

How My Hero Created His Wealth

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My dad is my hero...

From extremely humble beginnings, he accomplished a great deal in his life.

My parents started out together from scratch... My mom was a schoolteacher, and my dad was in the Navy. But they managed to do one thing that built them enough savings to retire comfortably. The thing is, it wasn't my dad that did this one thing... It was my mom...

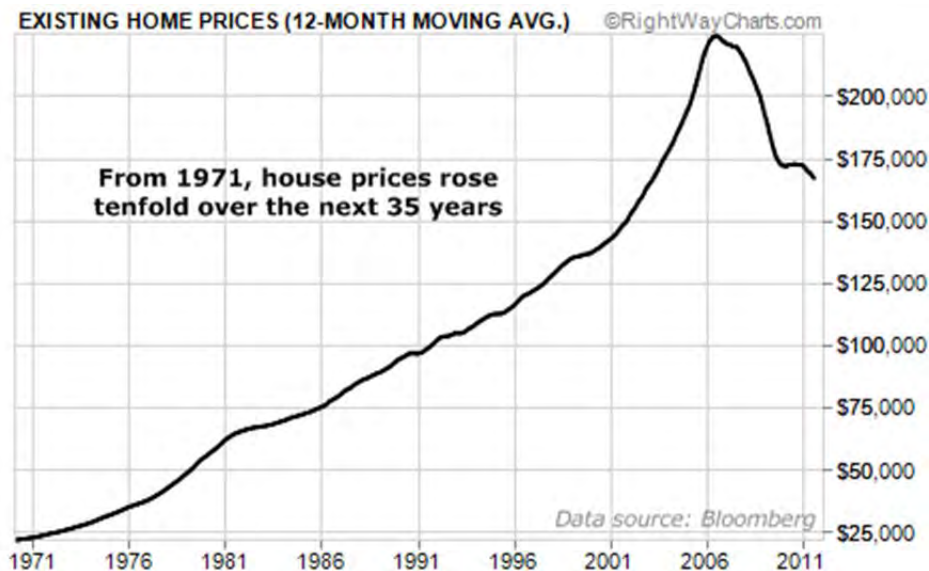
Sometime early on, my mom took an interest in real estate. She got her real estate license, and she was a part-time real estate broker. Growing up, whenever we'd visit somewhere new, my mom would compulsively collect the local real estate brochures. She was always on the hunt.

My mom is conservative... She wasn't interested in the stock market or other schemes that got popular over the decades. She decided the way to build a nest egg (and look after it yourself) was through your own home.

Since my dad was in the Navy, we'd get stationed in some new town every couple years. This gave my mom a chance to "upgrade."

I was born in 1971, so that's probably about when this process started for my mom... They'd sell their house, take all the equity they'd built, and put it toward a down payment on the next house. They would buy as much house as they could afford.

The timing was right... House prices rose tenfold over the next 35 years...



A tenfold price increase is one thing... But with a mortgage (which gives you leverage), their returns were certainly higher. My parents could collect the full increase in their home's price... while only having a fraction – the down payment – invested.

In short, buying right – combined with a little inflation and a little leverage – built my parents a comfortable nest egg.

I tell you this story because the timing is right once again to do what my parents did.

Homes in the U.S. are more affordable than ever right now. Mortgage rates are as low as they've ever been, hovering around 4%. And house prices have fallen more than they have in generations. They're now so cheap, they're selling for less than replacement cost... And you get the lot for free. It's all true.

If you've already traveled down the path my parents went down, congratulations. Pass this note along to your kids or your grandkids.

Now is the time.

If they buy right (which means now) with help from a little inflation and leverage (through a mortgage), they will be able to retire with a solid nest egg. Safely...

Your house isn't like shares of a company that can go out of business. Your house is yours – you control its destiny.

My hero built his wealth this way – safely and slowly – even if it was my mom who masterminded the whole thing.

After five years of bust... and now with record-low interest rates... it's time for the next generation to play this game again.

If you can, do it...

Good investing,

Steve