**TBP 208 Edited\_Transcription**

[Daniel Hill] (0:05 - 22:01)

Welcome to the Blueprint Podcast. In these episodes, I'm going to share with you my life's work boiled down into simple blueprints that I used to build a 10 million pound portfolio and retire with financial independence at the age of 35. You can listen to these podcasts in any order and I guarantee you that when you execute them in practice, you will see that success and failure are both very predictable.

Let's get into the next blueprint. The world is already full of busy, burnout and broke landlords and property investors and we do not want you to be another one of those. If you're serious about building financial independence and creating long-term security for you and your family, the aim of the game is not to complete the game and have some big payday or exit in the future.

The aim of the game is to save money now, invest it and get to a point where you're living off the steam. The financial fortress is a 10-layer blueprint which enables you to become financially independent so that when the day comes that you don't want to work, you never have to work again. The financial fortress is a very straightforward blueprint.

It is without question the only game in town and if you're serious about achieving financial independence from the hard work and effort you've done building your businesses, this is the only blueprint you need. It's three levels, it's 10 layers and this is the financial fortress blueprint. The financial fortress is the only game in town.

If you're an entrepreneur or you're an investor and you think that your job is to run portfolios or run businesses, you are absolutely mistaken. The aim of the game is to work once and earn forever and what we're going to take you through in this podcast is the three levels and 10-layer blueprint which will give you guaranteed financial independence so that when you don't want to work or you can't work, you never have to work again. This blueprint is very straightforward and it's single-handedly the only strategy that enabled me to build a £10 million portfolio and retire at the age of 35, drive around a £200,000 Rolls Royce and live in a 13-bed mansion, all of which is paid for with zero of my own money.

The aim of the game is to live off the steam and that's the way that I've lived my life for the last decade and we're going to enable you to achieve the same by putting this blueprint into practice. Not only have I used it for my own businesses and my own portfolio, hundreds of people now have followed the same blueprint which will enable you to do exactly the same and I'm going to take you through it in this session. So what is a financial fortress and what does living off the steam mean?

Well, if you haven't already visited the webpage, this year we're hosting our annual financial fortress training. It's six weeks long. It is a training and mentorship blueprint which takes you from start to finish through the three levels and the 10 layers of wealth creation to enable you to understand where you are in your wealth creation journey, down to the penny where you need to get to and then the steps between now and then to enable you to actually get there.

And if you go to www.livingoffthesteam.co.uk, you can get full information there and sign up. You need to be making a minimum of £100,000 a year to qualify and we give you a 100% money back guarantee. If you do not make over 10 times the £5,000 plus VAT that you've invested to complete the training, we will give you a 100% money back guarantee, no questions asked.

So what does financial fortress mean and what is living off the steam? Well, financial fortress is basically a portfolio of assets that you can rely on come rain or shine that when your business stops or your portfolio sells, you can still survive and live the lifestyle that you want to live. Whilst you might think that your lifestyle is paid for by the business that you own or by the HMO portfolio that you run or the service accommodation business that you've built, that is complete false economy and that is not the way this works.

The financial fortress is not all of those things which we would call noisy assets. They are the low risk, low return, boring assets that you could genuinely retire and travel the world on. Yes, service accommodation, trading businesses, HMOs make a lot of monthly cash flow and that's fantastic to live a lifestyle and get you started, but it's not where you want to stay.

You do not want to retire on 30 HMO rooms or 50 service accommodation apartments or running a noisy business that takes time, stresses you out and stops you from living the life that you actually choose. A financial fortress, on the other hand, once you've built it, means you never have to work again. And if you think about the different types of income, so normally you're making money with your business or your HMOs or your service accommodation through what we call income from activity.

You're turning up, you're going to work, you're running a portfolio, running a business, that is income from activity. You have to work to make the money. However, with a financial fortress, you make the money once, you save it, you invest it and then we live off the income from the assets.

And you own property in the background as low risk, low return, what we would call assets, which are not HMOs or service accommodation and that pays you money without having to work. It's income from asset, not income from activity. And this is the aim of the game.

