6 principles to retire younger & richer

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daniel walsh

MAJOR STREET

Acknowledgments

This book is dedicated to the individuals who have played integral roles in my life.

To my beloved wife, Sophie, whose enduring support has been a constant in my life. Even in the face of my wildest ideas, you've been a stabilising force, always there to bring me back to earth while standing by my side.

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Preface

Why I can retire at just 32

When I was 19, my mum was diagnosed with stage three breast cancer. It knocked our family for six as the chances of her surviving were slim.

I can still clearly remember the day my parents broke the news to me. Losing my mum, who was only 40, was not something I had ever considered as a young man.

My dad was willing to do anything he could to save the love of his life, including shuttering his auto electrical business if he had to and selling off the real estate assets that they had diligently bought with their hard-earned cash over the years.

I was working as a third-year apprentice for my dad and so was able to keep the business afloat – as best as I could given my young age – while my mum underwent treatment and fought for her life. All of the focus was on saving mum's life, so my parents sold off everything apart from the family home to keep the financial wolf from our door.

Miraculously, my mum survived, but that dreadful disease robbed my parents of a better financial life. In fact, the properties they sold to realise $850,000 in cash back then would be worth $2.5 million today.

Not only did the experience make me never again take my family or my health for granted, it also set me on a path to create a better financial life for my family. From that moment on, I learned everything I could about creating wealth.

I bought my first property when I was 19 and earning just $34,000 a year as an apprentice. I added to my portfolio each year, but I also made other financial investments along the way.

Today, at just 32, I own a $20 million portfolio with my wife Sophie, which has $10 million in equity. My portfolio of assets yields about 7 per cent annually, or about $116,000 every single month. That is more than the average Aussie worker earns in a whole year! At one point I also built up a portfolio of cryptocurrency from $400,000 to more than $1.8 million in just 12 months.

I have created significant wealth when most young people are still pondering whether they can 'afford' to invest in anything at all – and I believe that my success is due to the unique wealth blueprint I have created that features six principles anyone can follow to retire younger and richer. My system will teach you how you can retire at a time and age of your choosing. It will also teach you how to create generational wealth so that your children, and their children (and *their* children), can build on the fruits of your labour long after you are gone.

About now, you're probably thinking that it doesn't seem possible. Perhaps this is because you didn't learn wealth concepts when you were younger, or you struggle to imagine a life where you aren't trading your time for money via wages or even working for yourself in a blue-collar industry as I once did. But believe me, you can change your financial future by following my six principles to retire younger and richer.

I know this for a fact because I did it myself!

My story

Like all apprentices, my pay was abysmal: I started my auto electrician apprenticeship when I was 16, and my first pay cheque was a paltry $254 per week. But that didn't stop me from investing in my first property by the time I was just 19. As soon as I started working, my mission was to save everything that I could and invest it into property.

I did everything on my own. It took me about four years to save $34,000, which was really tough on apprentice wages, as you can imagine. Every week I would transfer 50 per cent of my wages into an account that I couldn't access. I would carpool to TAFE and work to reduce costs. Unlike my mates, I also didn't spend much time at nightclubs or take overseas holidays. Rather, I opted to live a financially conservative life to achieve my goal of home ownership as soon as possible.

My dedication to creating a better financial future was so strong that when I constructed my first property on a vacant block of land, I had to sell some beloved possessions to complete the project because I still didn't really have enough money. I used to skydive when I was much younger, so I sold my skydiving backpack and my car so I could afford to build the driveway and the fence.

I replaced my car with a $1500 bomb that I drove for two years until it died on the side of the road one day. Before it went completely kaput, it had blown up once before and I had rebuilt the engine. After it blew up again, I sold it for $1500 – the same as I had paid for it.

I had to go from driving a nice car to driving a bomb, but by the time it conked out I owned two houses, so it was clearly worth it. I loved driving the car as well because I knew it was helping me get to my goals – even if some of my friends made fun of me for driving such a piece of junk around.

After finishing my apprenticeship at 20, I decided that there were other careers of interest to me that I could also make more money from and help me with my dream of creating significant wealth while I was still young. I chose to become a freight train driver, which involved a number of years of study.

When I started working on trains, the wages were $750 per week, which was the same as at my last job, but I knew that if I studied for a few years then they would increase a lot more than if I remained an auto electrician. I had placed myself in a better situation so that I could grow my earning capacity faster.

I also kept building my portfolio, courtesy of the equity in my first two properties as well as my clearly superhuman ability to save. I leveraged my first property to buy my second, which I also leveraged to invest in my third property. It had taken me four years to save the deposit for my first property, but I made that back again in equity in just two years' time.

