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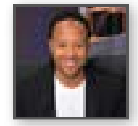

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INSIDE THIS ISSUE

The $14,000 Smartphone

A Device for the Ultimate in Security

How much would you pay for a smartphone? $100? $300? $14,000? If you value security and privacy, then dropping $14,000 may be a real possibility. Sirin Labs, an Israeli startup headquartered in Switzerland, has high hopes for their first smartphone, a device created with security in mind.

The phone, called Solarin, uses the most advanced privacy technology, currently unavailable outside the spy or security agency world. Unless you work for an agency, the technology built into the phone can't be found anywhere else.

What does $14,000 get you?

The phone is a sleek combination of titanium framed around technical leather — leather that's designed to look like carbon fiber. There is also a small switch that lets you toggle between a standard Android device and a secure locked-down communications tool.

In the secure mode, anything that is not needed is disabled. You can make calls and send texts. However, when you make a call or send a text, that information is secured using 256-bit AES encryption. Only people using the Solarin Friend app will be able to receive these messages.

For an additional layer of security, the phone is paired with a secure concierge service. If your phone is threatened by an outside source, you'll be warned, allowing you to put it in secure mode or turn it off completely until the threat can be dealt with.

Another unique feature is the compatibility with global networks. Solarin's makers boast that the device is compatible with more networks than any other device on the market. All you have to do is swap out the SIM card and go.

If you need high-end security and privacy features as you jet around the world, this phone may be what you're looking for. For the rest of us average business users, though, we might just have to stick to our regular old iPhone or Android device for the time being.

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•REAL ESTATE INSIDER•
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SEPTEMBER 2016

Find Hidden Opportunities *Now!*

"The moment you commit and quit holding back, all sorts of unforeseen incidents, meetings, and material assistance will rise up to help you. The simple act of commitment is a powerful magnet for help."

— Napoleon Hill

"Do not wait; the time will never be "just right." Start where you stand, and work with whatever tools you may have at your command, and better tools will be found as you go along."

— Napoleon Hill

In the 1980s, Robert Ronstadt conducted a study that found that the most successful entrepreneurs leveraged what is known as the "Corridor Principle."

The corridor principle can be described like this: Imagine you're looking down a long, dark corridor. Without knowing what's in front of you, you walk forward, and as you move along the corridor, new doors open up on both sides of you — doors that you would not have been able to see had you not started walking down the corridor in the first place.

In a nutshell, the Corridor Principle affirms that the mere act of starting enables you to see and take advantage of opportunities that you wouldn't be able to see or take advantage of if you stayed put where you are now, waiting for circumstances to be perfect. In order to follow the Corridor Principle to success, you must be willing to launch yourself down the corridor of opportunity without any guarantee of what will happen, because that's when truly uncommon opportunities manifest themselves.

The truth is that circumstances will never be picture perfect, and let's be honest — even if they were perfect, we could easily convince ourselves otherwise. So the key to getting your real estate business going or getting anything that you really want started is to launch yourself from wherever you are right now, then look at your results and make adjustments as you go. The Chinese philosopher Laozi, who was a contemporary of Confucius, said that "a journey of a thousand miles begins with a single step." Onward and upward!

Onward and Upward!

I'm looking for an elite group to reveal my most profitable real estate investing techniques to. If you're coachable, open to instruction, and willing to take what I share and put it into action immediately, complete the application by visiting **tinyurl.com/glcoachingapplication**.

After you complete the application, here's what will happen: I will personally review your application to make sure you're a good fit for my program. If your application passes, then either I or someone from my office will call or email you to set up a one-on-one interview and strategy session with me.

GERALD LUCAS
Real Estate Expert & Best-Selling Author

CAN A CREDIT CARD FINANCE YOUR BUSINESS?

HOW TO INCORPORATE A CREDIT CARD IN THE GROWTH OF YOUR BUSINESS

Conventional wisdom holds that credit cards are an expensive way to provide short-term financing for your small business. But are they really?

According to Index Credit Cards, the average interest rate for a business credit card is roughly 15 to 16 percent. That's not a great rate, but here's how it stacks up against other financing options.

The average annual percentage rate (APR) for a traditional bank loan is somewhere between 5 to 10 percent with real estate as collateral, and between 9 to 15 percent without real estate. Less traditional options like peer-to-peer loans can have an APR as high as 29 percent, while non-bank lenders could charge in the neighborhood of 60 percent. Assuming you have pretty good credit, your credit card APR may only be a little higher than the bank loan, and significantly lower than alternative funding sources — plus, you get the added advantages of convenience, immediate access, and no need to put up collateral or proof of profitability.

Alternatively, there's financing through selling equity to angel investors or venture capitalists. Keep in mind, though, besides the stringent requirements for qualifying, angel investors and VCs will take an equity stake in your business, and may start dictating the way your business is run. Plus, if you have financing needs under $100,000, it's generally not worth their time to invest in you yet.

Credit cards often come with a low introductory APR, so you may time your credit card borrowing to avoid paying any interest while scaling your business. Cards also offer a range of perks like sign-up bonuses, reward points, and more.

