**PPN Super Event Session 3\_Transcription**

[Rachel Davis] (0:02 - 1:56)

Ladies and gentlemen, we have got to get you to take your seats, please make your way into the room and take your seats. Ladies and gents, it's time to take your seats, please finish up your conversations. Get yourselves in the room, finish your drinks, it's time to take your seats.

Ladies and gentlemen, please take your seats now, make your way into the room. We're going to be starting the next session in 60 seconds time. Please take your seats, everyone.

Final warning, please take your seats.

[Speaker 10] (2:35 - 2:51)

Ladies and gentlemen, property entrepreneurs, please clap your hands and give a huge round of applause. And welcome to the stage, Rachel Davies.

[Rachel Davis] (3:06 - 4:23)

Lovely, thank you, Grant. You're my number one fan. Everyone sit down, take your seats.

What happened to on time is late. Be early. Right, sit down, everybody.

Settle down. Can I have your attention, please? Everyone's all making friends, mingling.

Who's been networking today, speaking to people they don't know? Oh, brilliant. Look at that, you're experts.

Fantastic. Did you have a good lunch? Yeah, did you have a good lunch?

All right, listen, I feel like it might be, this might be the time where we've got a little bit of a lull. Yeah, so I think it's time to play a little game. Who's up for a little game?

Oh, what? There's definitely time for a game. Can everyone stand up, please?

Stand up. Everyone on your feet. We're going to play a game.

It's called, we're going to do it for just a minute. It's really quick. It's called, I want you to turn to your partner next to you.

Find a partner, turn to partner next to you. And you're thinking, what am I going to say? And I want you to ask them, I want you to ask them, do you like it hard or soft?

Because I want you to give them a massage. It's massage time, people.

[Speaker 13] (4:25 - 4:46)

Massage, that's it. That's it. Drop over, drop over, drop over.

[Rachel Davis] (4:50 - 6:20)

Virtual, give yourselves a massage. Come on, virtual. That's it, right.

Everyone can stop now. Thank you. Sit yourselves down.

Settle down now. Shh, can I have your attention, please? I know that was very exciting.

Touching people you've probably not touched before, but hey, let's not get into that. Right, it's nearly time. Thank you very much.

That really works. It's amazing. So it's almost time to get into the next section, which you are going to absolutely love because it's all about the ultimate thing that you want on Property Entrepreneur, which is what we play this game for, is financial security.

But we're going to get on to living off the steam very shortly. But before we do, I just wanted to go back to the community. Shiv gave you a really good idea of what this community is all about and the values that we embrace.

And it's not just a home of high performers. We are more than the sum of our parts because we also give back to the community. One of Property Entrepreneur's mission is to help improve the mental health and wellbeing of entrepreneurs.

And the way that we do this is through Get Up and Give Back. And I just want to let you watch this video about what we've done in 2024 for raising money for charity and giving back. Here you go.

[Speaker 7] (6:31 - 7:53)

So tonight we're at the Belfry and we're celebrating not only the fifth birthday of Get Up Give Back, but also the completion of this year's Cardio vs Cancer campaign. Cancer is something that will affect one in two people in the UK in the coming years. So we took you this year to not only support the mental and physical wellbeing of our Property Entrepreneur's community and associated businesses, but also to raise awareness and a huge amount of funds.

We're so very happy to be raising cheques this evening to the five fabulous charities, Shadesmiles, Shine Cancer Support, the Sutton Cancer Support Centre, the Eve Appeal and You Care, who are fighting their own battles against cancer in the UK today. I'm humbly proud to tell you we've actually beaten our £125,000 target. We're so very grateful to everyone who's donated, supported, contributed, shared and made this journey so much easier for everyone concerned, but most importantly, raised that critical awareness and funds for those cancer charities.

So thank you, thank you, thank you.

[Rachel Davis] (8:16 - 8:35)

That was fantastic, wasn't it? That is what we can achieve as a group of loyal supporters. It's absolutely incredible.

All of you who took part in 2024, including myself, it's a massive privilege to do it with you and I loved every minute of it. So thank you so much. And Dan, thank you so much for everything you do to get up and give back.

[Speaker 13] (8:36 - 8:36)

Yeah.

[Rachel Davis] (8:39 - 12:39)

Okay. It's just, especially for you. Oh, wait, is she here?

Where's Rosanna? Rosanna, give it up to Rosanna. Sorry, Rosanna.

I haven't seen you all day. Thank you so much. Thank you for correcting me there, Adam.

Right. So that's what we can achieve together and we've got that opportunity for you to look forward to next year. So that's something to look forward to in the Property Entrepreneur Calendar.

And I just want to move on to another event in the Property Entrepreneur Calendar and this is Supper Club. Now, for those on the programme, you will not have been introduced to this yet, but we know from experience, particularly with looking at how successful the masterminds have been over the last couple of years, that small communities or small groups of like-minded entrepreneurs, they can come together, they can push each other forward and they can make real inroads into the success that they want by the end of the year. If you want to level up this time next year, then taking part in a small-minded community, group of people, can really help you go the distance and that's what this is all about.

Because that's where the magic happens, isn't it? It's when you see those step changes coming and you realise you're sitting here 12 months on, being blown away by what you've achieved, that's what you want. But to get you there, things like Supper Club, things like mastermind, these really work for you.

Now, with masterminds, unfortunately, they're sold out. So we've got the masterminders in the room here, we've got Josh's and we've got Adam's and there are no seats left available. So what we wanted was for the rest of the people who didn't get a chance to get a seat and those people on the programme, we wanted to be able to give you something that was similar and this is what Supper Club is.

Just to give you a bit of an insight into what it is, it's a roundtable on an evening, so you will come to it on a Monday evening, the day before the Property Entrepreneur Programme event. It starts about 6.30 in the evening and it finishes around 9.30. Apparently, Adam said there's no drinking, but I don't know. But maybe you'll be allowed a drink.

So it's a roundtable where you sit with like-minded entrepreneurs in this community and you come with a problem and you leave with a solution and you discuss it over a five-star, three-course dinner. Sound good? Yeah, sounds really good, right?

And the results speak for themselves. We've seen masterminders flying in the last year or two. They've done absolutely phenomenal and this is your opportunity to do something similar with a similar like-minded group and it's at a fraction of the cost, I might add.

So this is Josh doing one of the Supper Clubs from last year. Lots of people there. Who here, incidentally, has been to a Supper Club before?

Put on advanced, look around the room, see how many people. How many have done more than one? Yeah, quite a few of you.

Absolutely. And people come back for more. There are six in the calendar.

These get snapped up really quickly. So if you look in your workbooks, you'll see there's a QR code and you can book onto these. So what we've got here is you can come to one only event.

This is the price on here. If you bring in a partner, it's absolutely fantastic. You can bring that partner for a discount or you can buy three slots on a Supper Club or you can buy six slots on a Supper Club and do all three.

These get booked up really fast. If you want to help yourself go the distance, execute at a higher level, the opportunity is this. You can bring the problem to the Supper Club.

It might be a problem. It could be you might want to sound out an idea, sound out your strategy. It's the finalists from last year's end of year presentations.

Most of them had been on the Supper Club the night before and done their presentations. So it just gives you an opportunity to sound things out. Christine, you've got a question?

All of them. All of them. Yeah, there you go.

All of them who were at the Supper Club ended up on the stage. So that's something else. So if you want to do this, then please book onto it.

It's in the QR codes in the workbook. So it's now time to get onto the next session. But before we do, I think Adam's got a really special announcement.

So let's bring him back on the stage. Adam, come back on the stage. Thank you.

[Speaker 13] (12:47 - 12:47)

Thank you.

[Shiv Haria] (12:51 - 16:03)

Yes, thank you, Rachel. Supper Club, all right. A lot of people put their hands up.

Honestly, if you are on the programme and you're looking to take things to the next level, you want to get that more in-depth support, why not come the night before and actually make a night of it? You know, enjoy yourself, get here early, enjoy the hotel. You can enjoy the hotel all day.

You can do a night's masterminding effectively at Supper Club and then be ready for the next day. It's really high value. Rachel's not joking.

Five out of the six finalists at this year's finals had done Supper Club the night before. And at the night before the awards day, you do your presentation and get feedback. And it's no surprise that those people that are regular attendees at Supper Club do well win the awards.

So like, honestly, some people call it therapy, like a little bit of entrepreneur's therapy, like coming to a dinner and actually like, you know, spilling the beans on what's going on and feeling supported. So I'm very passionate about it. And if you consider that the mastermind is £12,000 for the year, and for £100 if you buy six, you can have a good part of that.

You know, we're basically giving it away to try and encourage those people who actually want to get more to have it. So it should be an absolute no-brainer. It always sells out, always.

And when it sells out, we often have to try and put on new dates. So be the first to get it, secure your seats, and it'll be one of the team that's hosting it. Myself, Josh, Rachel, you know, so we'll mix it up.

So look forward to seeing you at Supper Club soon. With regards to the next session then, so living off the steam, the financial fortress blueprint. I shared this at lunch, and I've shared this to a few of our entrepreneurs, the entrepreneurs who've come on the track with us.