Do the heavy lifting, do the hard work, do it once, buy the assets, make the money and then live off the steam, live off the income from the assets so that when you don't want to run your business, you don't have to. If you think about as an individual in a human world, in a capitalist economy, we all have overheads that we need to pay. And essentially, in order to pay those, most people go and get a job.

And when you have a job, you need the income. And when you need the income, it's called dependency. And financial dependency is where you have to have a job.

You're dependent on a job and going to work to pay the bills. It's where everyone starts. That said, some people who've got a bit more drive or a bit more confidence or a bit more of a risk appetite decide to become self-employed and they start their own business.

They become an entrepreneur. They run their own consultancy and they go from being financially dependent to what we would call having financial freedom. They have freedom that they don't have to work for anybody else.

They don't have to work for the corporate. They don't have to work for another business. And they're self-employed.

They've got the freedom to be independent. And that's the next sort of space. But the reality is 95% of entrepreneurs build businesses that don't make money.

And of the people that do build those businesses, they probably work twice as hard for half as much because they're working for themselves. And that's financial freedom, as a lot of people call it. What we're talking about is the next level where we get what we call financial independence.

And what this means is you don't have to work for somebody else. You don't have to work for yourself. You actually never have to work again, period.

Because you've worked once, made your money, invested it wisely. And now the money that you live off on an annual basis, whether it's 50k a year or 100k or half a million pound a year, comes from assets that you own that are boring, single let's commercial, government bonds. And the money comes in without fail, without tenants, without utility bills, voids compliance, letting agents or management costs.

They're boring, low risk, low return assets that sit in the background and pay you forever. That's financial independence, where you don't have to work for somebody else. You don't have to work for yourself.

You don't have to work, period. You're completely independent. Finance and making money is not something you even have to do anymore.

And this is called basically living off the steam. And as I said, the annual financial fortress training is only for experienced investors. Before that, you need to learn how to make your first 100k, which you'd be able to do through most of the property entrepreneur blueprints that are on the podcast.

But if you are making over 100k a year and you want to start investing that money to build a financial fortress, enable you to live off the steam, so you don't have to worry about owning a business or being self-employed, go to www.livingoffthesteam.co.uk now. So the aim of the game is to work once and earn forever. And when we say, why is it called living off the steam?

Well, basically there's three steps. There's income from activity, going to work, building a business, making money. Then what we're going to do is invest that into the assets, then live off the money from the assets.

And when we think about living off the steam, what we're doing is your business or your HMO portfolio, your letting agency or your trading business is basically the teapot. And every year, every month and every year you go to work and it creates tea, which it pours out of the teapot. And that's the reward for going to work, for being self-employed, for having a job, for owning a HMO portfolio, you're pouring tea into the teacup.

Now, if your business is making 100k a year, but you live off 100k a year, every year you've got to create 100 grand's worth of tea, pour 100,000 pounds worth of tea into the cup, and then you drink the whole 100,000 pounds. The aim of the game is not to drink all the tea. So either you need to make 100 and spend 50, or spend 100 and make 150 so that there's tea left.

And if there's 100,000 pounds go out of the teapot into the teacup, you drink 50,000 pounds. You've then got 50,000 pounds worth of tea left that we haven't drank. And then what we do is we invest that into assets.

And that tea has then been invested. And rather than drinking it and having to make more tea every year, we're now going to live off the steam of the tea that we've invested. And that 50,000 pounds that we've invested at maybe a 10% net yield gives us 5,000 pounds a year of steam.

And because we've kept the tea every month and every year, that steam comes off it. And the aim of the game is to fill the teapot, pour it out into the cup, not drink it all, invest it, and get to a point where the steam that's coming off of the tea, the assets that we've bought that are generating this income exceed the money that's coming out of the teapot. So we no longer have to work every year to make more money and make more sales and win more clients and do more business because we've gradually accumulated and acquired these assets that release the steam and we're living off the steam.

You genuinely never have to work again. Jumping in quickly with a big opportunity for some of you, this is only suitable for experienced entrepreneurs who are already making over 100,000 pounds a year. If you're serious about building a financial fortress and living off the steam, go to www.livingoffthesteam.co.uk now where you can get the opportunity to sign up to our annual financial fortress training. This is a six-week online mentorship and training program which takes place every week with the 10 layers of wealth to complete. It's 5,000 pounds plus VAT. You do need to be making over 100,000 pound a year to qualify and you've got 100% money back guarantee.

