KILLING IT PERPETUALLY

When **Sarah J. Stevens** realized a 9-to-5 job would never be enough to provide the life she had in mind for herself and her wife, she turned to real estate. Fourteen years and $10 million in net worth later, she's now helping the next wave of property investors make their dreams come true

Sarah J. Stevens' investment story begins as so many others do, with the bone-chilling realization that the 'study hard, work hard, retire rich' mantra is, by most metrics, a lie. Fresh out of Laurentian University and loaded with debt, Stevens was barely scraping by as a buyer for SportChek.

"I knew that my job wasn't going to help me build my wealth," Stevens says. "It's pretty hard to survive on $24,000 a year."

Stevens continued working for the next several years, at SportChek and then at Scotiabank as a commercial lending specialist, essentially chipping away at a mountain of debt with a grapefruit spoon. The plans she had for herself and her wife, Ligaya Byrch, would never bear fruit unless she could find a new stream of income with which to nourish them.

"I knew having a business was the way to wealth, but I didn't have any ideas," Stevens says. "I didn't have a product in mind." But a common refrain she heard at Scotiabank began to paint a picture of a business that didn't require Stevens to create a product at all.

"It always came back to real estate – 'we wish we'd bought the building,'" she says. "I knew I was onto something, and that was part of my continued focus on it."

That focus led Stevens to read 150 books about real estate investing in a few short years. In 2003, brimming with ideas and possessing a shiny new MBA, Stevens created a real estate-based business plan that extended to 2035. But before she could start moving items into the 'goals fulfilled' column, she and Byrch had to land that first property – a process that would result in a life-altering new philosophy.

> "People are going to tell you what the challenges are or what can't be done. If you have your vision and goals, you have to stay locked in on those"

The KIM factor

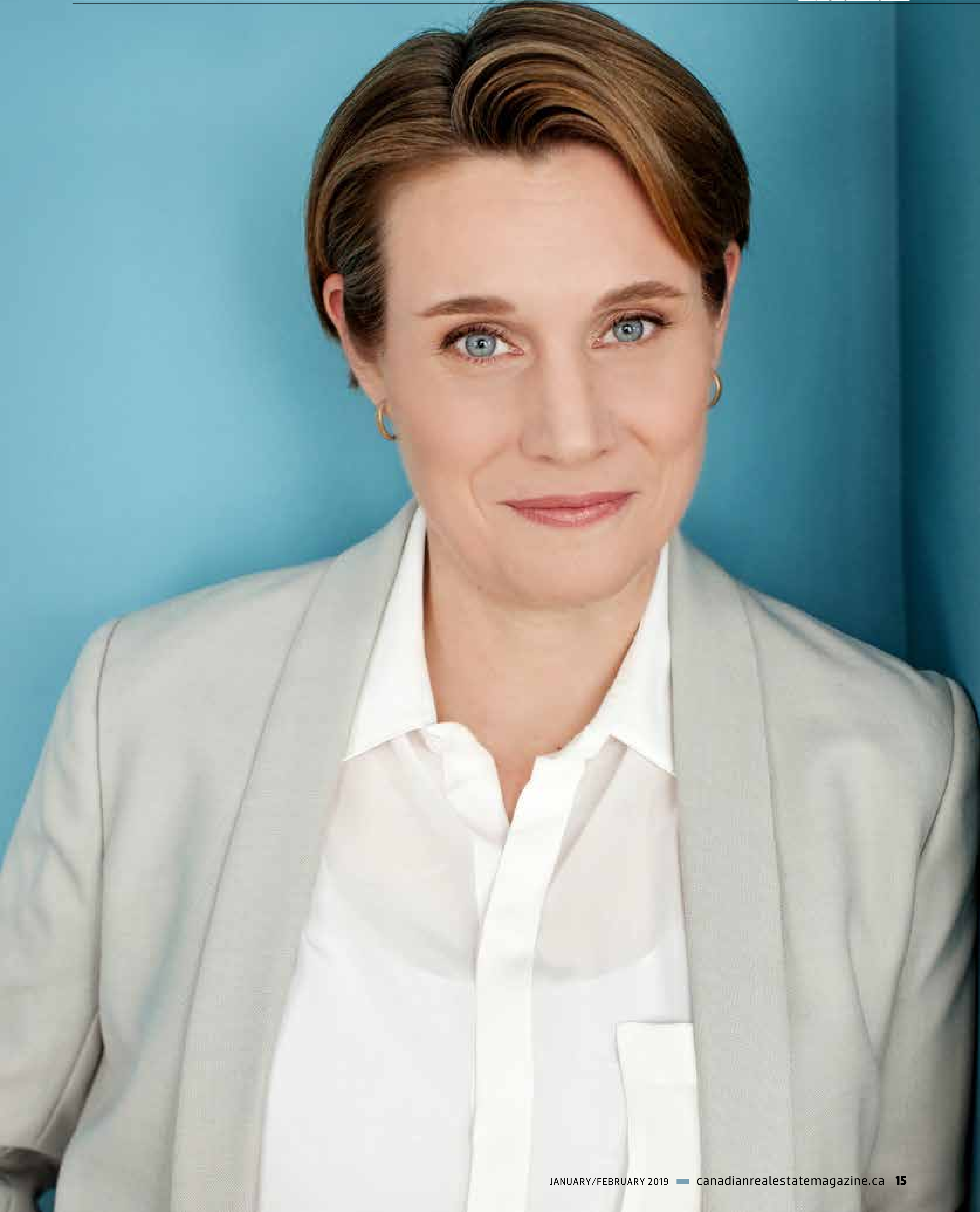
Another similarity between Stevens' story and others is that her first attempt to secure financing went nowhere.

