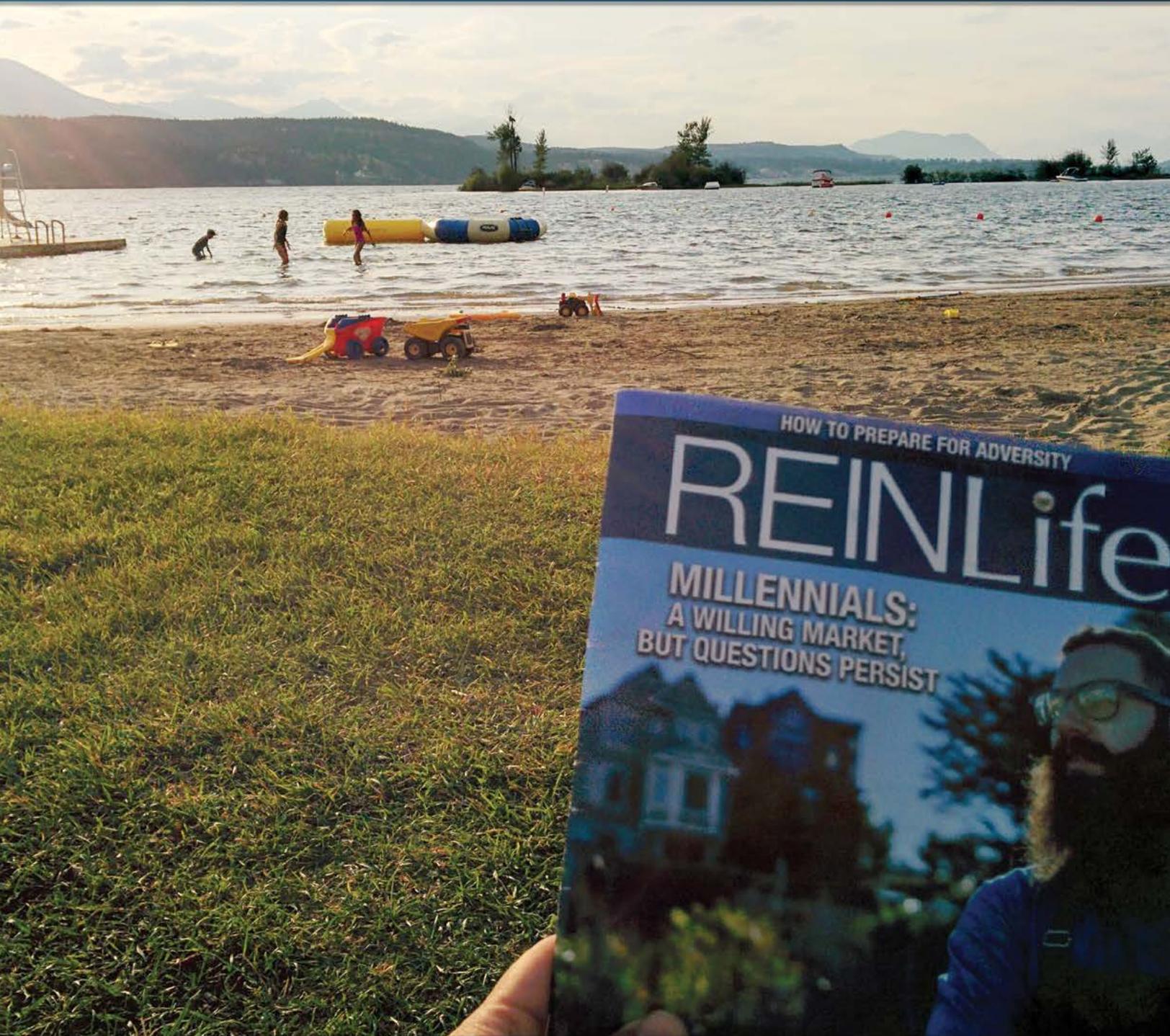


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- WOMEN & ENTREPRENEURSHIP

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LETTER FROM THE EDITOR



This issue brings to a close another year. In many respects, it has been a troubled year across the globe, marked by violent events and natural disasters. Canada has not gone unscathed. It's not unreasonable to ask if the world has truly gone a bit mad.

But we can only control what we can control, so let's all look back on the year and take stock of our finances, health, pursuits, and accomplishments. We need to celebrate our family, our friends, and even strangers who do good work in our communities. Let's also celebrate our REIN family and the difference we are making in each other's lives.