It took us a while, but we've really realised that this is what it's all about. I said it at the beginning of today. This is what everybody wants.

If you don't want this, you're probably in the wrong room. At the end of the day, we want financial fortress, we want security, we want independence, and now it's actually at the super event for the very first time. But we don't normally teach this at the super event.

It's normally a small part of advanced, and obviously we have the separate training to actually get it done for you, but now we've brought it back into the super event to actually show you what we do on that extra course. And we realised that this really is it. If you achieve this, like Josh has, like I have, like Dan has, other people have, then the whole game changes.

And so to commemorate that, we have actually created a new Living Off the Steam Award. Now, Chris Moss was the first person to get this Living Off the Steam Award. Rosie, Chris, let's give Chris a big hand.

Well done. So yeah, this is a big deal. This is a massive deal.

We want to commemorate it. We want you to have this, have pride of place in your home as the significant milestone in your entrepreneur's journey. So he was the first person to get the award, but I do have some more awards to give out now.

So we're going to congratulate some new people into the Living Off the Steam Hall of Fame. Dan, would you mind joining me at the front? Because this is very important.

We want to get some new people with Living Off the Steam onto the stage. So here you go. Do you mind holding it?

Sorry, sir.

[Adam Goff] (16:03 - 16:04)

Thank you very much.

[Shiv Haria] (16:04 - 18:12)

Debbie McGee, everyone. Big hand for Debbie McGee. That's it.

I'm getting the sack. I don't know why I said that. Honestly, someone shut me up.

So yes, this award obviously is the Living Off the Steam, the top of the mountain, the well-done award for absolutely nailing it. It doesn't happen overnight. This is often decades in business, and this person has had decades in business.

In fact, he's the reason I spent all my student loan in the first three weeks of Freshers Week. I had hangovers at uni because his first business was a nightclub business. He was in the nightclub business for over 20 years.

He's got a successful property portfolio. He's been a pin host, and he's in support of Living Space as well. Ladies and gents, he's a former board member.

He's the leader of Get Up and Give Back. It gives me great pleasure to present the Living Off the Steam Award to Mr. Dan Norman. Dan, would you make your way to the front?

Well done, sir. Well done. Very good job.

There you go. Well done, Dan. Congratulations, mate.

That's awesome. Well done, Ben. Congratulations.

There is one more person I'd like to also present this award to today. So I've already shared some details about him. You know, he really has gone from, you know, honestly, driving a Vauxhall Corsa and making a few thousand pounds a year to being a millionaire, living off the steam, having a successful business he runs in less than a day a week with a team of 15, built a fantastic reputation, is one of the nicest guys you'll ever meet.

He absolutely encompasses our blueprints, and I'm so happy he's now part of the property entrepreneur team. Ladies and gents, financial fortress complete, living off the steam, Mr. Shiv Harian. Let's give him a big round of applause, please.

[Adam Goff] (18:24 - 18:27)

Thank you very much.

[Speaker 13] (18:28 - 18:28)

Congratulations, man.

[Shiv Haria] (18:28 - 18:28)

Appreciate it.

[Speaker 13] (18:29 - 18:29)

Thank you, mate.

[Shiv Haria] (18:30 - 18:43)

Well done, mate. Appreciate you. Well done.

Good job. Well done, Shiv. Give another big hand.

Well done, Shiv. Thank you, Dan.

[Speaker 7] (18:45 - 18:46)

Whoa, that's nice.

[Shiv Haria] (18:47 - 19:53)

That's awesome. Well, you know, we want all of you to achieve that. It's literally what we are here for.

Honest to God, that's what we want. So we want... Does everyone want to do this?

Yes? Absolutely good. You're in the right place.

So that is it. This is it, living off the steam. If you think, by the way, that you have completed it and you would like to apply for one of these awards, then we have emailed you or put in the WhatsApp group, the living off the steam scorecard.

So if you think you are there, then complete this scorecard if you've not done it already. And that will tell us whether you think you've done it or not. And then there's an application process.

And Josh, our FD, will get into the detail. So there's no pulling the wool over our eyes. And we will approve your award.

And we will gladly present you. It will be our privilege and honour to give you that award. So when you're there, or anyway, do this scorecard and then keep doing it every year to see how much closer you're getting.

Did you enjoy that, ladies and gents? Yeah. Fantastic.

Okay, ladies and gents, to give us a little bit of insight before we go into the full living off the steam blueprint, ladies and gents, I'd like to welcome back to the stage Mr. Daniel Hill, ladies and gents.

[Speaker 13] (19:53 - 19:54)

Let's give him a big hand.

[Adam Goff] (20:02 - 32:46)

For the next 10 minutes or so, what I want to take you through is the highest level of the blueprint. So I alluded earlier, I've spent the last 20 years working, the last 12 years trying to become a chairman, and the last four years trying to actually enjoy the fruits of my labour and get out of the business for the final time and have zero executive roles. Bearing in mind, I've started, scaled, bought and sold over 40 companies, that wasn't without its challenges.

But having now achieved it, I've blueprinted it. And the board level, so we did some restructuring with the programmes this year, and the board level really is now the top level. So this blueprint won't be for all of you, and I will be through it in 10 minutes, but I just want to show you what it looks like at the top level.

And for those of you that are heading on this direction, this is what you're aiming for. So here in this room is on property entrepreneur because they want to make more money. Cool.

Well, there's a bit of a trick question. I'm sorry. Thankfully, you all put your hands up, so don't feel silly.

Everybody thinks they want to make more money. And this is a trap I fell into building a big national company. The reality is you don't want to make lots of money.

You actually want to own lots of assets. And this is the ultimate aim of the game is to own lots of assets, work hard, earn once, buy assets, and then live off the steam forever. This really is the aim of the game.

Make the money, invest the money, and then buy back your time. And on the board, there's the three levels that you guys are all familiar with, but then there's also a fourth. And what you'll find is once you've made your money, over a period of time, you'll get to a point where you actually need to change tact and shift gears because actually, if you're going to have a life by design and you're not going to be caught in the rat race the whole time, the fourth level, after you've done cash flow, profit, and asset, is actually time.

Because ultimately, that's all we have. We're here once, it's going to fly by, you want to enjoy it. And this is the blueprint I've built for the board members to get them up to this level.

So I shared earlier, I met my hero 12 years ago for the chairman role, Les May. He was the chairman of TIX UK, huge national company that works on specialist railways, very lucrative, made a million quid a year, working one day a week. And this is what we went on.

When I had him around, so I met him 12 years ago, we've been in business for 10 years, and we've just celebrated our 10th year in business at the hall over dinner last month. And when we went, we had a couple of glasses of wine, went for a walk up the garden, and I'd finally exited all the companies, no executive involvement at all, just at the chairman level. And as I said in my end of year presentation, I said to him, I've got all this time now, do you think I should go into building portfolios, or do you think I should go into new build property?

And what he said was, he said, Dan, you've been working this for over a decade. He says, all you need in life is two things. You need time, and you need money.

He says, now you've got both, don't mess it up. And I just thought, ah, right, I need to create this space, I need to enjoy the role, and I need to actually find out what this is. So what I did from the wisdom I had from Les, the journey I've been on over the last 12 years, and everything I've learned to get to the chairman role, for those of you that want to go to that top level, one day a month, minimum seven figures a year, this is the blueprint that I used, and I'm now teaching the board members.

So there's a copy of this in your workbook, I'm going to take you through at the highest level so you're aware of it, and there's three pillars to it. So the first is about money. We can all say, yeah, you need to have a good work-life balance, you need to enjoy your life.

The reality is, it's a lot easier to do that once you've actually made money. So step one is to make the money. Once you've made your money, then you buy back your time.

If you get stuck in level one, just keep making more and more money, you'll actually have less time. As soon as you've got money, the only people who spend their time in their business are the people who don't have money. You spend your time because you don't have money, you earn the money, and then you use the money to buy back your time, that's level two, or phase two.

And then phase three is, once you've got money and you've got time, you then work on your life by design. And this is one of the biggest challenges I had, to shift gears, rewire my brain, and get into this next position. So I'll take you through money first, and what you've got to do initially, there's three phases to building a financial fortress.

The first is to figure out how to earn money. So build a business that's genuinely making 20, 30, 40% net and kicking out ideally 300,000 to 500,000 cash, profit, surplus after drawings. That really is the first level you want to get to if you want to go on this journey.

Once you've got that, you've got that surplus, you then start to establish your wealth, because making money is just profit and loss. Establishing wealth is buying assets that go on your blueprint, and this is basically building your financial fortress. And Josh will take you start to finish through that in the next session.

And then once you've established your assets and built your financial fortress, the hardest bit, at least I found recently, is to actually enjoy it. Enjoy not being stressed. Enjoy not being busy.

Enjoy not being a million miles an hour and actually get off the roller coaster, off the Ferris wheel, and actually enjoy this life that we've all been gifted. So to take you through money first, it'd be good for you to understand where you are on this wealth creation journey. So out of 10, what you can do is you can score yourself.

