infinity!* It's infinity because if you divide your cashflow by your investment which is zero, mathematically, that's infinity. This is my type of real estate investing.

MY TYPE OF REAL ESTATE INVESTING

Yes, it is possible to buy houses and buildings with no money down. Donald Trump, probably one of the most successful real estate investors of all time, bought his first three deals with no money down. He bought an apartment complex with 1,200 units with no cash of his own. No



wonder he is a multi-billionaire today.

Aside from no money down, the type of real estate investing Larry and I will reveal in this book does not involve much risk. You don't even need to get a bank loan and you get your profit in weeks, sometimes days.

The fastest time it took me to sell a house is nine hours. I sent an email to my buyers at 12 midnight. By 9 a.m. the following morning, I had a purchase contract from one of my eager buyers. I made \$8,000 on that deal! It was easy and anyone can do it.

Now you ask, "But does this work in the Philippines?"

Yes it does!

Believe me it's not only good, it's true. I assure you, after you've read this book you will be even more excited because you will see how doable these techniques are.

Read on and be the judge.