By the time I was working full-time as a freight train driver at 25, I owned six properties. I became a property millionaire not long after, with the equity in my portfolio hitting the magical million-dollar mark.

In 2017, I set up Your Property Your Wealth with my wife Sophie to help people invest in property so they, too, could create wealth. However, I continued to moonlight as a train driver, which literally nearly killed me (a story for later on in this book), until I decided to dedicate my energy solely to the business to assist other young people to get their start in the property market.

I kept adding to my portfolio as well as investing in crypto, and today, at just 32, I could retire and live off the cash flow from investments – but that's not what I want to do at all.

Unlike some other investment books that promote property investing, I don't believe you need 20 or 30 real estate holdings to be 'rich'. Rather, purchasing a smaller number of assets with plenty of capital growth upside is a far more achievable strategy for anyone seeking to retire younger and richer.

So, in this book, I want to teach you everything I have learned during my journey – the good and the bad – to help you achieve your wealth creation goals and dreams through six simple principles. You will also find a number of real-life case studies scattered throughout the book, representing just a small proportion of the people – young and old – who I have helped improve their financial futures and outcomes during my career so far.

Introduction

Why most middle-class people will never be rich

Most people trade their time for money, which means they are unlikely to ever create significant wealth. Instead, they should learn how to use their income to buy assets that will increase in value, potentially forever.

Making the jump from working class to middle class is easier than it used to be because of increasing rates of education, including tertiary, as well as baby boomers' property wealth being passed on to their gen X and millennial children. But the transition from middle class to wealthy is a path too long for most people because they generally don't invest in assets that can make them richer, or they don't have the ability to hold these assets over the long term.

The major impediment, though, is that most middle-class people spend their entire working lives trading their time for money via wages or a salary, or being self-employed but never really getting ahead financially to any great degree. This means that the few hours they have left in each working day are spent with friends and family because they don't have the energy to upskill and improve their financial education.

The big C

My family history is not dissimilar to the scenario I have just described – I had a typical middle-class upbringing. During my childhood and formative years, my parents provided everything that we needed, but they had to trade their time for money to be able to do so. Plus, a big chunk of the household income was spent on bad debt, such as loans for cars and boats.

Don't get me wrong, my upbringing would be classed as above average compared to world standards, because we never had to worry about where our next meal was coming from or be concerned about having a roof over our heads. But if we wanted 'nice things' then my parents had to trade more of their time to make more money to pay for them.

They ran a successful auto electrical business (and still do), which took up more hours each day than a typical nine-to-five job ever would. They worked hard every day, but they also tried to plan for their retirement by buying a couple of investment properties. Then, life happened (as it so often does).

My mum's battle with stage three breast cancer robbed my parents of a better financial life and resulted in them being about $1.7 million worse off. That money would have made a big difference to their twilight years. Of course, we were fortunate that they had assets to sell off at all, because if they hadn't been able to do that, their business would have gone under as well.

While most people will thankfully not experience such a traumatic episode when they are young, this shows how the ability to hold assets for the long term is one of the biggest reasons why some people become rich and some wind up back where they started.

Many in older generations have sold their assets over the years, perhaps to trade up or even because they were scared by one of the dodgy property market forecasts that permeate the media daily. When they do that, though, they soon find that property prices keep rising over time and they are unable to buy a similar property again – or even any property at all.

For those who have been squirrelling their savings away in the bank, well, their money has literally been devaluing over recent years because of record low interest rates and inflation.

In 2023, of course, we saw much higher interest rates than had been common for more than a decade, which was admittedly better for savers, but we also saw property prices continue to rise because of a significant property listing shortage, which prevented many people from entering the market.

Time for money

Aside from my mum's battle with cancer, the experience of working for my parents – and watching them trade their time for money and come home exhausted at the end of every day – made me dedicate myself to creating a wealthier life while I was still a teenager.

Even before mum became sick, I remember being very angry about how little I was managing to save from my meagre apprentice wages, because I knew I was never going to become richer if I carried on trading my valuable time for not-so-valuable money.

One particular day, my anger boiled over, and I shouted out to my dad that I just wanted to make more money! Well, my dad simply replied that he and my mum had always made more money (via capital growth) by investing in real estate than from their actual business. It was a real lightbulb moment for me!

When I was still at school, my parents would run the business during the week, but at the weekends they would renovate the old properties they had bought and sell them for a healthy profit. They also did some small property developments along the way, which always made them a solid profit.

(Years later, I asked why he was still working, and he said he had to keep working because they had sold their portfolio when mum got sick. None of us have ever regretted that, because it was a necessity, but it set them back years before they could even think about retiring.)

My dad explained to me how they made money from investing by purchasing a property for about $120,000 (it was the 1990s, remember), spending about $30,000 renovating it and then renting it out for about $200 per week. Today, each of those properties would be worth around $800,000 and be bringing in $600 per week or more in rental income.

