

[Home](#)

## PropertyInvesting.com 'Insider'

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

*Issue 2, Volume 6 - April 2007*

**By Steve McKnight**

12th April 2007

It might still be school holidays, but the property market isn't taking a vacation!

Every day I'm hearing new and exciting stories about how investors are finding and buying great deals, and of how the real estate market is making a discernable comeback. Make sure you don't miss the boat here! Now, while we're in the early stages of a new trend, it's an ideal time to prepare and purchase selected targeted properties.

Keep reading if you want to:

- Discover what sort of properties are hottest and most profitable in the market at the moment; and
- How to attend a free online seminar (webinar) where I'll reveal the explicit details of a deal I just bought which is expected to make a tidy \$160,000 in just 9 months. Warning: there are strictly limited places so book in fast.

As usual there's a lot to cover so let's get started!

### What's Hot In Property

The real estate market is a real hotchpotch of opportunity, but not all of it is 'hot'. If you want to maximise your profit in the current climate then it's important not to buy just anything, instead you need to target your investing to certain select properties.

Generally speaking, the property market can be split into three tiers.

At the bottom is low cost housing that is the domain of cheap rentals and first homebuyers. This market comprises units, apartments, semi-detached and basic houses in average condition at affordable prices compared to other homes in the area.

I would NOT be investing in this market at the moment because higher interest costs from previous rate rises, together with increased fuel costs is squeezing affordability. Although property prices might be trending up, there are better opportunities in markets that are flush with money.

At the other extreme is the top of the market. This is your top dollar glamour property that can be profitable, yet the dangers associated with borrowing large amounts of money make it quite risky in the current market. For the reasons outlined below, I would shy away from these deals as better returns can be made elsewhere with less on the line.

All my information points to the middle tier of the market being the hottest at the moment. The 'middle' comprises of more wealthy first homebuyers (who can borrow more money and pay higher entry prices) as well as those cashing in on equity and using it to trade up from their first home into a new and more functional dwelling.

Again though, not just any property will do - the best opportunities exist when you understand what the market is hungry for, and then provide the exact product that will result in the most competition.

While I'll show you exactly what to look for to make maximum profits at my upcoming seminar series (see <http://www.propertyinvesting.com/go/182>), let me share with you a story that highlights just how hot the market can be for the 'right' property.

I was recently driving home from (of all places) an auction when I noticed a home that was open for inspection. Pulling over, I decided to walk through and within five minutes knew that it was a great deal. The house was in original 1960's condition and as neat as a pin. Structurally it looked fine. Even better though was the positioning of the house which was perfect for a subdivision into two titles.

After subdividing, the plan would be to keep and rent the front house, at the same time as building a new three bedroom dwelling at the rear. On completion the figures worked out that you could sell the rear and use the profits to pay down the loan on the front leaving it providing a positive cashflow return! This reinforces that:

People who can't find positive cashflow houses just need to know how the latest information about how to look for them!

Anyway, the property was for sale at \$379,000. By the time I had done the numbers and was ready to make my offer, the agent said that there was quite a lot of interest in the property and that I had better come down and formalise (i.e. sign contracts) as soon as possible.

Then, by the time I'd reached the real estate agent's office the story was that I had to make my best offer and that the vendor (executor of a deceased estate) would select the best bid at 4pm that afternoon.

It could have been normal real estate games, but I decided to make my offer \$380,120 on the basis that there was good profit in the deal at that price and the number was strategically slightly more than \$1,000 higher.

I must admit that I was gobsmacked when the agent rang later that afternoon to tell me that I had missed out, and that the property had sold for well over \$400,000 to a homeowner that was going to renovate and extend!

You know the market is hotting up when a property sells for nearly 10% over the advertised for sale price on the back of a silent bidding war where people are afraid they'll miss out.

If you'd like to see, use and benefit from my long list of hot property characteristics that will position you to make outstanding real estate profits in the current market then do whatever you can to be at my upcoming seminar series.

Over nine intensive hours of training I'll show you how to find, buy and finance a property bargain - within 28 days! Best of all, these will be very practical seminars. I've bought nearly \$1m worth of property in the last six weeks and I'll be showing you in a lot of detail how I found these deals in the expectation you'll be able to implement what I teach you so you can do the same.

If you're looking for proven information for the latest market conditions there is simply no better value for money training on offer. As you would expect, seats are being booked quite quickly, so make sure you grab yours, especially while the generous earlybird discount applies. Head to <http://www.propertyinvesting.com/go/182> or call the office on 03 9878 1299.

Come along and discover what's hot, and how you can jump aboard the latest property wave that's leading to attractive profits.

## Upcoming Webinar: \$160k in 9 Months

Finally, I'd like to invite you to a free online seminar I'm hosting on Friday 20th April at 1pm. Over an hour I'll reveal all the juicy details about a property I recently bought that promises to return a profit of \$160,000 in just nine months.

Find out the bizarre circumstances in which I purchased it, what I'll be doing to unlock the money from the deal, and the lessons that can be applied from the experience.

As I mentioned, it's free to join in, all you need to do is register your interest at <http://www.propertyinvesting.com/go/181>. That way you'll be hot listed to receive the information about how to access the webinar.

## Homework

Your homework for this month isn't too taxing:

1. If you're interested in being mentored then quickly visit <http://www.propertyinvesting.com/resources/52.html>
2. If discovering how to find, buy and finance a property bargain in 28 days sounds appealing, make sure you get to one of my upcoming seminars by visiting <http://www.propertyinvesting.com/go/181>
3. Take half an hour out of your life and sit down with a real estate agent to discuss what sort of property is selling the fastest and for the best price in the current market. Another strategy is to arrange an inspection and ask them this information while you look through the property.

That brings us to the end of this edition of Insider. Until next time, all the best with your investing and remember that success comes from doing things differently!

Cheers,

Steve McKnight

P.S. Don't forget to register your interest in my upcoming free webinar at 1pm on April 20. Do it now at <http://www.propertyinvesting.com/go/181>

This article reproduced from <http://www.propertyinvesting.com/> with permission.  
© 2001 - 2006 PropertyInvesting.com Pty Ltd, All Rights Reserved