Are you in one, two, or three, where you're just trying to earn money? You're in that space where you're just starting the business, trying to get the margin up, get the cost down, and you're trying to get to, if you're not making three to 500 grand a year, you're in this sort of space here. Once you've made your money and you're kicking out hundreds of thousands of pounds a year, you then need to start buying assets.

And if you're in that space, you're starting to build that portfolio, you would be a four, five, or six. And then once you've built that portfolio and the money that's coming from your assets is replacing the money you used to make from running around doing activity, you're then in the process of enjoying it, which is as hard as any of the other levels, ironically, which is seven, eight, nine, and 10. So after today, if you're into this sort of stuff, just try and think where you are on that journey, one to 10, and where you want to get to in the next 12 months.

And then these are the steps. So for money, there's three. The first is you need to build a financial fortress that covers 100% of your living expenses, and then you will live off the steam, you'll win the award, and that's the first step of becoming a chairman.

The second, chairman, chairwoman, chairperson, chair, non-exec director, it all falls into the same category. Second is it needs to be highly lucrative. So if you are financially independent, but you still want to own businesses, I still own lots of businesses, at chairman level, it's not worth owning them unless they make a minimum of a million pounds a year.

Because if you're going to exit, you're going to need to pay an MD, and if you're paying an MD multiple six figures, you might as well be making seven. So you need to be lucrative, the business needs to be making seven figures a year. And then finally, you need to be highly liquid.

One of the reasons I've made so much money through the last three recessions is because I've always had money around me, and you need to have a minimum of six to 12 months working capital requirement around you, which basically means we could wake up tomorrow, there's another lockdown, the economy stops, and for the next six to 12 months, you, your businesses, your team, can afford to live, nothing changes, and you've got plenty of breathing space.

That's the money sorted. Once you've got the money pillar sorted, which is step one, which is where the majority of you guys will be, don't just turn up and make more money, you then want to start buying back your time. And the way you do this is at chairman level, you only ever want a maximum of two people reporting to you.

The first is a managing director, and the second who runs your company, and the second is an executive assistant who runs your portfolio, stocks, shares, businesses, assets, things like that. Next is a clear calendar, and this will be very alien for a lot of you, myself included. My calendar, I showed it to the board next week, for the next month has nothing in it apart from board meetings.

It doesn't mean I'm not doing anything. Every day I wake up, I've got a million things that I want to do, but I don't have to do anything. If I want to go for a spa for a day, go for a walk, whatever, go play snooker, I don't have any commitments apart from board meetings.

And then finally is you need to have full freedom. So freedom of choice, which means you can wake up every day, do whatever you want, and freedom of location. You can work from anywhere in the world.

So you make your money, you buy back your time, and then you've got the luxury of figuring out your life by design. And this is all about life is short, there's lots to do, adventure, challenges, and experiences. The second is you're not going to want to not work.

Having your feet rubbed and grapes fed to you, not what wears off, especially if it's Adam doing the feeding of the grapes, wears off pretty quick. You're going to need to do something. So it'll be your passion, it'll be a purpose, or it'll be a legacy piece.

Something that you still want to be driven and you want to grow and do stuff. You don't have to do it just to make money, that's the beginning level. And then finally is making sure you're actually creating an environment, an opportunity and space to spend time with your friends, your family, and actually enjoying your life by design, having some fun while you do it.

So these are the three pillars, and then once you're there at the chairman level, the only thing you need to do to maintain it is three things. As a non-exec or chairman, the first is the business plan. Be very actively involved in, oh sorry, pre-money, where you've not made your money yet, you're going to be wired for, optimised for growth.

Productivity, million miles an hour, beast mode. After that, post-money, you're going to have to unwind all of that. Get rid of your work ethic, get rid of your drive, increase your self-worth, and just really sort of rewire your brain, which is very, very difficult.

Probably the biggest challenge that I had. Otherwise, the middle is you get stuck in purgatory. You're already making a million quid a year and you think you want to make two.

Make two and you want to make four. Ask anyone how much they want to make and it's normally twice what they're making now. That is purgatory, it's hell.

It's running on the hamster wheel. That is not life by design. And the three things you need at chairman level is underpinned by health and wellbeing.

You need to look after yourself. Business plan. I'm still very actively involved in all of the companies that I have, the managing directors that run them.

I'm still very engaged in creating that plan because I add value there. The second is once they're off delivering the plan, all you really care about is the budget and actual. Every month, your P&L, your balance sheet, your management accounts, how are they actually doing?

And then the third is your board meeting. A good solid board pack, well prepared, read it in advance of attending and then a good solid 90 minute, maybe a little bit longer for some of you, board meeting once a month to keep an eye on things. So this is the chairman blueprint.

Like I say, it's not, yeah, you're welcome to take a picture. It's not for everybody. Hopefully it inspires you to let you know what is possible.

As I said about earlier, in sight, I've done this. Les, my business partner's done it. My next door neighbor's done it.

They all bought the hall off. In sight, it's very achievable, but out of reach. You need to go through the program, advanced, supper club, mastermind, and then get to the board and everyone on the board is already at pillars two and three.

It exists, but you're gonna have to do some work to get there. Closing sentiment about wealth creation. And this is coming from a workaholic who did it for 20 years.

Income is what you earn. It means you work for it. When someone says, oh, I make 500 grand a year or a million quid a year, I don't necessarily look at that aspirationally.

I think that sounds like a lot of work. Income is what you work for. Assets are what you own, but time is all you have.

And at the minute, you're in a really fortunate position where you're young enough, you're healthy enough, you're driven enough. The economy is in a position where you can go and do this, but this window of opportunity for you is rapidly closing. And as we go into this next session, I want you to grasp it with both hands and understand if you're not focused on financial independence, wealth creation, and building a financial fortress, in my opinion, you are completely missing the point.

So without further ado, let's give a huge round of applause for Shiv Haria, who's gonna take us into the next session, ladies and gents.

[Speaker 5] (32:48 - 35:23)

♪ I feel like a millionaire, I feel like a millionaire ♪ ♪ Oh, honey, when she comes around ♪ ♪ Diggin' in, diggin' in, diggin' in, diggin' in, diggin' in ♪ That was probably a good song choice for this next section. So guys, whenever we source properties for clients, one of the questions we ask them all the time is, what are you looking to achieve by investing in property? And the one answer I get over and over again is financial freedom.

Who's had this answer before? Financial freedom. I say to them, what does financial freedom mean to you?

No idea. No one's got any idea what that means. And what we're trying to do, and we've heard this before, is we want to get to a place where our passive income from boring assets covers our living expenses.

That's what financial freedom means. Now, most entrepreneurs spend their years and spend their time building a business, reinvesting all the money, and all for a change in industry, a change in technology, or a change in the economy to take it all away, to wipe it all away. But at Property Entrepreneur, you know what we do?

We live off the steam. We're going to be creating a portfolio of boring assets to give us that passive income so we can live the life that we want, so we can only take on the clients that we want to take on. Who knows what we're talking about there?

We have clients sometimes that we go, oh, we probably shouldn't have taken them on, but we took them on because we needed the business. So we can pick the clients that we want to pick. We can take the pressure off ourselves to earn the money because we're now not earning the money to pay ourselves.

We're not earning the money so that we can eat. We're earning the money for fun. And there's a really good saying, is Kevin Edge in the house?

Kevin, you here? No? Kevin always had this saying, he said, done, then fun.

We're going to get this done, and once it's done, we can just have fun. All the stuff I now do is all fun. You saw me get that plaque because that's all done now.

So that pays me. So in order to do that, like I said, we're going to create this bunch of boring assets. These are all the properties that I have at the moment.

Really boring, singular assets, but they're all on leases. And because they're all on leases, they get paid every single month and we don't need to worry about those things. In order to teach us about that, we're going to...

Oh, sorry, this last bit as well. So you just saw me receive that award now, and they put this slide in to say living off the steam. That's when I achieved that.

And you guys are all going to be working to get to that place if you're not already. To tell us more about how we can live off the steam, I want you to put your hands together and give a warm welcome to your trainer and Mr. Ultimate FD himself, Josh Keegan.

[Speaker 11] (35:23 - 35:39)

Allow me to reintroduce myself. My name is Ho Ho, H to the O-V. I used to move snowflakes by the O-Z.

I guess even back then, you can call me CEO or the R-O-C. Ho, fresh out the frying pan into the fire.

[Josh Keegan] (35:39 - 1:08:56)

Thank you. You all good? Good day?

Before we get started, I've got to apologise. I've just got back from holiday and I know my tan might be quite distracting for a lot of you in the room with the light and stuff. You know, it's all natural.

Just got back from Greece. It is what it is. Let's move on.

Right, living off the steam. So, this is the aim of the game. To be in a place where we live off the steam.

And a profit entrepreneur, this is the top of the mountain. We want you all to get to a place where you are in a position like Shiv, like myself, where you have boring assets, unexciting single ads, unexciting HMOs on leases, whatever it may be, commercial property that pays you enough money every single month so if you stopped working, you'd be in a position to earn forever. That's the aim of the game, what we're trying to achieve.

