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## PropertyInvesting.com 'Insider'

**Discover proven tips, strategies and techniques to dramatically increase your property investing profits**

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Hi and welcome to your April 2004 edition of *Insider* -- the e-zine outlining how to successfully invest in real estate -- especially if you have a positive cashflow focus.

If you're receiving this newsletter for the first time then I'd like to warmly welcome you to the PropertyInvesting.com community! Remember that in addition to this free newsletter we also run a [community forum board](#) so you can share your knowledge or leverage off other people's ideas.

Here's what's on offer in this month's *Insider*:

- [A MAP Update](#)
- [Forum Post of the Month - What do I do next?](#)
- [Wrap Kit Reminder!](#)

### A MAP Update

In July 2003 I began privately mentoring a small group of investors under an initiative called the Property 'Millionaire Apprentice Program' (the M.A.P.).

Those selected to be a part of the M.A.P. had to submit an application form, together with a 30-day daily journal outlining the action they'd taken on the road to starting a profitable property empire.

While there is no fee payable to be part of the program, MAPPERS (the M.A.P. participants) are required to pay their own way to travel to Melbourne to attend a monthly one day networking and accountability session.

The broad goal of the M.A.P. was to acquire a \$1,000,000+ property portfolio in under a year. This wasn't the sort of goal that could be graded with a simple pass or fail, however the bottom line is that a target for the M.A.P. was needed to provide direction, so the \$1,000,000 mark was chosen as it represented an outcome that was within the realms of possibility, without being easily achievable.

My purpose for running the M.A.P. was to try to prove that my own property investing success could be replicated by showing that the right person, in the right environment, with the right attitude and with the right mentoring could achieve a similar result.

There were no promises of fast-buck returns. I went to great lengths to point out that the program would be difficult, mentally challenging and that there were no guarantees except that those participants who stuck with the program would experience substantial personal growth and gain significant investing experience.

Well, as I write there are just over three months of the M.A.P. left and it's safe to say that it has been a massive learning curve for all involved - not least for me.

The results have been very positive - four people (two groups of two) have already acquired property portfolios in excess of a million dollars; I expect that others will also have achieved this goal by the time the program ends in August 2004.

Despite these impressive investing achievements, what I'm more delighted about is the obvious growth of the participants as individuals.

For many, remaining in the M.A.P. has come at a price - time away from family, tackling engaging personal issues and forging on when it would be easier to rest. Yet paying this price is an essential component of

turning good intentions into results. Achieving success, while not easy, is ultimately the sole responsibility of the investor.

Included below is a letter from two of the M.A.P. participants, Brett & Tiffany, outlining some of what they've accomplished by being involved in the program thus far:

So far, after 8 months, Tiff and I have benefited from being part of the M.A.P. in many ways.

We've made new and wonderful friends who are like-minded from an investment sense. Sharing a quality of grace and integrity has led us to trust - something we have sought for some time.

The M.A.P. has raised the bar in terms of achievement and forced us to continually push beyond our comfort zones. This has in turn created mixed results, but all positive, as we find ourselves continually learning.

Leverage from others' mistakes has indirectly corrected our own and we have realised that although the M.A.P. participants are all on different paths and levels, there is much to learn and much help to give.

Steve and Dave have been and remain paramount in their ability to encourage, solve problems and focus our attentions on the bigger picture or real issues of what we fail to sometimes see. Their efforts are selfless and it is fantastic to have them both 'on tap' for the 12 month period as the program progresses.

Our biggest learning experience to date would be something that I am a big preacher of - the ability to separate logic from emotion. Although we have been able to separate business decisions from lifestyle decisions, we managed to get caught up in pride and greed in relation to the sale of one of our properties.

This resulted in the property remaining for sale for far too long at an inflated price that we believed it was worth. Finally realising that the market determines the price, we took control and readjusted the price to find an eventual buyer.

The outcome of an eventual sale (which realised a profit in excess of \$240,000) was a monument to Steve McKnight who was relentless with his critique of the situation, until logic prevailed.

We've come to see that the 'waiting place' is self determined. Having experienced this we'll look and listen much more closely to Steve & Dave in an attempt to fast track our knowledge.

My advice to anyone beginning their property investing quest would be to take control of your finances via a budget. Take 10% of your gross earnings and delegate that to a savings account for investing purposes. These two points form a significant part of our own success.

Steve, I figured that these two points are not likely to be the whole foundation, so I chose to rewrite it (see above). If, in fact, these points really DO form the whole foundation (in their eyes), then simply "These two points form the foundation of our success" would be fine.

Also, educate yourself in every possible way regarding investment and relentlessly seek the wisdom of those who have done what you wish to achieve. When confidence prevails, take action and never ever stop.

One point I must make is that I currently have no plans to conduct another M.A.P. - however, should this change I'll let you know.