This issue is very much about celebration and family. There are stories about resilience, courage, and caring, and being so far down, it was difficult to see a way up and out. As I write in my own article, this toughness of spirit is a hallmark of entrepreneurs—people who choose what is often a dark and lonely path, because that is the road to fulfilling their hopes and dreams. Entrepreneurs are often misunderstood. Colonize Mars? Build warehouses in the sky? Sounds crazy, but entrepreneurs—and let me confirm that that includes real estate investors—don't take no for an answer when they have the strength to dream and surround themselves with the right people and information.

In this issue you will read the contributions from REIN members who answered the call to submit articles. And we will be publishing many more individual stories from our REIN community, so accept this as an open invitation to send us your articles to success@reincanada.com.

Among this issue's contributors are:

- **Mai Lee**, whose photograph taken in Windermere, BC, graces the front cover.

- **Nischal Ram**, who came to Canada from Fiji to escape political turmoil. He landed in Vancouver with little and worked 18-hour days to save for a down payment on a home. So began Nischal's journey, along with his wife, Zaveena, in real estate. His amazing advice is to "stay relentless and you will definitely find success in life."

- **Dave Toynbee**, serial entrepreneur. His tragic mistake was to trust business partners too much. Because of that, he ended up facing financial adversity. And other serious challenges came along as well, including his daughter's health issues and Alberta's recession. Dave and his wife, Amanda, never gave up. Theirs is a remarkable and inspirational story.

- **Tahani Aburaneh** brings her experience as an entrepreneur and investor to bear as she answers questions about women who choose entrepreneurship, and what challenges women entrepreneurs face that their male counterparts do not.

- **Maria Smith** shares with us her interesting take on the concept of time and real estate investing.

- **Charles Wah and Rick Harris** give us reports on Hamilton and Calgary respectively.

- **Chris Lohnes** introduces a humour column, which will be a regular feature.

And in addition to the roster of regular contributors, we offer contributions from long-time REIN members, including Sherilynn Milsom, Trevis McConaghy, Renée Huse, and James Knull. So pour yourself an eggnog (did I really say that?) or aromatic punch, sit back, and enjoy the read.

Let's make the next 12 months your best ever.

Sincerely, Don R. Campbell

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LIFE LESSONS

BY DAVE TOYNBEE



Man, it's been a great summer! My immediate family—my wife, Amanda, and my two daughters, Mila (age four), and Keira (age two)—have brought a love and connection to life that I never realized was possible just a few short years ago. We are just back from a month-long family motorhome trip through Canada and the United States, where we visited a total of 84 family members, saw some really cool sights, and created lifelong memories. This is the first family vacation we have been able to pull off in the last two years, since Keira was born. Upon returning from our trip, because our busy lives were by then to us our normal, we got a new puppy to inject just a bit more chaos into it. I am so grateful for the things in my life, especially the amount of love in the relationships that have been created in my family, my work, my business, and with my friends.

In the October 2014 issue of *REIN Life*, I published a story about overcoming adversity after suffering a severe traumatic brain injury and the ensuing traumas. I was on what I thought was a positive trajectory to a relatively stress-free and successful life, where I could provide for my family. I had purchased 17 doors over the course of the last few years in British Columbia and Alberta, ranging from commercial office/retail to suited houses, townhouses, and condos. This was done through personal money and joint ventures. Eventually, I invested more and more of my savings and real estate profits into a local car dealership and into a custom-car manufacturing company.

Those alternative investments provided what I believed to be the perfect mix with my real estate investing, as they provided stellar cash flow in the immediate term, some solid means of future capital/savings, and liquidity for any good real estate deals that arose. One thing that stood out above all: it was nearly effortless compared with the work required for real estate investing. Finally I could let someone else do the work and let my money work for me, while providing my family with a great security blanket.

As I wrote in that first article for *REIN Life*, I was in a period of my life where, with very little effort, I attracted all the things I wanted. But I wasn't truly appreciating the smaller things in life anymore, as I had when I was going through adversity. This realization—that I was in fact happier when I had some degree of struggle in my life—created a fear that I would actually attract some kind of adversity. After all, no one chooses to take a step backwards.

Well, adversity came calling. By fall of 2014, most of the cash flow, savings, equity, and borrowing power that I had meticulously created seemed to just disappear in one devastating moment: when a monthly cheque from the car dealership bounced, I drove to the lot, usually packed with cars, to find it completely empty. Equally as painful to me as the lost money—I had given the car dealership owner capital that I really couldn't spare, in order to support him through a supposed temporary cash-flow issue—was the breach of the trust and friendship I had created with him over our eight years



of working together. This was my first big financial loss and severe breach of trust, and wow, was it ever a tough pill to swallow.

How quickly things can be turned upside down. My wife and I went from having a strong financial nest egg and cash flow that allowed us to do anything in the moment and feel secure about our future to wondering how we could possibly afford to pay our living expenses and pay off the hundreds of thousands of dollars in debt related to the car dealership.