And this really is the only game in town. And if you are super focused on your business, if you love going to work, that's absolutely great. If you love scaling your construction company or your lettering agency or your sourcing business, that's amazing.

But don't be foolish and don't think that is everything because business is a roulette wheel. You're playing roulette at the table and although we teach you the blueprints, although you're smart, you're sophisticated entrepreneurs, some of you have been in this for 10, 15, 20 years, however long it may be, it's still a gamble. COVID can happen.

Pandemics can happen. Markets can change. Blockbuster can just go out of business when it's been successful for 30, 40 years.

These things can change. You don't want to get caught up in that. In addition, we've all got health.

You know, in reality, you could get sick. A family member could get ill. Or maybe you just get to a point where you're just tired of doing it and you just don't want to do this anymore and you want to be in a position where you can pull the plug and go, you know what, I'm done, I'm finished.

I don't want to do this anymore. It's not fun anymore. I'm finished.

Who wants to be in that boat where they can just stop if they want to? Amazing. Most people in the room.

Financial independence is not an option. It's an obligation. Like you're in this room, so your aim of the game is not to decide whether you want to do this or not.

It's not, oh yeah, I might do that, I might not do it. It's an obligation as being part of this room and being part of this community and it's the biggest gift we can give you. If you achieve this and when you achieve this, this will fundamentally change your life and we all want to get to a place where you're fundamentally living off the steam.

Wealth is different. This is a different mindset. It is a different way of thinking.

I'll share some stories a bit later about some of the people we've had on Financial Fortress and some of the kind of revelations they've had but this is not rinsing every pound that you have. It's not literally flushing every bit of cash into the next property. The most juicy deal you can ever find.

It's not rinse and repeat. You keep rolling stuff up, keep paying stuff, be leveraged to the hills. That's not wealth.

We want to do that to get started, to acquire a portfolio, maybe get going and move very, very quickly but over time we're going to start to play a different game and wealth is far more strategic. It's a much higher level and that's what I want to share with you guys today. The concept of wealth is you're going to do the work.

It's going to be hard work. It's going to be hard graft. Sometimes it's not particularly enjoyable and it's just a slog.

However, you're going to do this work once and get paid forever and that's what wealth is all around. That is what you're looking to do and looking to achieve. Solar panels.

Imagine if you've been paying your electricity bill for years and years and years and one time you start to get smart. You think, you know what? I'm actually going to save up.

I'm going to spend whatever it costs to install some solar panels. You install the solar panels and you never have to pay for electricity ever again. This is what building a financial fortress is.

This is what living off the seam actually is. You do the work once. You do it in a way that you create boring sustainable assets that are going to pay you forever and you never have to lift a finger ever again.

There's a big difference between income from assets and income from activity. Income from assets is what we all want to achieve. We're still going to do our activity.

Myself, Dan, Adam, all the people, Chris Moss, all the people that have achieved this in the room. Dan Norman, you've achieved it but it's not like they're just stopping working and sitting. It sounds like Dan is.

But the rest of us, we're all still working. We enjoy what we do. We like to do this.

We like to be busy. We like to make income from activity but we've always got the income from the assets in our back pocket and that's super, super important. I managed to achieve this last year and honestly, it's not just about the actual return you're going to get from having this portfolio, being a great place to watch that compound over years and years and years and being a place where you have that income hit your account every month.

The weight just feels like it's lifted. Business becomes fun again, becomes enjoyable and you've just basically got your get out of jail free card just sitting there all of the time so when things go wrong, when bad things happen, when you get an unexpected legal dispute or a client that wants their money back or whatever it may be, it affects you far less because you've got the security. It's not life and death in the business anymore.

The business becomes a game and a game that you can actually play and that's what we want to get all of you guys to. There's three levels to this and there's three levels to living off the scene. So the first is survival.

So this is where you are just basically surviving. It's enough income for you to just live and be okay and some of you might actually go, you know what? I thought achieving living off the scene was going to take me 10, 15 years but you might do a lot like what Dan did and go, you know what?

I'm just going to cut all my lifestyle costs. So Dan sold everything, got rid of his penthouse, went and lived on a narrowboat and was literally spending about £750 a month. For some of you, if you did that, you'd probably be done with your living off the scene straight away.

So that's an option. You can reduce your expenses and just get to a place where there's no thrills but you're surviving. The level up from that is comfort.

So level two is comfort and this is where you maybe have your nice house, you have a nice car, you're comfortable, you're taking your holidays each year, taking the kids where, whatever it is you want to do and it's just a decent, very comfortable lifestyle. Some of you may just want to stop here. When Dan did this, he did it about £100 per annum.

When I did this, it was about £60 per annum. This is where I needed to be. Comfortable, very comfortable lifestyle.

I don't really want for anything else. In a nice place, nice house, nice car. The next level for some of you will be dream.

Just really going to the next level. It's buying the mansion, it's getting the Maserati, it's getting whatever it is you want, sitting on the driveway, it's doing five-star holidays, going to Dubai every other month, whatever it is that you want to do, whatever it is that floats your boat and really living that dream life style. For Dan, it's about 200k a year.

So he's in a place where he has more than 200k coming in from his financial fortress. That's how much his lifestyle actually costs him and that was the level that he went to there. So you might find you want to go to one of those levels.

So what I'm going to do first is, before we progress any further, I'm going to put some music on for a minute. What I want you guys to do is just write some numbers next to each of these three boxes. So what is your survival amount?

What do you need to just survive every single month? What do you need for comfort? And what do you need for your dream lifestyle?

We'll put some music on, I'll give you guys a minute. Three, two, one, off you go. We just had a question, is it net after tax?

It's just whatever you need into your personal bank account to fund your lifestyle. Okay, so hopefully, and you might need to spend a bit more time looking at this, you might need to do personal cash flow management and really get into the weeds of that blueprint and really work this stuff through. Hopefully, you've got an idea now of probably where you are and what you need to get to to your next level, whether that's survival, comfort, or your dream lifestyle.

Now, we're now going to share with you the financial fortress blueprint and the things you need to consider when you want to create this wealth. We've never shared this before, this is absolutely brand new, and it's a huge, huge level up, and there are five steps to actually achieving your financial fortress, and each of those steps has three elements that you need to complete within it. So I'm going to start going through and sharing those with you now.

So the five steps are strategy, assets, wealth, tax, and risk. So strategy, assets, wealth, tax, and risk. I'm going to kick off with strategy.

So to create significant wealth and to create a financial fortress, you need to get strategic. It's not going to work if you just keep turning up each day, buying whatever deal comes your way, and just keep buying, buying, buying. It's not going to work.

You need to take a step back, you need to get strategic, you work out how you're actually going to do this in practice. So the first part of your strategy is you need to know your numbers. You need to know what numbers you're actually striving towards and where you're actually trying to get to.

So we just did the exercise there. You're going to start with personal cash flow management. So what do you actually need to achieve financially in terms of your income?

Once you then got your income, whatever it may be, so for me it was £60,000 a year, I got to places like, well, what kind of return do I think I could realistically achieve with relatively safe and secure assets? So when I did this exercise, I was like, well, 6% seems very reasonable, maybe a bit low. We want to be very prudent when we're doing all this stuff.

So I put in 6% return that I was going to aim for in my portfolio. And then once you've got those two numbers, you can then work it backwards and you can get to your equity. So what equity do you need to have?

So equity being your net asset value, the difference between your assets and your liabilities, kicking off the steam you need to actually live. So for me, it was £60,000 per year, a 6% return from my financial fortress. And who can do the maths?

Million pound worth of equity, exactly. So that's what I was aiming for and that was the aim of the game. Those are my numbers.

So you want to start getting crystal clear on what those numbers actually are so you can set the target so you know what you want to get to in terms of achieving your financial fortress. Once you've done that, you need what's called a 60-second strategy. The hardest thing with financial planning, wealth management is to keep it super, super simple.

So you want to be in a place where within 60 seconds, you can reel off what it is you are looking to achieve. And it needs to be like an elevator pitch. Imagine you got in the elevator with somebody and you'd be able to tell them within 60 seconds before you actually get off the elevator what your wealth strategy is.

It shouldn't be complex, it should be simple, it should be straightforward. So for me, my strategy was achieve a million pounds worth of equity at 6% return, achieve £60,000 per year and I was going to do this through HMOs on supported living contracts over a five-year period. Simple.

60-second strategy done. That's all I needed. So if you might be single, might be commercial, whatever that's going to be, it should be simple enough so you can reel it off within 60 seconds and you know exactly what that's going to look like.

And then once you have that 60-second strategy, the third step is rules and returns. So you need to then have rules around sticking to that strategy. Sounds obvious, isn't it?

But we all get shiny penny, get attracted with all these great deals. And this is a great quote from Warren Buffett. The difference between successful people and really successful people is really successful people say no to almost everything.