### Forum Post of the Month - What do I do next?

This month's forum post comes from Shane1:

Hey guys,

I just finished reading Steve's excellent book "0 to 130..." and am looking to get started on achieving financial freedom.

My goal is to achieve \$200,000 annual passive income by my 40th birthday, which is seven years away.

My preference to achieve this is to invest in positive cashflow "buy and hold" real estate as well as some "wraps" and other strategies as per Steve's book.

My concern is I can't see how it'll be possible to finance even my next 3 properties, let alone the 70+ that I would most likely require to achieve my goal. I have 3 negatively geared properties currently. If I sold all of them I would probably have \$300,000 in profit after paying back the loans. I only earn about \$80,000 PA and don't see how any bank is going to lend me the money required to reach my goal...

Any advice on what options I have or what you'd do if you were me would be greatly appreciated!!

THANKS!

I selected Shane1's post as it is typical of the many requests for help that I receive nearly every day. While I don't have the time to answer all requests, I can use Shane's situation to make some general comments that can help everyone.

The first point to make is that we all need a goal to work towards which can then act as a yardstick against which we can measure up existing and potential property investments.

Shane1 has set his goal (\$200k in passive income in the next seven years) and now must try to find the path of least resistance to make this happen. As I wrote back in February, when we set massive goals they can seem very remote, but the way to eat an elephant (achieve those seemingly impossible ambitions) is to take one bite at a time.

In Shane1's situation, his passive income portfolio must be built one property at a time, but prior to this he needs to consider the role of his existing negatively geared investments.

Broadly speaking, his only two options are to keep or sell. Keeping the property may place a burden on his borrowing capacity, together with the strain of having to fund the negative cashflow. On the other hand, selling will realise a taxable gain.

It's not my job to advise Shane1 on what to do, nor could I, given that I don't know the details of his specific circumstances. What's required is for Shane1 to sit down and work out how he can achieve his goals, then begin to take action to establish the best foundation possible to acquire the types of properties that deliver the

financial outcome he desires.

If it's of any consolation, when Dave and I began we didn't have anywhere near the asset or income position of Shane1. Still, we knew that with time and continued effort, each property we acquired would bring us closer to our goal.

Finally, as to overcoming money problems as they arise, having access to Other People's Money can overcome your own lack of funds. Whether you use a money partner, ask for creative finance terms or arrange a simple refinance of existing investments, there are alternatives available.

Sorting out the money is just one of a number of ongoing issues that will always be present when you invest in property. Like any problem... it's best to tackle it head-on by being proactive.

To find out more visit our [creative finance page](#).

My final comments for Shane1 are that before you have \$200,000 in passive income you first need to have a property that provides positive cashflow. After you own one the next step is to buy another... and so on until you reach your goal.

It's hard to envisage all the problems you'll encounter, but my experience has shown that the answers come when needed; the critical point is to have a plan and make a start.

You may like to [post a reply to Shane1](#) or [add to my comments](#).

### Wrap Kit Reminder!

Last month I released [the latest and most comprehensive product available](#) in respect to vendor financing (wrapping) in Australia.

In fact, the Wrap Kit goes a lot further than just explaining how we sell the property on vendor's terms. It outlines our entire property purchasing system from

1. how we find properties, to
2. how we negotiate to buy them, to
3. how we finance them, to
4. how we manage the administration.

Best of all, the Wrap Kit outlines how we automate the whole process so that we have other people find and evaluate the deal, while we continue to look for ways of maximising our returns.

Those who have already bought the Wrap Kit have commented about how useful and comprehensive it is, which makes it a resource that all serious property investors must own.

You can find out more information about [what's included in the Wrap Kit](#), together with a table of contents of what the product contains.

If you're looking for a complete property investing system, which mitigates risk while maximising returns, then I encourage you to consider purchasing the Wrap Kit.

### Summary

This month I've provided a quick update about the M.A.P. - the private mentoring group that is trying to acquire a million dollar property portfolio within twelve months. The financial results to date are encouraging, but what is more pleasing is watching the personal growth of the participants as they struggle to overcome many of the issues that arise from property investing.

I'll provide another update once the M.A.P. has finished.

We also examined Shane1 and his quest to build a property portfolio delivering \$200,000 per annum in passive income. I outlined that achieving this target required that he first analyse the role that his existing properties were to play in his long term plan, and then to start acquiring properties one-by-one.

Finding finance is an ever-present problem for property investors, yet it is just one of many ongoing issues that can be (and needs to be) resolved to continue progressing towards the identified long-term goal.

Finally there was a reminder about [the Wrap Kit](#) and how the content in it is far more broadly applicable than just vendor financing. It is actually a complete investing system, and as such it's a very powerful resource for property investors seeking to maximise returns and minimise risk.

OK... that's it for this April 2004 edition of Insider. I sincerely hope that you've been able to profit from the insights outlined in this resource. Until next month, remember - *success comes from doing things differently!*

Sincerely,

*Steve McKnight*

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