I had worked so hard over the years to provide for my family, only to lose it all in the blink of an eye. I felt like such a failure and a disappointment to my family. Amanda consoled me and assured me that we would be okay. She calmly said that we would just sell everything we own and move into a trailer or something. This made me understand that my wife loved and supported me way more than I had realized, and it forged a much stronger partnership between us; one that, as it turned out, we would need for the coming years.

As much as I appreciated Amanda's willingness to sell everything and start again from scratch, I wasn't willing to throw the towel in quite yet. But within that next year, we received confirmation that the custom-car company I had invested heavily in had filed for bankruptcy. I really struggled over the next little while to even get enough confidence to make eye contact with anyone at a REIN meeting, never mind to jump back on the investment horse, which required risk and levels of trust, both of which I was now completely afraid and wary of, not wanting to dig my family into an even deeper hole.

For the next couple of years, I focused my efforts on my day job as a technical sales rep because, well, that's what Grandpa would have told me to do from the get-go. (The wisdom of old guys still has merit in today's world after all.) We managed to survive a bit longer and even to pay off a few of the higher-interest debts. Thank God I had kept my day job through the financial up times, when I could have easily quit. I also happen to love the company and the people I work with, so that helped. But, unfortunately, with my job alone, I could never afford to repay those debts.

Although we had a less-than-ideal experience with Mila's birth—Amanda got HELLP syndrome, a life-threatening liver disorder,

and had to have a C-section under general anesthetic—after much discussion and research, we decided to have another child. Keira was born on April 17, 2015, via scheduled C-section. As Amanda and I listened in silence behind the fabric surgical barrier during the surgery, we heard the doctor say “Was she breached?” Well, that couldn’t be good, we thought.

We saw the pediatrician sweep the towel-covered newborn over to a table, where he examined her with his back to us. He then called me over to see my new daughter. Her shoulder was pushed halfway into her skull, and her shoulders, elbows, hands, hips, knees, and feet were totally stiff and wouldn’t move. I tried desperately to hold it together for Amanda while my devastation set in and the vision of our child and family’s future drastically transformed.

Keira and I were sent in an ambulance from Langley, BC, to the Neonatal Intensive Care Unit at Royal Columbia Hospital (RCH), leaving Mom behind with nothing but her thoughts. Amanda joined us as soon as she was able to, and the diagnosis journey began. After a few days at RCH, we were given an option to be transferred to BC Children’s Hospital, which we took, even though it added an additional 30 minutes to the commute from home.

We spent the next month commuting back and forth from Children’s, early morning and late at night, trying to be parents to Keira while also trying to understand from a large team of doctors and therapists what was going on and what we could do to help. We had learned within the first few days that Keira aspirated when trying to swallow, so she had undergone surgery to have a G-tube put in, to allow us to safely feed her.

Those days in the hospital were filled with continuous disappointments, and we didn’t get many answers as to what was really going on with our daughter, just speculations and tests that provided more devastating news.

Then the Alberta market entered the worst recession that I had ever experienced, with a depressed and competitive rental market. I had a vacant townhouse for a few months and wasn’t getting clear answers from my property manager of seven years. When it became apparent that the property manager was not properly accommodating showing inquiries, I hired a third party to do an inspection of the townhouse. The inspection found a lot of deferred maintenance and things needing immediate repair, none of which had been brought to my attention. I then had a third party inspect my other units and discovered similar issues with all of them. I again felt blindsided by a breach of trust and so many issues to deal with, all of which required much time and money, neither of which I had.

We thought that the transition home with our first baby was tough, but it was nothing like the transition home with our second baby, who we still were feeding through a tube directly into her stomach. She was confined by splints on her hips, legs, and hands. All the while I was dealing with the transition of our Edmonton portfolio to a new property manager, scraping up just enough equity to do the required repairs and renos and sustain cash flow for a few months when several units became vacant.

A lot of that period was a blur for us. Amanda and I tried to survive moment by moment, day by day. We desperately tried to shift our

energies to something positive so that we could catch a break, believing that we just needed a single break to turn the tide. I knew that if we could get through this life cycle downturn with integrity, we would receive great rewards on the other side. But when would it ever end? It felt hopeless. For months we built ourselves up from the smallest of anything that we were thankful for, only to continually get more bad news.

I felt like I was trying to breathe through a narrow straw while having weights on my chest. At some point, we realized that we could no longer handle the repeated emotional disappointment of our manufactured optimism. And so we gave up hoping for things we had no control over and instead tried to focus on the things that we *could* control.