So when you've decided you're only going to buy singlets with three bedrooms that generate you a minimum of £250 profit and a percentage return of 7% and you get offered one that's only going to give you 6%, you say no. You walk away because that wasn't your rule and return. And it's not just rules on the kind of deals you're going to buy.

You're going to have rules and returns about the wealth, how you're going to protect your wealth as well. For example, you might say, as part of my financial fortress, I will not give private loans to individuals. It's going to protect your wealth.

I will not use crowd property. By the way, not a dig. You should use crowd property.

It's great. We've got a good relationship. I don't know where that came from.

We've got a great relationship. Don't make that one of your rules, please. Get that from the recording.

Simon, here's that. But you need to make rules around how you're going to manage your wealth and protect your wealth. I will not have a certain amount more in my bank account because it's a risk that my team have access to.

Whatever it's going to be, what are your rules and returns? So we've done that. That's your strategy.

And then we're going to move on to assets. So how are you actually going to generate and get these assets into your financial fortress? So one of the things you're going to need is a group structure.

This is the first part of assets is to actually have a group structure. And this is where the financial fortress actually comes into play. So you want a structure where you can actually buy and acquire these assets.

Really, I've just seen you got your shoes off, Hema. You've shown me your feet then. That's lovely.

I've got some naked feet. I've got some naked feet. And Hema had her feet up and she was just showing me her lovely naked feet.

It was great. And it really, really threw me off. I was thinking...

They're really, really... So I don't know what to make of that. It's lovely.

Only a compliment, I'm sure. Right. Sorry.

Right, let's move on. It's that tan. It's all that sun.

It's all that sun that's gone to my head. So financial fortress. So what do we actually need?

We need to set up that group structure where we have a company that sits at the top. This is a holding company. This company sits at the top and moving forward, this company is going to own your other different companies under a group structure.

And then on the 28th of each month, all of your companies that sit below this company are going to pay up a dividend, a consultancy charge, whatever it may be. You basically extract money out of each of those different entities below that group company into your financial fortress every single month. Why do we do this?

It's taking money off the table and basically taking them out of those noisy companies down below. You might have an amazing building company, letter agency, sourcing business, whatever it may be, financial consultancy company, and you want to make sure that every single month, that pays you. You move the funds out of that business so it's not getting laid, there's not too much money in that bank account, and you move it up into that financial fortress.

And this is where your wealth is starting to accumulate because within that financial fortress group company at the top, you then might lend that down and create a company that's going to buy single lands or you might buy assets in that financial fortress company at the top. And you want to draw the money up. Really important you don't put money down, draw the money up into your financial fortress and then lend it down from your financial fortress if you need to.

The key sentiment here is the aim of the game is not to win the game, the aim of the game is to stay in the game. And just by staying in business for another month, you're having all these little standing orders, could be 50 pounds, could be 50,000 pounds, whatever it may be, it goes up to that financial fortress holding company at the top so your wealth keeps going up. So all this money and all these businesses below, it's not really yours, it's working capital, it's paid team members, all those different elements, it brings it up and it becomes your cash.

And by doing this, every single month you're going to get wealthier. So you just want to keep staying in business because every single month you stay in business, you're going to have all those standing orders that are going to come up again and you're going to get more and more wealthy. And this is the principle behind the financial fortress.

So that's the first step is you need a group structure, then you need an acquisitions strategy. And the whole element here is we all want to get deals, we all want to get actual deals into our fortress. So you need to decide how you're actually going to buy those deals.

So you might have the energy to be going out, viewing properties yourself, using property filter, scouring on Rightmove, whatever it is that you need to do, going to visit properties, sending landlord letters, doing deals and actually buying those properties yourself. That's what I did in the early days to build my portfolio. Or you might be in a place where your business is actually doing really well.

You hit a million quid, two million quid, whatever million pounds worth of revenue, you generate some significant chunks of cash and you know your time is worth a lot of money. So you might go, you know what, I'm going to find someone reliable, a sourcing company, a sourcing agent, someone that can find and buy these properties for me and do the heavy lifting for me. So all you've got to do is earn the cash and you can then pay those individuals to actually get this property portfolio for you.

The main thing is you need a strategy in place. You need to decide how you're actually going to do this in practice and how you do this at pace. And then you need a target tracker.

Like anything, like this is just a target. You're going to set your PCM, your personal cash flow management. You're going to set the percentage return.

You're going to set your equity. That's your target. You need to track yourself getting there.

You need to hold yourself accountable and create your tangible targets. So this is something that we share. This is part of the Financial Fortress dashboard, if you look at the way.

And it's very simple. It's basically just what is your targets at the top? What have you got so far?

And then what have you still got to go? And every time you acquire another asset, you acquire another HMO, which you put onto a long lease, another commercial property, another block of flats, a single let, whatever it may be, you just add it into this tracker. So you can see your progress as you go.

You can see how far you are for achieving the target that you set out to actually achieve. This isn't rocket science. But in reality, if you're not tracking this, if you're not keeping a track of your targets, you won't go very far very quickly.

The next step is then wealth. So think about your actual wealth. How are you going to accumulate it and how are you going to hold on to it?

So the first is your war chest. And we were chatting about this at Mastermind last night. This is all about having cash around you.

And you need to decide how much cash you're going to have around you. And I'll share something behind the scenes. It's quite personal.

I managed to achieve my living off the steam last year. But I did that no expenses spared. Every pound I had was going into paid off debt, acquiring new properties.

So my cash, my actual working capital around me was very low. And it was stressful because then a few things go wrong. All of a sudden, you're in a really difficult cash situation.

And I was like, this isn't what this was meant to feel like. Like, it was meant to feel great. I'm living off the steam.

So I spent six months accumulating more cash. I like batting down the hatches. You said, look, we're not spending anything.

Made more sales. All of a sudden, all the bank balances have gone up. And now it feels incredible.

Like a weight's been lifted. I feel comfortable. I feel safe.

I feel secure. And so although having cash in the bank, I used to think, well, it's just a waste to have it in the bank. It might as well be invested into something.

Wealth is more than just actually like a return. It's a feeling. And it's getting to a place where you can sleep soundly at night.

And that's where true wealth actually comes into play. So you want to think about your working capital. So for me, my personal cash flow, I need to have, or I've got six months as an absolute minimum of costs for my family.

Like for my personal drawings sitting in a bank account. It's safe. It's secure.

And I know things went really wrong. I got hit by a bus. I've got six months of cover for our family where we don't have to earn any money.

Your financial fortress. You know, if you've got mortgages to pay, you might have certain maintenance charges. You might have to pay for a roof every now and again, whatever it may be.

I've got that three months. I'm probably going to increase that to six months. The value of my mortgages and my monthly outgoings for my financial fortress.

And then trading business, like for me, a trading business, if it's like in the early days, particularly, I would just want this to be as high as possible. So I'm accumulating six months in my trading companies. And once again, it just means that if a client isn't, with trading businesses, you need the perfect storm.

Three or four clients don't pay. Somebody, I don't know, whatever you have a bad month, sales wise, team member wants a redundancy payout. It all happens at once.

All of a sudden you're in a different cash situation and that's stressful. So you want to be in a place where you've got the cash in there to cover all those different elements and monitor it. So I say having cash strategy is really important.

Set your targets and have your war chest set up so you're safe and secure. And next is your balance sheet. So most entrepreneurs don't really understand a balance sheet, unfortunately.

But it's one of the most important elements of wealth creation because it's the document or the statement that actually tracks your wealth. Like a balance sheet is your assets minus your liabilities. So it's a really important part of this.

Now what I'm asking you to do is to go on to Xero and look at your company balance sheet. That will give you some reference of your net wealth. But in reality, it's not going to be a true representation of what's actually going on because you're going to have all sorts of weird accounting adjustments on there, all sorts of non tangible stuff that isn't really a reference to your actual true wealth.

So what we do in Financial Fortress is we create our own Financial Fortress balance sheet which we look at and go, right, what are my Financial Fortress assets? Which could be cash, could be property, could be index funds, could be pensions. What are the actual Financial Fortress assets?

And these might be owned in your Financial Fortress company or might be owned by you personally. What are your liabilities associated with those assets? So it could be your mortgages, it could be any of the debts that you have associated with those assets.

And that's going to give you your equity or your net asset value. So the difference between the two is your net wealth. So when we talk about seven figure net wealth, it means we've got assets that are at least seven figures higher than your liabilities.

And that's your net wealth. You want to create that, you want to track that, and you want to be updating that every month. Dan does his on the first Saturday of every month.

I don't know why he insists on doing it on a Saturday morning, every month, because he says he loves it. You don't have to do that. You can do it on a Friday, you can do it Tuesday, get your bookkeeper, your accountant to do it.

Whatever it is you want to do, you can do this and keep it updated every single month. But it's really important, and we talk a lot about moving from P&L to balance sheet, but when we will start, it's all about P&L, the bottom line. When we get more advanced entrepreneurs, we start looking at the balance sheet and making that balance sheet more efficient and servicing debt and making things more efficient there.