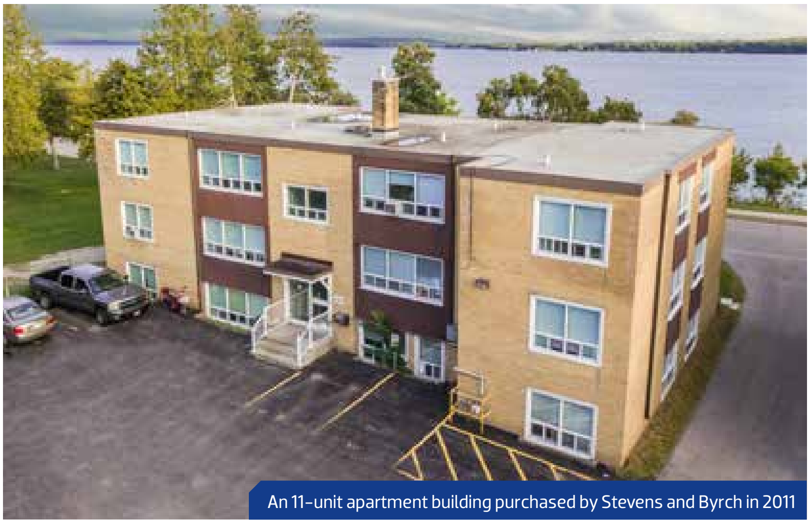
"They basically laughed me out," she says of her first mortgage discussion with a bank. "I couldn't afford anything – I think rates were around 6% or 6.5% at that point – and basically had no opportunity. So at that point, I knew I had to drive my monthly income."

This was the beginning of Stevens' Killing It Monthly [KIM] approach: maximizing monthly income in any way possible. Even though Stevens' circumstances have improved considerably since then, it's a philosophy she still lives by.