With that said, there are certainly some caveats to consider before running up a huge tab on your business credit card. Just like with your personal credit card, it's best not to borrow more than you can pay back each month, if you can avoid it. The key difference is personal spending is usually for consumables like food and entertainment, while expenses on a business credit card are investments like equipment or education — items intended to make your business grow.

Even so, you need to treat the credit card like a loan that you have to pay back, the same way you'd treat a bank loan with a monthly payment. If you're going to pay off a large expenditure over time, it's a good idea to go with at least double or triple the minimum monthly payment — and try not to use more than 30 percent of your available credit at once, or you'll hurt your credit score in the process.

Take only what you need with the credit card, and it can be a great tool in your business financing toolbox.

ASK GERALD

a Real Estate Question

Q: I've been negotiating the price on a house with a seller who wants a lot more money than the home is worth. What can I do to convince them their asking price is too high? ("Who REALLY Has the Power in Any Real Estate Deal")

~ Jody, Hillsborough, NJ

A: That's a great question, Jody — it's one I often get asked from frustrated real estate investors who come to me for help. The truth is that you may not be able to convince the inflexible seller that their asking price is too high. I want to bring up a bigger and more important point for you to consider, though, and that is who REALLY has the power in almost any real estate deal. In most situations, the person with the money has the strongest, most powerful position in a real estate transaction. I'll give you three examples that demonstrate this:

1) Buyer/seller of a house (like in your example): Ultimately, since the buyer has the money, the buyer will determine the final price, not the seller. The seller can ask any price he/she wants, but until and unless a buyer comes along and pays him that amount, the house will not sell. The final sale price ultimately is decided by the buyer and the money that he/she chooses to spend.

2) Landlord/tenant renting a house or apartment: In this situation, the tenant has the money and thus a tenant will ultimately decide the price a place rents for. Again, as in the situation with the house for sale, the landlord can ask any rental price he wants, but until a tenant decides to reach into his pocket and pay it, the property will sit vacant. The final rental price ultimately is decided by a tenant with money that he/she chooses to spend.

3) Bank lender/borrower: In this situation, the bank/lender has the money, so they will decide the terms. For the record, that power position changes after the loan is made, because at that point, the borrower has the money and the lender is the party hoping to collect payments.

To recap, in most cases, the person with the money has the power in a real estate transaction. Thanks for your question, Jody. Good luck with your negotiation. For more real estate tips and information, visit my blog at geraldlucas.com.

Want to ask me a real estate question? Email questions to **info@performanceproperty.com**

A Real Estate Strategy That Works

PLAN YOUR INVESTMENTS

Author Andy Heller of "Buy Even Lower: The Regular People's Guide to Real Estate Riches" cites lack of planning as the biggest mistake he sees investors making. Too often, new investors fall in love with a property and throw all their effort into it. They start trying to build their investment strategy around the property and ultimately don't know what to do with the property. Their available resources — money, location, market demand — do not allow for an acceptable return on the property.

You need to develop your investment plan first and find a property that fits into your strategy, not the other way around. How can you start planning your real estate investment strategy and avoid this major mistake? About.com's property investments expert Erin Eberlin says it's as easy as answering a few questions.

Start by determining what type of property you will invest in. Real estate investment opportunities cover a wide spectrum. Will you choose a single-family home, a duplex where you can house multiple tenants, or go into industrial buildings? The property you select will both influence and be influenced by the rest of your investment strategy — namely, in how you plan on managing your property.

If you want to be the landlord yourself, a smaller property might be the best bet. However, if you decide to hire a property manager, you then have to determine the right manager for your real estate, and this can require additional time and resources. The property you choose will also determine the type of tenants you'll be working with. What requirements will they have to meet to qualify for your property? How are you going to market your property to them?

Coming up with a strategy first is necessary because it helps you identify the amount you will be willing to invest into your real estate. The price of the property isn't the only cost you need to calculate. Building maintenance, transportation costs, fees for the property manager — should you chose to hire one — and the cost of marketing the property must all be factored into a property's overall cost.

With a strategy, you can determine the number you are willing to work with. Then, when you start looking at properties, you can find an investment that will suit your needs, rather than having to alter your needs to suit the property.

Real Estate Insights

- Department stores are being replaced by newer types of retail tenants like supermarkets, gyms, restaurants, and movie theaters at American shopping malls.
- Foreign real estate investment in the U.S. declined in the last year.
- The delinquency rate for bank-held multifamily loans was 0.26 percent in the first quarter this year, the lowest since 2005, data from the Mortgage Bankers Association shows.
- Governor Chris Christie's proposed school funding overhaul could produce some property tax relief for as many as 368 towns across New Jersey, according to state data.

Real Estate Tips

1. When you renovate a property, get multiple bids from several contractors. Prepare a set of bidding instructions with a detailed scope of work — a start and finish date so you can compare bids effectively.

2. Do a thorough title search before you buy a property to make sure that you get clear title free of outstanding liens or other encumbrances.

3. Before you buy a previously owned property, call the local utility companies to try to get historical gas, electrical, and water usage info. This will help you more accurately predict your operating expenses.

4. If you choose to hire a property management company to manage your real estate, make sure you require the individual or company to sign a written agreement that spells out roles, responsibilities, and payment terms.