And that's where the true wealth is actually created. Then the next is security and succession. So this is more kind of protecting and starting to think about, you know, if you did get ill, do you have critical illness cover?

Do you have private medical? Do you have key man insurance? You know, if you got sick and your family then had to look after your business or your portfolio for you.

This is, once again, it's a way of protecting what you've created. So it's really important you get that and put that in place. The next is tax.

So let's think about tax. So firstly is your drawings strategy. So how are you actually going to draw money from this fortress?

It's not how much you make, it's how much you keep. It's Robert Kiyosaki. It's not how much you make, it's how much you keep.

So we want to be in a place we've got an efficient drawing strategy, which means we're not overpaying from a tax perspective. No one likes paying or enjoys paying tax. The most efficient drawings, assuming you want to draw a fair chunk of money out of your company is without a doubt 50K plus expenses.

As soon as you get plus 50K plus expenses, that's where things get inefficient from a tax perspective. So wherever you can kind of stay at that level, that's a really great place to be nice and efficient. And you need to work out how you're actually going to do this in practice.

Are you going to use PAYE? Are you going to use dividends? Are you going to put expenses through your company?

And you can, you know, 50K might not sound like a lot for some of you. You might think, well, you know, my lifestyle is way more than that. But actually, when you start putting your electric car through your business, you know, you go on holiday and you meet a client out there, whatever it may be.

I didn't say that, but somebody might try that. You can probably get, there's quite a lot you can actually spend when you start playing the game, particularly as the businesses get bigger and you get more and more scope to kind of put stuff through. Then it's pension.

So you sit on your SaaS. A pension can be a very powerful mechanism because you can invest in a company pension. You can put £60,000 per year into that pension and that's fully tax deductible.

So if you think about the return you're already getting by saving yourself that incorporation tax, that's already like 20%, 25%, depending on what band you're in and what amount you're going to pay. That's phenomenal. So you're already getting a very chunky return because you're not having to pay the incorporation tax.

And you can do things that unallocated accounts. So you've got £60,000 a year, but you can put more in in one year. It still comes off your incorporation tax liability, but you can allocate it at a later date.

So real advanced stuff you can do here with pensions as well. And I think there's a lot of cynicism around pensions because there's a whole concept of, well, you know, you still have to pay tax when you draw it out at the back end. But in theory, you know, when you're in your 60s, wherever it's going to be, 65, whenever you can draw it, 67, hopefully your lifestyle expenses might be a little bit less.

Hopefully you don't have a mortgage to pay down anymore. You know, and generally, I think people calm down as they get to that age. So you might find that you're at a lower rate bracket at a later stage in life.

So actually it still becomes tax efficient to take it out there. Now pension rules and regulations can change all the time, but that's the kind of theory behind pensions. You can really minimize and offset your corporation tax, but also you can get to a place where you've created this separate asset that's being generated over a period of time, which is getting a nice, nice return.

You're getting that instant return by reducing your corporation tax bill. Then legacy planning. So starting to think about your legacy and what you're going to leave.

We need to think about this. We need to think what's going to happen with this portfolio and where it's actually going to go. So you want to think about things like life insurance.

You want to think about things like inheritance tax. You want to think about things like trust and making sure that all of these things pay out into a trust. And, you know, if you were to be in a place where you died, how much are you actually going to leave for your family?

How much of a tax liability are you going to leave to your family? And also, what is your, what's the situation? How much mortgages and how much liability are they actually going to have to work through when they take that from you?

I've got sorted for myself recently and like now, if I were to pass away, my family get incredibly wealthy actually. Like because all the mortgages get paid off, they do really well. Top tip is not to tell them.

Honestly, like since I, yeah, there's more toys being left on the stairs than before. I caught Harvey trying to put a hairdryer in the bath. I was like, I don't know.

Anyway, it might be just me being paranoid. But I'm very nervous now. But don't tell your family.

Like learn from my mistakes and experience. But definitely get it set up. Because once again, it's peace of mind.

It's being able to sleep soundly at night, being in a place where you actually know this is covered and you want to be in that place. And then finally, the fifth step is risk. So this is a huge part of wealth management.

And when we're going out, we're scaling these companies, we don't really care about the risks. Like we think, oh, you know, well, I didn't anyway. You know, I was like, you know, I want to buy this deal.

I don't have the cash. I need to take on this bridge and own this investor. I'm sure I'll just find a way to make it work.

But now I wouldn't dream of doing that because it's just too risky. And I don't want to bet the house anymore. So as you start to mature, you get to a place where risk, you have a lower appetite for risk.

So think about how you're actually going to de-risk your portfolio. And you can do this in three ways. You've got tenants, you've got terms, and you've got lenders.

So example, you may have a great little setup where you keep buying the same properties on the same streets. You keep using the same lender. You keep getting the same supported living provider or wherever it may be into that property.

And you're just scaling rapidly. It's absolutely brilliant. You can't believe it.

It's like, this is amazing. It's so easy. I know all the people.

I send a WhatsApp and it's done and dusted. Great. You're going to scale quickly.

Awesome. But it comes with a huge amount of risk. And at some point, you're going to need to look at that and go, well, I've now got 50 properties with this same provider.

I've now got 50 properties with this same bank. All of these leases end in five years in the same month. What happens if the provider goes bust?

Everything's gone. What happens if the bank decides to recall my mortgages or I have an issue with that bank or they decide to do something funny and banks do this stuff? Or what happens if all of those leases end and they don't want to renew in that same month?

It's risky. It's massively, massively risky. So as you start to scale, you want to diversify that risk and start thinking, right, well, I know I've got this tenant type and I know I've got this supported living provider.

But actually, I'd love to work with you again. This one's paying slightly less, but I'm going to work with them on this property. So I want to diversify my risk.

This one's paying even less, but I want to diversify and work with them on that property. And you may start to sacrifice returns to reduce your risk. I said, this is wealth.

This is not about getting every pound and every penny out of every single bit of equity you own. This is about wealth management. It's about long-term sustainable and security.

You might go for a lender that's slightly higher rate, but you've now got two lenders that you're working with across your portfolio as opposed to just one lender that can hold you to ransom. Once again, it's a different way of thinking. The leverage.

What do people generally think is a good leverage level for their portfolio? So put your hand up and just keep it up if you... Yeah, put your hand up at like, say, 30%.

Hold up. Who thinks that's a good level? 40%, 50%, 60%, 70%, 80%, 100%.

No, cool. So this is like a hot topic and this is going to cause a bit of controversy in the room potentially. And it's all about gearing.

It's like, how much debt do you actually have on your portfolio? How much debt do you actually have? Now, my gearing is around 40%, 45%, 50%.

It depends on how the properties would get valued off, so I don't know the full answer. But around 40%, 45%. And I've never really done much of the refinancing and the commercial valuations, et cetera.

I never did much of that. I was earning the money and paid off the investors. Hard at the time, but I'm grateful I've done that now I've done it.

Dan's is ridiculous. It's something like 20%, 30%. It's very, very low.

Now, you want to be in a position where you can sleep soundly at night. You can be comfortable knowing your gearing is at a very comfortable and very, very sustainable level. And this will come down to preference.

And when you get going, it's all about maximising those returns. So you're going to want to leverage to the heel, 70%, 75%. It's the cheapest money I could possibly have.

Why on earth would I not take all this money out and buy another deal, buy another property? Why would I not do that? Like, why would I not?

But over time, you may want to start shifting. Start thinking, yeah, I could do that. But now I'm in a place where if the property value has dropped and I'm retired, the bank could try and recall all these mortgages.

My loan to value has been breached. You start thinking, what level of giving do I actually feel comfortable with? We had Simon Zucci that came on the Financial Fortress course over a six week period.

And like, I wouldn't say got heated, but some of you there, it's like there was like a debate between myself and him about what kind of level we should have. And he was very much a no. It needs to be like, why would you do that?

75%, you know, refinance your house. They take every penny out. Well, why on earth would you not do that?

And we kind of left it. And two weeks later, he came back and said, I've actually been thinking about it. And actually, it makes a lot of sense.

I'm going to start paying out some mortgages. And he said it. And it's like, the reason why is because wealth is a different game.

Like, creating wealth is not just about juicing every penny, every pound. I keep saying it, but it's about being in a place where you actually can sleep soundly at night. It's a different way of thinking.

It's a different mindset. And there's always the debate. We've had it on the board a number of times, where some people say, why on earth would you ever pay off your home mortgage?

Why on earth would you ever do that? So you've got to take all that money out into your personal. Then pay off.

That is the stupidest thing you could ever do. Whereas some of the guys on the board, some of the very, very wealthy, very successful guys go, I wouldn't dream of having a mortgage on my own home. Because I know that no one could ever take the house.

So once again, it's a different way of thinking. So you need to think about the leverage that you want to operate at as an entrepreneur. And you might find you're building a financial fortress.

You want to go at scale. You want to do it quickly. You're going to stay at 70, 85%, whatever it may be.

But over time, you might want to consider bringing some back down so you feel more comfortable, and you can start to de-risk and de-leverage. And this is the final step. This takes a while to get to this point.