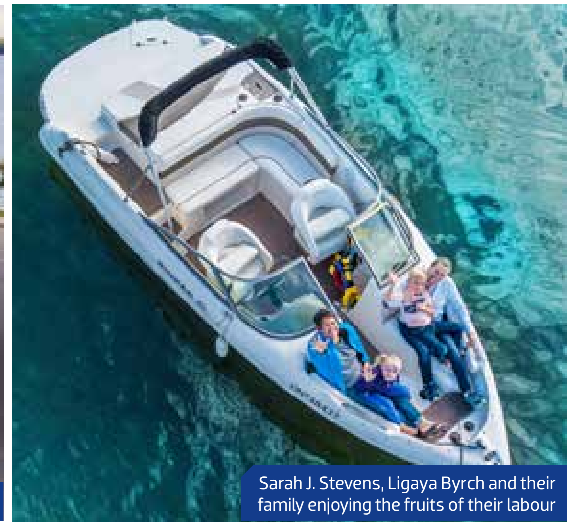
"I've helped so many younger people execute this," she says. "You just have to look for ways to be resourceful. There are so many ways you can make more money – there's Uber; there's Lyft; there's Airbnb. You can do network marketing; you can sell products. I used to sell Cutco knives."

With her income fully juiced, Stevens was granted her first mortgage. (Doubters,



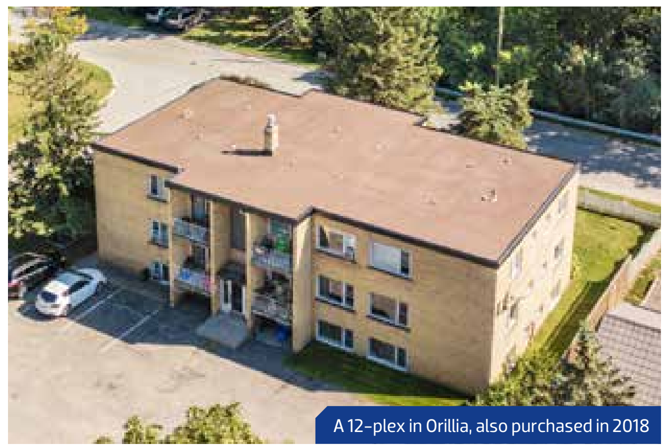


An 11-unit apartment building purchased by Stevens and Byrch in 2011



Sarah J. Stevens, Ligaya Byrch and their family enjoying the fruits of their labour

Stevens and Byrch's six-plex, purchased in 2018



A 12-plex in Orillia, also purchased in 2018

take note: Ever since she started adhering to the KIM approach, Stevens has never been denied financing.) She and Byrch immediately dove into the multi-family space, purchasing a duplex in Barrie in December 2003 for $179,500.

The couple has rarely owned a single-family property, aside from their current waterfront home in Orillia, opting instead to take advantage of the considerable efficiencies associated with multi-family investing. Against the wishes of their home inspector, who begged them not to buy it, they purchased their second property, a $250,000 triplex in Barrie, in 2005.

"We knew what our strategy was," Stevens says. "People are going to tell you what the challenges are or what can't be done. If you have your vision and goals, you have to stay locked in on those." Stevens and Byrch sold the triplex two years later for $319,000.

Sensing that the market was due for a shift, Stevens also offloaded the duplex. The timing couldn't have been better. The 2008 financial crisis, which hit the housing market like a freight train, narrowly missed the couple, putting them in an excellent position to start buying again in 2009.

Game-changers

Stevens and Byrch's next purchase was a waterfront home on 250 feet of lakefront on Lake Simcoe. The home, which they paid $690,000 for, never met its potential as a rental property (it was sold in 2017 for $1.3 million), but it did reignite their desire for more doors. In 2011, the couple bought their first apartment building, 11 units in Barrie. The equity they had built up in their primary residence meant Stevens only needed to pony up a grand total of $200 to make the deal happen. And the efficiencies the couple enjoyed when managing a triplex were amplified beyond their wildest dreams.

