

Sylvie Beauchamp

When Sylvie Beauchamp's future took an uncertain turn, she knew it was time for change and it's through real estate investing that she was able to acquire her goal of financial security. Now, she and her partner share a monthly rental income of \$26,650

For more than 15 years, Sylvie Beauchamp, 47, worked as a site manager for Teleglobe Canada, an international telecommunications company. She enjoyed her career and planned to stay on until retirement. However, in 2006, the company was sold to Tata Communications in India, and there was talk of layoffs and transferring employees halfway across the world. Beauchamp didn't like her options, so she set out to take control of her career.

"I began to feel very insecure about

my job and future so I started to think about changing my career due to this insecurity," says Beauchamp.

She looked to real estate investing because she'd heard through friends and colleagues that if executed properly, the returns could be infinite. Beauchamp says she wasn't deluded enough to think there wouldn't be difficulties, but she did feel it was an area she should educate herself



Spotting a good investment

Investment opportunities can be found just about anywhere, in any type of market, according to Sylvie Beauchamp, personal investor. The key is to study the environment of any potential property. Check if it's close to services, shopping centres, hospitals, universities, businesses. Be open to opportunities by telling people that you are looking to buy revenue properties. Read the local newspaper and the ads, and note any private sales by the owner. Sometimes these are cheaper, depending on the market, and easier to negotiate.



Sylvie Beauchamp



Diane Jolicoeur

upon so she read *Real Estate Investing in Canada*, and attended seminars by Peak Potentials, a wealth training company.

Career change

Beauchamp knew she couldn't go it alone, so she partnered with Diane Jolicoeur, 54, a self-employed accountant who had a goal to retire by June 2010. Jolicoeur didn't have a pension plan, except for RRSPs, but she knew that wouldn't be enough to assure financial security in her retirement.

Their first step was to define their responsibilities through a partnership agreement. They played to their strengths – while Jolicoeur took over the administrative and financial duties, Beauchamp took on the management position.

Next, they set their objectives and strived to become financially independent. It was essential for them to only own cash flow positive properties. They also focused on small multi-family units because they say the numbers proved these would give a greater return, compared to single-family

homes. Also, the pair preferred to buy-rent-hold, a strategy they felt would be ideal because their research revealed that real estate must be held for the long term.

Finally, Beauchamp and Jolicoeur began to scout locations and felt they'd be most comfortable purchasing and managing close to their hometown of Lakefield, Que., which is in the Laurentians

area. They researched the economic fundamentals of every city that was a 30- to 45-minute drive away since they'd be managing the properties themselves.

Saint-Jerome, Que. came out a winner because there were plans for infrastructure with a new suburban train, the economy was growing and the population and immigration was increasing. Beauchamp says the city supports government-funded programs for immigrants from South America and France.

The tricky part was when it came to narrowing down a property. The duo spent three months looking at many units, but after working the numbers none of them met their cash flow positive criteria. Beauchamp and Jolicoeur knew they had to broaden their options so instead of focusing on smaller duplexes, they looked at multi-family properties with at least six units.

They found a winner in July 2006, an eight-unit apartment building for \$407,000. The pair used the equity in their existing home to pay the 25 per cent down payment, took on the mortgage from the vendor at 4.3 per cent for four years, and had an amortization of 25 years. Today, the property has a monthly rental income of \$5,000, with about \$800 in positive cash flow per month.

It was around this time that the inevitable happened – Beauchamp was given an ultimatum by her company, either she transfer to India or she'd be let go. She felt she couldn't leave the country just when she was trying to turn her life around, even though she wasn't a knowledgeable investor yet.

"At that time of my life, it appeared like an opportunity to concentrate even more on real estate because I knew that the more cash flow properties I bought, the more I felt secure financially."

In the end, Beauchamp says the decision was a no-brainer so she declined the offer to transfer and was consequently laid off.

Next up

Beauchamp now went full force into the world of investing. She says they met many properties that they had to pass on, including a 10-unit apartment that was for sale by the owner. While the numbers looked solid, the property didn't pass the building inspection.

Finally, in March 2007, she and Jolicoeur closed on a four-unit apartment building in Lachute Que. for \$140,000. This was financed through a mortgage line of credit and continues to generate a monthly rental income of \$1,850, and cash flows positive about \$400 per month.

The majority of Beauchamp and Jolicoeur's struggles have been tenant-related. "I've had to deal with tenants

who didn't pay rent, who consistently paid late, and even one who was a sex trade worker," says Beauchamp. "Generally, I try to deal with all tenant issues one-on-one to come to a conclusion that works for us both. Once in awhile, however, I have had to get the landlord and tenant board involved."

Beauchamp has learned to run a strict screening process, one that involves getting a credit check and tenant verification through companies that specialize in the Quebec area, such as Locataire Avertis Inc. or Corpiq.

Now, Beauchamp and Jolicoeur focus on their business, Entreprises Bojoli Inc., a consulting and training company that focuses on real estate investments. Their original goal to own 50 units in five years has been accomplished in just two years through persistence and patience.

They say they constantly have people ask them what their secret to success is. The answer is simple.

"We do not have any magic secrets, we just stick to the system and we buy when all requirements have been met in that the property is cash flow positive and there is good potential for appreciation."