If this blueprint and training program does not make you a minimum of 10 times the 5,000 pound plus VAT you spent to do it, we will give you a 100% refund, no questions asked. The annual financial fortress training, www.livingoffthesteam.co.uk. Back to the podcast. So that's the definition of living off the steam.

How do you actually do that? Well, this is a key part because most people don't get it. Most people think that more revenue means more profit, more HMOs means more money.

Now if one HMO is making you 1,000 pound, five HMOs makes you 5,000 pound, what could be better than 5,000 pound? 100,000 pound. You go out and build a big portfolio with loads of rooms, loads of tenants, loads of voids, loads of utility bills, loads of maintenance costs, loads of now management costs.

You lose control and it's a complete false economy. What we actually do is go through the three levels and the three levels are cashflow, profit, and asset. And most people just stay at level one.

Level one is cashflow, which is where you have to generate money to pay your bills. And this will be HMOs, service accommodation, letting agencies, consultancies. You're going to work, you're clocking in.

You're making this money every single month to pay the mortgage, put food on the fridge, put food in the fridge, look after your kids. That's cashflow. But most people stay there because they do what we call burn what you earn.

They make 1,000 pound a month and they burn through it. They make five grand a month, 10 grand a month, and they burn through it. Their outgoings quickly increase in line with their income and they never actually achieve financial independence.

What we're looking at here is moving out of that. And when you need 5,000 pound a month to live, get to a point where you're making 5,000 pound a month from noisy cashflow businesses, but then stop. And the aim of the game is to cover your costs on as little time as possible and do what we call buy back your time.

So rather than build a bigger business and a bigger portfolio and get busier and busier and busier and have less and less time, when you get to the break-even point where you can pay your mortgage, pay your overheads, put food in the fridge and look after the kids, you stop cashflow activity. And most people would never, never do this. What you do then is you use the time you've brought back, which might be a day a week, it might be two days a week that you don't need to spend on noisy cashflow activity that pays the bills and move to level two.

Level two is profit. And profit is lumps of cash that increase your net wealth. So if you think about cashflow as a profit and loss game, money that comes in every month and you burn through has overheads, costs of sales, team members, tenants, it's noisy, it's a distraction, but it's a means to an end.

Profit is balance sheet activity. There's no overheads, there's no costs, there's no team members, there's no employees, there's no tenants. It's a lump of cash that comes in not every month.

It might take three months or six months or 18 months to come in. But when it does, it's a lump of cash. It's 20K, it's 50K, it's 250 grand, it's half a million, and it lands in a lump of cash.

And the lump of cash goes on the balance sheet. You don't need to pay your mortgage. You don't need to look after your kids with it because that's paid from your cashflow.

And those lumps of capital are then increasing your net wealth. And what we do, those lumps of capital that have increased your net wealth that you don't need to pay the bills with is we buy assets. And at level three, we're buying boring assets, which aren't noisy HMOs that require looking after tenants, voids, maintenance, compliance, utility bills, sky bills, et cetera, et cetera.

They are boring assets at the top that are low risk and low return. For some of you, this might sound alien, but that is the trap that everybody gets stuck in. For those of us that are completely financially independent and never have to work again, this is the secret.

The secret is you repeat level two, making cash and buying assets that release income, which means you can live off the steam. And these assets would be things like commercial property. So like my commercial property that's leased out to businesses for five years.

FRI lease, index linked, one tenant, five years, no voids, no maintenance, no compliance costs. They pay for the bills. They pay for the maintenance.

They pay for the upkeep of the building. If there's inflation, the rent goes up in line with the market. It's just low risk, low return.

It might only be 8% or 10% on your money, but it's consistent. Or a private school, but I own a private school. It's on a 10 year lease that pays 10,000 pound a month.

I don't turn up at the school. I don't operate the school. I don't have anything.

I've never met a pupil or a teacher. I own the asset. I lease it to the operator for 10 years and they worry about all of the operations of the business or even a single let property or a block of apartments rather than run it as individual apartments where you've got lettings fees and compliance costs and voids and maintenance.