"It was a game-changer," Stevens says. "It just transformed how we saw everything. You've got 11 tenants and one roof. You have 11 tenants and two boilers. One place to

SARAH J. STEVENS' PORTFOLIO

Location	Property type	Purchase date	Purchase price	Monthly rent	Current value
Barrie	11-plex	March 2011	$1,568,000	$14,620	$3,850,000
Barrie	12-plex	May 2017	$2,000,000	$12,850	$3,000,000
Orillia	Six-plex	June 2018	$1,025,000	$5,780	$1,400,000

pick up rent, one snow plough contract, one person to cut the grass."

At that point, Stevens and Byrch were still handling their own property management, which provided an invaluable education. "Before we turned things over to a property manager, it was good to get a sense of how much time things would take, what costs seemed reasonable," Stevens says.

difficult if it's not your area of expertise. If you have somebody that can at least feed you the information to assist you with that, maybe that's the shortcut."

Finding the right assistance, Stevens feels, is critical to staying in the game for the long haul. And it's not simply a matter of finding one person for each set of responsibilities. "I don't have one lawyer on my phone; I have a lot," she says. "When I push 'painter' on my phone, five come up."

> "This is not the time to DIY. There's a lot at stake. Working with experts is the most important thing because, in time, you are going to need to create those efficiencies"

However, forgoing professional property management is no longer something she would recommend.

"This is not the time to DIY," she says. "There's a lot at stake. Working with experts is the most important thing because, in time, you are going to need to create those efficiencies," she says.

Stevens blinked, and suddenly it was 2017. While raising twins and launching what has become an award-winning career as a Realtor, Stevens had put her portfolio on the back burner for half a dozen years, but it was time to turn up the heat. Within a year, she had purchased a 12-plex and a six-plex.

Stevens' market knowledge, honed through her experience as a Realtor and an economics instructor at Georgian College (still KIM-ing after all these years), has been integral to the success of her portfolio. Her awareness of market rents and how to achieve them helped her increase the value of her six-plex by $105,000. While Stevens doesn't expect investors to become economists in order to get optimal returns, she does believe a little bit of research goes a long way.

"No matter where you are, you have to be aware of the key economic indicators, where those are going and how they impact your business in your area," she says. "But it's

Backed by her own support network – a son, a daughter and a partner who has been at her side for 19 years – Stevens is free to write whatever end she wants for her investment story. Already, that story includes a chapter on how wise investments allowed her wife to retire last year at the age of 49.

"I like to view that as part of our success, not only in life, but because of our journey in real estate investing," Stevens says. ■

SARAH J. STEVENS' INVESTOR LESSONS

Work with experts. You need to find a knowledgeable and experienced real estate agent, lawyer, mortgage broker or lender, home inspector, accountant, and insurance broker.

Know your numbers and be able to analyze a deal. If you're not good at numbers and spreadsheets, find someone who is that can help you out. I built a spreadsheet nearly 20 years ago, and it has never let me down.

Stay focused on the reasons why you're building your real estate business. You need to know the reason behind what you're doing so you'll stay committed. Building wealth through real estate is a steady climb and is as much about the journey as it is about attaining your vision.

Help other investors as you grow on the journey. Watching people succeed and build their own wealth as they build their portfolio is an incredible experience.

Give back to your community. Because of our success in real estate, our family can give back even more to our community. It's a great lesson for children to understand this is an important component of being successful.

5 INVESTING TIPS

Kill it monthly. Drive all of your income sources and look for more while you start or continue to build your real estate portfolio. I continue to drive my income and have recently expanded beyond salaried income, commissions and real estate cash flow to lending mortgages to other investors.

Create efficiencies so you can leverage your money, time and team. Use whatever free time you have to get better at real estate investing – read books, listen to podcasts and network with other, more successful investors.

Play both financial offense and defense. In the case of rental properties, this means driving rents and crushing expenses in any way possible.

Be resilient. Don't give up when it gets difficult. Remember that most people who come into real estate only last five years, so you need to have a plan to stay on track.

Balance your family, fun and freedom. Strong relationships with your family or partner are critical on this journey. Fun has to be booked in the calendar, so prioritize vacations.