Amanda had planned to go back to her administrative role at an import company, but the care of our kids was a full-time job that couldn’t realistically be delegated. So she decided to forgo her admin job in order to provide full-time support for the family, which involved managing Keira’s appointments with some 40 doctors and therapists, as well as dealing with our energetic four-year-old and the other house and family responsibilities. Plus she had to compensate for my own physical limitations (the use of only one hand and limited use of one foot).

Over the last two years, we have gradually begun to accept and manage the difficulties that come with these life challenges. Although life feels very tough at times, I feel extremely blessed to have such a loving, supportive, brilliantly organized, and thoughtful wife, an amazing mom to my beautiful girls. I wouldn’t trade her for the world. We are also very fortunate to have so much help and support from Amanda’s mom, whom we now heavily rely on for managing our kids’ many appointments and babysitting on the date nights we have in order to maintain our sanity.

Keira continues to surpass the expectations of many of her doctors and therapists. We continue to push her as much as possible and try to determine her full diagnosis—discovering more issues along the way. Keira is developing into such a loving and comical girl. She loves to annoy her big sister, and Mila has grown into a caring, fun-loving, compassionate, and independent little girl who sacrifices so many of her own wants to support her little sister. She creates connections with everyone she meets.

We now try to see each day as a new start, and to enjoy it to the fullest while harnessing the wisdom from our previous adversities, to create a newer and even more meaningful life.

Here are a few key observations of these experiences, and lessons learned:

- **Don’t fall into complacency.** I believe, based on my own experiences, that complacency is a dangerous place to live. The start of my last two major life cycle downturns coincided with coasting in life and not fully appreciating where I was at and what really mattered. My last major life cycle upturn coincided with me accepting full accountability for my results and becoming fully engaged by taking control over everything that I could control. I have found that, in the pursuit of a fully engaged and inspired life, there are few risks that would not be worthy of taking on,

even if things go bad. Therein lies a key exercise to help us find clarity on difficult life decisions.

No one wants to look back on their life with regret. When encountering a difficult decision, think about the worst-case outcome of each potential option/decision and determine which you would regret less (or more). The answer will be aligned with your truest values. Try this exercise with deciding about a vacation, for instance. When you look back on your life, will you be okay with having given up a once-in-a-lifetime bucket-list vacation experience because you were afraid to take the time off work?

- **Always maintain leverage.** In many life scenarios, being a bit vulnerable is a good thing. But this should never be the case in business or finance. Although I ensured that all of my real estate joint venture partners always had appropriate security and leverage, I was way too trusting of people when it came to investing my own money. I will now never invest or trust in someone financially without having a leveraged way to get my money back if they don't follow through on their commitments. So, how do you maintain leverage? For example, never rent to a tenant who has nothing to lose (e.g., good credit) or you won't be able to



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Send your letters to editor@reincanada.com

leverage or sue them and win if things go wrong. And don't lend money to a dealership unless you own and control the inventory.

- **Know your investment area inside and out.** Never underestimate the importance of spending time upfront to really get to know your investment area and the demographics, especially in areas far from home. When I was buying my properties in Edmonton during the boom times of 2007 to 2008, it was extremely difficult to even find a realtor who would call you back, never mind spend the time required to really understand an area and select or negotiate on a property. In those days, I was solely looking for any properties in developing areas that would cash flow, hoping that the strong economic fundamentals (which I spent a lot of time confirming) would take care of the appreciation. When a property that fit this criterion came up for sale, I'd right away get an offer in close to the top or at full asking. I'd then hop on a flight to Edmonton to view it and to quickly review the area during my one- or two-day trip. My not knowing the area as well as I should have led to unexpected challenges with less-than-ideal tenants who were being attracted to the properties, causing higher than expected maintenance and repairs, turnover costs, and management issues.
- **Do analysis with reality in mind.** This tip goes hand in hand with knowing your investment area. It is so easy to tweak the numbers on a spreadsheet until a property works. This is great for determining what can be done to make it work, but always be true to the realities of a specific property in its specific area. Always allow a minimum of 8% vacancy (tenant turnover allowance of one month a year) and a miscellaneous maintenance and repairs budget. If a market has just gone through a new high cycle in rental increases, regardless of the fundamentals, many unpredictable factors can throw it off its cycle, and you need to be positioned to sustain these, as they can last for years. As such, I recommend analyzing rental income using a more historical rent instead of the new peaks, and maintaining a solid contingency fund that includes a minimum of three months of expenses.

With the education and support he received from REIN, **Dave Toynbee** has purchased 11 properties with 17 doors since 2003, including single and multifamily, condos and townhouses. His experience also includes managing commercial office buildings. Dave has utilized many real estate tactics and strategies, and has developed strong relationships with key partners in the industry.



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