And then finally, diversification. So if you're in a place, as I said before, you own all these houses. They're exactly the same.

Exactly the same market. Exactly the same letting agency. Exactly the same street.

There's risk there. I would say, if you've now built a portfolio of 10 single lets, start thinking about some commercial properties. Start thinking about a block of flats.

Start thinking about a HMO on a commercial, on a supported living lease, or something different. Because you want to make sure you've got that kind of risk profile mix. When you do investing in stocks and shares, they'll teach you it's all about diversification.

Don't keep buying the same stock in the same industry. But all you're going to do is expose yourself to that stock in that industry. Find other industries, different countries, different markets, higher risk, lower risk, and mix it.

Because that's where you're going to have the long-term sustainable wealth creation and development. So that is risk. I've got a few more points.

Anyone got any questions before we move on? None? Yeah, go for it.

Can we have the mic for Kat, please? Oh, sorry. I'll come to you, Kat.

I don't want to restrain it. Ready?

[Speaker 12] (1:08:59 - 1:09:10)

Hiya. Just your thoughts on using a SaaS as part of that. Where does it fit alongside all those companies, the holding company, and its opportunity for commercial property?

[Josh Keegan] (1:09:11 - 1:10:09)

Yeah. So once again, it's like, do you want to, is it a good idea to take your pension, which is growing for you, and then put that into an asset, which is arguably a relatively risky thing to do? I think if you're going to put in commercial property and you're going to do it sensibly, it could be a good idea.

But you want to take a view and go, right, my pension is this. I can buy this property with my SaaS. And you can decide if you think it's worth risking that very low risk, very low return pension that's going to be there for you when you retire, pretty much guaranteed, versus kind of almost betting the house and putting in a property.

There's a lot of tax benefits to doing it. So it could be something you consider. But I think you need to think about that and get quite strategic on it if you decide to do it or not.

That makes sense. Yeah, go for it, Matt. Can you pass it back, please, Kat?

Matt, behind you. Good-looking man at the back. He's got broad shoulders.

Broad shoulders. Oh!

[Speaker 13] (1:10:12 - 1:10:13)

Are you okay?

[Speaker 8] (1:10:15 - 1:11:03)

Lucky it's soft. So yeah, doing my own personal cash flow management to get to the point where I know my figure for living off the steam. And I've understood my assets.

I've understood my income. But over time, my portfolio will change in terms of the value to do with the interest rates, et cetera, et cetera. So have you got a number or a percentage that you would recommend for us to achieve above what we know our personal cash flow, our lifestyle, our holidays, et cetera, is to make sure that we kind of keep ourselves...

Because the goal is really to be in your position. So you're retired. You don't have to worry about anything.

I don't need to go back to work again. I know what my figure is. I know what my income is.

But in five years' time, my interest rates will change.

[Speaker 13] (1:11:04 - 1:11:04)

Yeah.

[Speaker 8] (1:11:04 - 1:11:09)

So I always know as long as I'm 20% above what my living off the steam value is, I'm going to be safe.

[Josh Keegan] (1:11:10 - 1:12:14)

Yeah, this is like an annual exercise, really. I mean, like every single year, you should be checking in on this and going, right, where am I now? Against where I said I was going to be, what do I now need?

And is there a bridge or is there a gap? I think you should try and get to a place where actually you feel very comfortable on the level you've got. So for example, I know you've got a great lifestyle.

You might need three grand a month, five grand a month, single, no kids. I don't know if you're still single. Yes.

Yeah, cool. Single and no kids. I don't know if you've got any kids yet.

Single, no kids. And you might find that when you get a family, you know that's going to change. So you might look at, well, what's my...

Right now, this is my survival. This is my comfort. But I know my dream is to have two kids, a house in suburban London, wherever it's going to be.

I know that's 10. So you still get your comfort sorted now, your survival sorted now, but you can have the aspiration to get towards that dream. So I know, for example, I think I'm going to have to send my kids for...

start to pay for education when my kids get to secondary school. And I know how far that is. So I'm thinking about those next steps and how I'm going to bridge the gap to actually get there.

[Speaker 8] (1:12:16 - 1:12:19)

So it's different levels of lifting off the steam, depending on where you are in your life.

[Josh Keegan] (1:12:19 - 1:13:03)

Exactly. So remember level one, level two, level three. Right now, I'd say, like, what is your comfort level one?

That's where I'd get to for you if I was you first. But then have in mind the dream. And you might go, you know, there's a few years gap there and all I need to do is buy two properties a year.

And I can just do that very steadily. Get to comfort as quick as you can. And then the dream is like, so you said anything, or if you really don't want to go for it, fine.

But if you've got... Now I've probably got... I know when kids go to secondary school, seven years or so.

So I've got to get there and I'm just going to buy a couple of single ads a year. And we'll be absolutely fine on that front. Nice.

Okay, one more question. And two more questions and we'll move on to a few more bits and pieces. So Chris and Katrina.

Chris has got... Whoa, bloody hell. Go on, Chris.

[Speaker 14] (1:13:04 - 1:13:12)

Just your take on diversification, would you say get there first and then diversify or diversify as you go?

[Josh Keegan] (1:13:13 - 1:13:55)

Yeah, so the whole concept of living off the steam is this is the first step. So the first thing for all of you to do is actually get to living off the steam. So it doesn't matter what you buy, as long as it's in that asset category, you know, buy all of the HMOs on the same street with the same lender on support living, that's absolutely fine.

But then when you want to actually achieve your financial fortress, which is like the wealth and the security, and build that moat around your fortress, that's step two, which is the stuff we talked about today, which is where you start considering diversification, cash in the bank, deleveraging. So once you've got to living off the steam, then this is the checklist you need to work through to start really bolstering up and really achieve that wealth and that peace of mind. Serena?

[Speaker 9] (1:13:55 - 1:14:20)

So I think you're implying that we shouldn't, this is about marketing against your own, taking equity out of your own home to build the business. I think I've heard Dan say don't melt the house and I think you're implying that as well. But at the beginning of a business, I'm just wondering if you think it's really very unwise to take money out of your own home to build a portfolio.

[Josh Keegan] (1:14:20 - 1:22:34)

I wouldn't say it's unwise. I think it's like, it just depends where you are in your journey. Like honestly, when I started out, I was a green spy prophecy.

I literally had no cash. I was raising any kind of investment I could find. I was putting money out left, right and centre to make it happen.

If I had my own house, I definitely would have taken money out. And that's fine. Like if you're at the start of that journey, that's absolutely cool.

And if you want to get commercial valuations that you know way over the valuation and just pull out 80, 90% and you can get away with that at this point, just go to town. But at some point, when you've achieved that living off the scene, you've got those assets, that's where you may flip and go, you know what, I'm not going to... One of your rules might be, I'm not going to bet the house.

Like that's too important. I'm not going to touch that. And to be fair, the people on the board that won't bet the house, have their mortgages paid off are the people that have gone through very difficult financial situations, bankruptcy, insolvency.

So they've learned the hard way. So that's why they won't touch it. And there's a lot of wisdom in that, I think.

So me now, I would never touch my mortgage. I think it's about 40%. I would never touch that.

I would never take any more out. I know I could buy another two properties. I know I could do this stuff.

I've just got no interest in risking that security when I've got two kids and I just don't want to do it. But take me back nine years ago, if I had 60% stake in this property and I could take four or 500 grand out, I would do it in a heartbeat. Which is where you are on your journey.

So there really is a window of opportunity with doing this. Who can see the value in doing this? Everyone in the room?

Yeah, absolutely. There's a window of opportunity and you want to make sure you start doing this while you're young enough, you're healthy enough and you're driven enough to actually make this happen. This is the first session of Property Entrepreneur.

You're all in this room, you're excited, you're geared up, you've got this accountability in this peer group to actually do this with this year and you've got the gusto, you've got the energy. There's a real risk you delay this. You wait two or three years, then you run out of steam, you run out of the energy, you get sick, you have a health issue, life gets in the way and it just never happens.

So you want to start this now. The best time to do this was yesterday. The second best time to actually start this journey is today.

And your financial fortress is the ultimate security and independence. This is what you need to give ultimate financial security, independence and what you need. And when Shiv's having those calls and people are saying financial freedom, I want financial freedom, this is actually what they want.

They want independence, they want security, they want to feel comfortable and safe and secure. And this is an obligation, this is not an option. You need to go away and you need to start thinking about doing this.

And it might take 10, 15, 20 years for some of you, but some of you will already have a portfolio like I did. You just restructure what you've already got and you can do it in six months to two years. You might take a hit, you might make slightly less money.

I don't want to make less money. But you've then banked this thing that you never have to worry about or touch again and you know this is your get out, jail free and it's there for you forever. So this is the living off the steam blueprint.

You should have already done the living off the steam scorecard and if you want to do it, I think it'd be your workbook. You scan the QR code so you can actually look at where you're up to already. It's how much income do you have from those assets.

And then we've got another scorecard you can do which is a financial fortress scorecard. So living off the steam is step one. It's getting to a place where you have enough income to cover your costs.