I absorbed this information like a sponge because finally I could see a path out of the rat race. I didn't need to keep working and working, hoping that one day I would become rich by some mystical magic. No, I started to understand that if I ever wanted to become wealthy, I needed to save enough of my apprentice wages to start buying assets that were likely to increase in value forever.

The path to riches is never easy, nor is it quick. However, I never lost sight of my goal, which was to retire younger and richer than anyone in my family had ever done before.

Back then, like all apprentices, my pay was appalling, but that didn't stop me from investing in my first property before I even hit 20 years of age.

Since that 'lightbulb' conversation with my father all those years ago, my mission has been to save everything that I could and put it into property.

Investment tip

Over the past decade I have amassed a net worth of $10 million, which equates to $800,000 per year in wealth creation. Looking back, I learned one very valuable lesson: over time, your investments will always outperform your earned income. Therefore, your objective should always be to transfer your hard-earned active income into an asset that will work for you even when you are sleeping.

Overloaded capacity

Looking back, it is easy to see how most people get stuck on the wage-earning roundabout. Once they finish their apprenticeship or university degree, they start earning money for the first time after having to rely on cash handouts from their parents (if they're lucky) while at high school, and perhaps they promptly decide to spend as much of it as possible! Not only that, but they also use their newfound 'wealth' to apply for credit cards and car loans, which keep them on the debt hamster wheel – potentially for the rest of their lives.

I was lucky because by the time I started working as a freight train driver, I had already decided to dedicate my life to making my income work as hard as possible for me. I had no 'bad debt' as I was driving around in a really crappy car (so, no car loan) and didn't own a credit card.

But it was during my train-driving journey that my commitment to retiring younger and richer really started to build up steam, because I used any downtime I had to educate myself on investment principles. Because I was driving long-distance trains, I usually had several hours free during each journey to dedicate to investment education. My co-driver and I used to take turns driving to prevent fatigue, which usually involved five hours at the helm and five hours off. Some people used their allocated downtime to sleep, which I did sometimes, too, if I needed it, but whenever I could I used those precious hours to study wealth creation techniques and the power of mindset. This is when I learned about the game of property and leverage.

My commitment to my goal was such that I engineered my shifts to complete my weekly allocation of driving time as quickly as possible. This meant I would be rostered on to complete 27 hours of driving in one shift, which necessitated ten hours of driving at night, seven hours when I could sleep while the train was unloaded during the day, then another ten hours driving home that afternoon and into the night. I would then finish around 2 a.m. and drive an hour and a half home to get some sleep. I would complete this in two days, which would give me five days off every week, which I would then use to increase my knowledge even further.

By this stage, I already owned six properties and had started a business, Your Property Your Wealth, to help other people like me build their own property investment portfolios and create long-term wealth. On a typical shift, while my offsider slept during the day, I would jump in a car and drive to the nearest town where there was mobile phone service so I could engage with my burgeoning buyers' agency business. A few hours later, I would drive back to the freight train and drive it home. I was lucky if I slept two hours in every shift, which was just plain silly and reckless in hindsight, but I was willing to do whatever it took to build my wealth.

Many of the other train drivers worked overtime on their days off, so at least I never did that as well. Rather, when I had recovered from my shifts, I would put every waking hour towards studying wealth creation and learning how to exit the rat race as soon as possible.

Deep down, I knew that I didn't want to be working at this job and doing these crazy hours until I was 65, only to retire and die a few years later. I had noticed that in the world of trains and shift work, not many of the guys lived more than about two years after retirement. In fact, there were studies done when I was working there that said the type of shiftwork we did stole an average of 10 years off your life! I couldn't bear the thought of losing a decade of my life, so I set myself a hard deadline of when I would quit and dedicate my life to helping others achieve a wealthier future. I made a commitment to myself: I had 10 years – and not a moment more – to make the money and invest the money so I could retire and get off of the freight-train not-so-merry-go-round.

I did it in nine years – but the road was fairly rocky in hindsight. Somewhere along the way, my dedication to my goal started to become dangerous, because I was trying to do too much with too little time. Something had to give, and it very nearly did in the worst possible way.

Two years before my decade deadline, I thought I was managing to juggle my train-driving career with my small business and my marriage to Sophie reasonably well, but one day the cold hard truth hit me square in the face – literally. Like some kind of maniac, I once did three 27-hour shifts in a row… and 20 minutes after finishing my last shift, and hardly sleeping at all, I fell asleep at the wheel of my car while driving home. The car went through a red light and crashed into another vehicle square on. I hit them at around 70 kilometres an hour. The crash was so bad that the front wheels came off my car. Luckily, everyone walked away from it.