Lease the block of apartments to an operator, service accommodation or charity or housing association or supported living. Lease it to them for five years and they take all of the headache and the noise and even the margin of being level one doing cash flow whilst you're sitting there with a low risk, low return asset traveling the world or just paying your mortgage from income that comes from boring assets that you don't have to work on. The aim of the game is to repeat level two and level three until the money that's coming from your assets, the income from your assets, the living off the steam exceeds the amount of money that comes in every month or every year from income from activity, from running your business and letting your rooms and paying utility bills and putting nice canvases up.

That's the aim of the game. And when you've got that asset base, that is your financial fortress. The financial fortress is boring assets, mine are single lets, blocks of apartments, commercial property, private schools, business centers that are all leased out to third parties on the boring assets, five-year leases but there's no noise to them.

The lower risk, low return, but that's how you actually have financial independence. And that's basically it. The aim of the game is to build the financial fortress.

There's 10 levels, sorry, there's three levels. There's 10 layers to actually achieving financial independence. And this is what we go through on the financial fortress training.

So if you're serious about, if you're already making money in business and you're serious about achieving wealth creation and financial independence, it's these 10 layers that you need to complete. And it's these 10 layers that we take you through in the financial fortress training. So the financial fortress training is only for people who are already making over a hundred grand a year and it comes with 100% money back guarantee.

It's 5,000 pound plus VAT. If you do not get 10 times your investment, so 50,000 pound or over by executing this blueprint, you get 100% money back guarantee, no questions asked. And the 10 layers we take you through are one, personal cashflow management, understanding down to a penny where you are in your monthly outgoings in your business and your personal life.

Two is cashflow, making sure that you've got your monthly and annual lifestyle costs, your cars, your house, your kids, your schools, your overheads, your food in the fridge is covered from your cashflow. The third is debt free. We pay off the high cost debt and get you into a position where you're debt free.

The fourth is a director's ISA to make sure you're making the most of cash-free, of tax-free drawings to draw your capital from your portfolio. The fifth is a war chest by the penny to understand the working capital requirement for every business, every portfolio and every part of your personal life. The sixth is a financial fortress itself, how to start it, how to structure it and then how to actually build it so you can live off the steam.

You can have income from assets, not income from activity. The seventh is understanding these profit strategies and how to have these large capital events, whether they're flips, deal packaging or even selling your own company. The eighth is your assets buying low risk, low return assets from those profit and large capital events, which enable you to live off the steam.

The ninth is understanding the tax savvy structures of using SIPs and SASes to use the tax-free space of your pension. And the 10th is to protect it all, to protect the financial fortress, to de-risk, de-leverage and diversify. If you're serious about financial independence, this is the only game in town.

All the people that are running around like I used to, building HMO portfolios, living off the activity, running tenants and overheads and service accommodation and letting agencies or even trading businesses. That's where you start, but it's not where you stay. Do the work once, make the money, invest it in the assets and then live off the steam.

If you want to know more information about how to do this and how to build your own financial fortress, go to www.livingoffthesteam.co.uk now to understand how the blueprint works, how you can put it into practice. And for those of you that are already making over £100,000 a year, how you can apply. So click the link, go to the domain now and put this into practice.

The reality is most entrepreneurs are running around burnt out, broke and bored. But this is the secret to ensure that when the day comes that you don't want to work or you can't work anymore. You've got financial independence, you're living off the income from assets, not from the activity and you're genuinely living off the steam.

You've got a financial fortress and you never ever have to work again. I hope you enjoyed this blueprint podcast episode. If you're not already subscribed, sharing these, this is my lifetime's work.

And every Tuesday, I'm giving you one blueprint away for free. These things are unique. They're proven.

They've enabled me to build over a £10 million portfolio in a few short years. And over the last 20 years, start, systemize, scale and sell over 40 different companies. If you like them, share them, subscribe.

Make sure you don't miss a single episode and tune in every Tuesday for a brand new episode. And then follow me daily on Instagram for free content, post twice a day, completely free of charge. Success and failure are both very predictable.

I'll see you on the next episode.