Financial fortress is then about wealth. This is just a different game, different mindset. This is working capital, rules and returns, 60 second strategy.

This is de-risking, de-leveraging, this is tax strategies, it's pensions, it's all those things I just shared with you today. There's a lot more levels to wealth than just getting to a place where you've got a portfolio that covers your income. So even if you think that you've nailed this and you've done living off the steam, you should do this because this is the scorecard that's going to tell you how safe and secure that wealth actually is for you for the long term, for the next one, three, five, 10 years.

So that's living off the steam. Now you've got two choices. We believe, this is the top of the mountain of property entrepreneurs, we believe each and every one of you in this room needs to get this done.

I think you can all agree, you just need to start doing this now because it's the most important element. If you think business is the thing you should be focusing on this year, yes, you should focus on business to make money, but you should think about what are you going to do with that money? It should all be getting ploughed into single debts, commercial property, things that are low risk, low return because this is your safe net and your get out free, jail free card.

So I've given you all the tools you need. You can take these, you can go it alone and you can put this stuff in place. You can go for all of these different elements, you can work it all out and get clarity on what your strategy actually needs to be and build your financial fortress.

But there's a real risk that you take this and you get two or three months down the line and all the excitement wanes, you get busy in your business, this is important, never urgent and all of a sudden you sit in actually and you've still not done it, you've still not made the headway, you've still not started your financial fortress. There's also an opportunity for actually to do this with us. So for some of you, this will be a great opportunity to actually do this course with us and we talked about it at the last event.

So we've got the financial fortress programme, it's a six week training programme with myself. It's a small group, there's 15 places only and what we do over those six weeks is we go through the framework in full. So every single element we've shared with you, we go inch wide, mile deep, we go in depth and detail and we actually work with you to actually implement this with you in your business, in your portfolio, in your structure, in your specific circumstances and to meet your specific needs.

The investment to do this is £5,500 plus VAT which is a no brainer for those of you that really want to go the distance and really want to make this stuff actually happen. These are the dates. So we've strategically structured it so the dates fit really nicely with Property Entrepreneur because we're going to start early December and the way this is going to work is you're going to be a couple of months into your strategy, a couple of months into your journals, you're going to get a real clarity of what you want to do next year and then to top it off, we're then going to dive into having your property strategy nailed by early January which is going to be a really important part for a lot of you for the year ahead. What do you get?

You get to complete your Financial Fortress blueprint. We'll actually do this with you, each and every one of these elements in detail, inch wide, mile deep. You will get the Financial Fortress dashboard.

So we share this with you. This is only shared at board level normally but this you'll get this, you can populate this, you can fill it all out and you get to a place where you've got all your numbers, all your metrics in one place. Get six mentoring sessions with myself, 90-minute sessions over a six-week period.

Six monthly homeworks. So you actually get to a place where your homework is done. You get the end of it and you've actually finished this work over a six-week period.

Private WhatsApp group. This is for the six weeks. I mean, honestly, I've still got the one open from the last and I'm still answering questions in there when people need it.

The private WhatsApp groups will help you, will support you, will guide you on the way and then we'll give you introduction to our black book. So when we've got advisors, we've got brokers, we've got consultants, solicitors, anyone you need to actually do this will introduce you to those people upon request. Criteria to do this, this is not for everybody, is this is only going to be high value for you if you're already making over 100k a year or you have a seven-figure net wealth already.

So there's no point in doing this if you're not in that level, you won't get the value from it but those people that are at that level, this is going to be very, very high value for each and every one of you. Now, we also offer a money-back guarantee. So if you do this with us, you commit to this six-week journey and you pay your £5,500 plus VAT, we'll offer you a money-back guarantee if you don't get 10 times return on your investment once you've implemented our blueprints.

It's likely that we're not going to run it like this again, there's been such a following for living off the steam externally, it's become like this huge community and we think this is going to go quite big next year. So this is probably going to be the last time we're going to do it in a really small group where you're going to get all the interaction, the attention from me and the face time you actually need to get this done because it's going to go bigger, it's going to scale and we're going to launch this to the open market on the 3rd of November. So it's going to go to the open market to everybody else outside of this room on the 3rd of November.

Who has done Financial Fortress already? Fair few. Claire, do you mind sharing your experience?

You've got a microphone for Claire? Can I, Matt, can I pass it? Go on, sorry Amit, go on Matt, just behind you.

[Speaker 6] (1:22:38 - 1:23:39)

Yeah, so when there isn't a fire or an emergency financially, it's very easy to put your head in the sand and everything's fine and what this helped us do is get absolute crystal clear on where we were on that journey and then adjust the strategy to fit to really make the six weeks turn into a six-year plan. And obviously, so we're business partners, we're husband and wife, it was completely no-brainer for us to do that together. So we did the homework together, we really dived into what does this look like for us as a family in our journey and now that dashboard is part of our, director's meeting, so we bring it up a few, it doesn't take long, just update it a few minutes and it allows us every week to be absolutely pinpoint on where we are and follow that progress and that journey.

[Josh Keegan] (1:23:40 - 1:23:46)

You guys got a very successful business, so it's helping you focus on that wealth whilst you're building that scale of the company, is it?

[Speaker 6] (1:23:47 - 1:24:20)

Yeah, I mean we were the typical entrepreneurs that you talk about, which is not taking any money off the table, it's just ploughing it back into the business, back into the business, back into the business and that's a reflection of our wider journey with PE but this was really kind of like, actually, this is what we're aiming for, this is why we got into business in the first place and it was great being part of that small group and like you say, the chats, it's there, if ever there's a question, ping and there's a group of people who you can lean into, so it's great.

[Josh Keegan] (1:24:20 - 1:26:32)

Can we give Claire a round of applause for sharing, thank you very much. So genuinely, this is a no-brainer, you'll get loads of value if you're in that six-figure income category or you've got the seven-figure net wealth, you'll get loads of value from this but in addition, we're giving you like, we want to work with you guys, we want you to achieve this and we want to go on the journey with people that will get the value from this and you guys are our VIPs, so we're going to offer this externally but ideally, we don't have any external people and we just have people in this room, so to make that happen, you can go into Sweet Spianka and you can get yourself a voucher for 500 pounds so it's your voucher and you can use that to sign up for yourself and get yourself a 500-pound discount or you can give that to a friend, a family member and give that to them so they can get a 500-pound discount, whatever your preference is. So go to Sweet Spianka and get yourself a financial fortress voucher and for you guys, we're also going to offer it so you can bring a life partner for free. So like Claire and Mark did it, you know, on the same screen and they were like doing it together, there's a lot of value in actually planning out your wealth strategy and having that six-year plan done together as a team, as a duo.

So you can make the most of that. This is likely the last time, this is the first time and likely the last time we'll have a discount financial fortress and we want to do that for you guys to get you guys as VIPs and take you on that journey. So that means it becomes 5,000 pounds plus VAT plus you can bring a life partner free of charge but we've also got another special deal.

So there's 15 places four of those have already been sold so we've got 11 places left and if you guys sign up today you get an additional 500 pounds off. So that means for anyone that signs up from the room today your price is 4,500 pounds plus VAT plus you can bring a life partner for free of charge. So honestly, I hope to see some of you on there.

You get so much value at doing this and this really is the top of the mountain. It's the only game in town and genuinely like this will be that thing whether you do it alone or you do it with us, it will fundamentally change your life. Enjoy that?

Thank you so much ladies and gents. Let's finish with a huge round of applause and welcome Rachel to the stage.

[Rachel Davis] (1:26:51 - 1:28:41)

What's to think about there? Who's furiously writing notes everyone on Financial Fortress? It is the only game in town.

This is my Financial Fortress. I am obviously working towards still working towards a comfort level because I am very much a work in progress like lots of you here and I'm 79% of the way there. That's where I'm up to at the minute so I've got quite a bit more to do.

It's pretty good but I've got more of a journey to go so I highly recommend what Josh has offered you there, the Financial Fortress Blueprint doing that course with lots of people in a small group really help you go the distance if you're able to do it that would be fantastic. And in terms of homework, let's just talk about the homework. I'll just move out of the way.

This is what you need to do for Financial Fortress. We've just talked about this. We need you to determine your Financial Fortress strategy for 2025.

It's really important at this point you think about where you are right now. Obviously, Josh talked to you about some of the steps that you need to take to understand where you are. You really need to have got lots of clarity on your personal cash flow management.

You need to know where you are, what your living expenses are. So that's the next step on your homework. And then those tasks that you need to do, if you're not clear on what your living expenses are right now, for those of you on the program, you might not have done this before, then you need to get very clear on all of those tasks to get you to that level of clarity.

And then if you haven't done it already, some of you, you may have, but get the Financial Fortress checklist scorecard done as well. That'll help you on that journey and get you where you need to be. It's nearly break time now, so I really encourage you all to go for a walk, get some fresh air, get some steps in.

We are going to be back in the room for 10 to 4. So if everyone can come back then, it's time for a well earned rest. Let's finish that session on a big round of applause.