Unsurprisingly, I realised at that moment just how far I had pushed my body and that I was at breaking point. I was never so stupid again and I quit train driving six months later.

Helping others

I switched my focus to my business, which went from strength to strength quite quickly.

Since 2017, Your Property Your Wealth has helped more than 800 people in Australia purchase an investment property! Our clients have increased their wealth positions by hundreds of thousands of dollars over the years, and some by millions, which makes me a very happy man.

Our property investment strategy involves buying affordable houses that have strong capital growth prospects as well as solid yields. We look for these in blue-collar areas and 'bridesmaid' suburbs next to higher-priced suburbs in both urban and major regional locations around the nation. Most of our clients buy more than one investment property using our service because of our affordable investment strategy, as well as the superior capital growth and cash flow results we have achieved for them.

We experienced outstanding growth in 2021. The total value of properties transacted over the 2020–21 financial year was an extraordinary $138,450,000, which represents 213 properties purchased for 103 clients.

As soon as I exited the train driving business, I kept adding to my portfolio as well as investing in cryptocurrencies, which means that today I could retire at just 32 and live a good life off the income from my investments. But I don't want to retire just yet, even though I easily could. Instead, I want to help as many people as possible achieve the same results as I have. So, rather than retiring after less than 15 years of trading my time for money, I decided to write down all the lessons I have learned – some the hard way – so that everyone has the opportunity to retire younger and richer if they wish to do so.

If you are working or middle class and want to make the leap from working for money to making your money make you more money, the best time to do something about it is right now.

In the next chapter, you will learn the first principle to help you retire younger and richer, which is to build generational wealth. It also touches on how your friends have more to do with your wealth creation than you might think.

Top 3 takeaways

1. Most people will never be rich because they trade all of their time for money via wages, salary or self-employment.
2. You must learn how to invest your income into assets that will grow in value and make you more money over the decades, even while you sleep.
3. You don't need to own 30 properties to retire younger and richer. It's always about the quality and value of the assets, and *never* the volume.

Case study

Developing a wealth creation strategy in your 20s

Josh decided early on that he wanted to create a better financial life for himself because he had watched his parents struggle financially during his upbringing. When he was still in his early 20s, he decided that he needed to start that process and, as luck would have it, happened upon my educational content across social media platforms.

Josh, who is now 28 and an air conditioning mechanic, decided to take his time before reaching out, so he spent the next year or two learning about property investment from my content online as well as saving hard for a deposit. In 2019, he felt educated and confident enough to make contact, and by August that year I had helped the Brisbane-based tradie purchase a house in Geelong for $387,000 that went on to increase in value by 67 per cent over three years.

Josh benefitted not only from the capital growth but also because I helped him buy the property for a discount as a result of some water issues that were identified in the building and pest inspection report.

'After it settled, Dad and I flew down and had a look, because my dad is a tradie too,' Josh recalls. 'We actually found that all the pipes for the stormwater that was coming off the house had been damaged by tree roots through the front of the garden. So, we dug all that up and replaced it – problem solved.'

The strong results from his first investment, and the trust he had in me, meant Josh was keen to add to his portfolio within a year, even though the COVID-19 pandemic had just started and many people at the time were unnecessarily worried about future market conditions.

'I always looked at the long term, so I was never worried about it, and Daniel always had the positive outlook that the pandemic was never going to have a negative impact on the market. The way he explained it, it just resonated – it made so much sense,' he says.

In November of that year, Josh settled on a house in northern Brisbane for $410,000, which increased in value by nearly 60 per cent ($240,000) over the next two years.

Two strategically selected investment properties in two years had resulted in Josh's equity soaring, so he decided to purchase a third property, this time in the eastern suburbs of Brisbane. That property was purchased for $550,000 in September 2021 and achieved capital growth of $120,000 over the next 14 months.

So, within the space of just three years, Josh's property wealth had increased by a staggering $632,000, or $210,000 per year – far more than he could earn as a tradie in the same period.

It certainly seems that Josh is well on his way to achieving his goal of creating a better financial future for himself – and he's not done yet. Over the next few years, Josh wants to buy a home and more investments – he is currently a rentvester – and is also considering diversifying into commercial property.

'Over the next 20 years or so, I want to just keep maximising my results in a safe way,' Josh says. 'My goal is just to keep going, keep maximising my debt while I'm still so young, and trying to use that in my favour.

‘When you talk with Daniel, it’s like talking to your mate versus talking to someone who’s out there trying to take every bottom dollar from you. Daniel cares so much. Every property that he’s helped me purchase is similar to a property he’s purchased for himself. It’s clear from my history, from my three or four years with him so far, how well I have done. And now some of my friends are working with Daniel and have done well themselves.’