

8 investment properties and counting

Andrew Palhetas bought his first property, a condo in Toronto, at the tender age of 22. He has since gone on to amass a portfolio of eight homes in Ontario – and the industrious investor has plans to grow his property holdings further still. Sarah Megginson reports

It was a condo in downtown Toronto that got Andrew started on his road toward creating wealth through property investing.

Purchased for \$267,000 in 2007, the one-bedroom home was immediately rented out for \$1,500 per month and presented few issues from a property management perspective. At the time, Andrew hoped it would be the first of at least two investment properties he would own in the long run.

“My goal was to purchase one or two properties and slowly pay those off over the years,” he says.

“But over time, as I became more comfortable investing, my goals became more aggressive. I currently own eight properties that are all single-family homes – three of them are in Hamilton, three in Brampton, one in Bolton and one in Barrie Ontario. Goals are always meant to change!”

So how did he build such a strong portfolio at such a young age? Andrew says adopting a ‘rent-to-own’ model has been the secret to his success, with seven of his eight properties set up under this structure.

However, he admits that his road toward property success has had a few bumps on the way, not least of which was convincing lenders to hand over large sums of cash to fund his real estate dreams.

“My largest challenge has been financing,” Andrew says. “Many investors hit a financing wall and I found the best

way to overcome this was by implementing a joint venture strategy, to continue acquiring more properties.”

For those who are considering a joint venture to ramp up their investing success, he offers a word of advice. “It’s important to make sure you’re not partnering with just anybody,” he says, “but rather someone who is like-minded with similar goals.”

Evidently, Andrew had little trouble finding investors to partner with him on his property deals. As he became more aggressive with his investing pursuits, he also became more profitable, to the point where he was able to quit his “typical rat race job” as a business development manager for an IT company to pursue property investing full-time.

He is currently investing full-time and working as an investment coach for Rock Star Real Estate, where he relishes in the opportunity to “help other investors to achieve their real estate investment goals,” Andrew says.

All the while, he continues reaching toward his own real estate goals, too, with Andrew’s current focus on purchasing some student rental properties. It’s a new market for him, but he’s a firm believer that “the best way to learn is by making your own mistakes.”

“Some people sit on the sidelines and wait for the perfect opportunity, but it will never come. You need to just get in and do it!” he adds. “I have to stay optimistic,



ANDREW'S PORTFOLIO

Purchase date	Purchase price	Monthly rent	Monthly cash flow
November 2007	\$267,000	SOLD April 2012 \$313,000	
May 2009	\$232,000	\$1,690	\$483
Sep 2009	\$250,000	\$1,850	\$466
Jan 2010	\$255,000	\$1,815	\$314
July 2010	\$238,000	\$1,550	\$489
May 2011	\$282,000	\$2,095	\$477
September 2011	\$390,000	\$2,100	\$236
November 2011	\$727,000	\$2,015	\$612
May 2012	\$280,000	\$1,900	\$508

because some days are more difficult than others, but in the end I truly do believe real estate is my ticket to ultimate financial freedom.” ■