

## REFERENCE GUIDE

# The Millionaire Real Estate Investor Models

A condensed summary of Gary Keller's framework from *The Millionaire Real Estate Investor*, with practical application notes from Lance Hulseley of KW Thrive SC.

*This is a study guide — not a substitute for reading the book. Pick up the original on Amazon. It changed how a generation of investors thinks about wealth.*

## Model 1 — The Net Worth Model

Net worth is the **scoreboard**. Income matters, but assets matter more. The MREI framework asks: what's your *investment net worth* goal, and what does the balance sheet look like that gets you there?

**Practical application:** Track investment net worth monthly. Separate *personal* net worth (home, car, 401k) from *investment* net worth (income-producing real estate, business equity, taxable portfolios). The MREI score = your investment net worth.

## Model 2 — The Cash Flow Model

Cash flow is the **engine**. Net worth gets you free; cash flow keeps you free. The Cash Flow Model asks: how much monthly income do your assets produce, and how do you grow it predictably over time?

**Practical application:** Set a monthly cash flow target (often modeled as 110–150% of current lifestyle). Reverse-engineer the number of cash-flowing units required at typical yields in your market.

## Model 3 — The Lead Generation Model

Deals don't find you — **you find deals**. The Lead Generation Model treats deal flow as a system, not a stroke of luck. Networks, marketing, and consistency over time create disproportionate results.

**Practical application:** Establish three deal-flow channels: (1) MLS with disciplined criteria, (2) off-market via networking, (3) wholesalers/agents who know your buy box. Review weekly. Most investors build a portfolio one channel at a time.

## The Four Stages of Wealth Building

Stage	Focus
1. Think a Million	Mindset & education. Read 10+ books. Pick your model.
2. Buy a Million	Acquire \$1M of investment real estate (gross, not equity).
3. Own a Million	Pay down debt and improve operations. Build equity.
4. Receive a Million	Achieve \$1M/year in net investment income.

## The Three Personal Standards

Keller's research identified three traits common to high-net-worth real estate investors:

- 1. Think Big & Specific.** Vague goals produce vague results. Write down dollar amounts and dates.
- 2. Think Possibilities.** Don't anchor on what's been done — anchor on what's possible at the limit of effort and creativity.
- 3. Live by Your Standards.** Codify your buy box, your minimum returns, and your operational principles. Then enforce them.

## Recommended Reading Path

1. *The Millionaire Real Estate Investor* — Gary Keller
2. *The Millionaire Real Estate Agent* — Gary Keller
3. *SHIFT* — Gary Keller (market cycles)
4. *Rich Dad Poor Dad* — Robert Kiyosaki
5. *Invest in Yourself* — Lance Hulseley (Amazon Kindle)