

[Home](#)

PropertyInvesting.com 'Insider'

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

Issue 11, Volume 1 - December 2002

By **Steve McKnight**

Hi and Welcome to your December 2002 edition of *'Insider'* - the PropertyInvesting.com e-bulletin for positive cashflow investors seeking a lifetime of passive income through real estate.

If you're receiving this newsletter for the first time, then I'd like to extend to you a warm welcome on behalf of the entire Property Investing.com community.

This month's topics are:

1. [Late breaking news that will make every property investor jump for joy.](#)
2. [The 10th \(and final\) law of Property Investing success](#)
3. [How you can buy a positive cashflow property in the next 30 days!](#)
4. [A Christmas gift!](#)

Let's get started.

Great News That Will Have You Jumping For Joy!

After many months of hard labour and late nights at the keyboard I'm delighted to reveal that the new [PropertyInvesting.com](#) is now live.

Containing well over one hundred new pages, the information now available will be of great interest to all positive cashflow property investors.

While we have received a number of encouraging e-mails about the new site, you can get a feel for what we have done from the comment below:

"WOW, What a difference!

Very stylish and the links to various topics are much more user friendly than the old model, encouraging me to "dig deeper"; making the information more easily accessible which made for a more enjoyable surf on the PropertyInvesting.com site. Well done! The new site is definitely on the right track." - Michael A.

A small sample of the revised features on the new site include:

- Upgraded look and feel providing improved navigation around the site
- A review of five strategies you can use to make money in positive cashflow real estate
- A daily tip about how to boost your property profits
- Case studies that walk you through the numbers
- Investor Alerts
- Finally (after much hounding by eager people wanting great 'value-for-money' resources) a selection of PropertyInvesting.com products starting at less than \$15.
- And much more

Whether you've got five minutes or five hours, be sure to check out the new site and

[start profiting from the great information today](#)

My Tenth (and final) Law Of Property Investing Success

As we end up the year it's appropriate timing that we finish up on the ten laws of property investing success.

To recap, the nine laws covered so far (and the month they were discussed) are as follows:

Law #1 - Choose Your Investing Yardstick (March 2002)

Law #2 - What Has to Happen In Order For My Investment to Make Money? (April 2002)

Law #3 - Invest in Your Area of Expertise (May 2002)

Law #4 - Know Where You Stand in the Profit Pecking Order (June 2002)

Law #5 - Appreciate Your True Cost and Your Nett Sale Proceeds (July 2002)

Law #6 - Understand the Difference Between Fact And Opinion (August 2002)

Law #7 - The Bigger the Hype, the Bigger the Hoax (September 2002)

Law #8 - Always Negotiate With A Win-Win Outcome in Mind (October 2002)

Law #9 - Avoid Emotion and Buy Houses for Other People to Live In (November 2002)

And finally:

The Tenth Law of Property Investing Success: Let the secret to your success be the deals you leave behind.

This law adopts what I call the Kenny Rodgers (from the movie 'The Gambler') approach to property investing:

*"You've gotta know when to hold 'em,
Know when to fold 'em.
Know when to walk away -
And know when to run"*

If building wealth via property was measured by the number of houses you own, then anyone who could sign his/her name would become rich overnight!

The challenge is locating, buying and then harvesting the right property in the right location so that you increase your wealth from day one.

There are four reasons that I'll walk away from a deal. They are:

1. It does not result in a win-win outcome.

I recall one potential wrap deal where the house was really worth about \$70,000 and our client really wanted it because it was next to his friend's home. The agent knew this and was playing us for \$80,000+. Our client could afford the extra, but we felt that the deal wasn't resulting in a win-win outcome since the underlying property was at an inflated price.

2. The numbers don't stack up.

There are two types of investors. The ones who do the numbers before they buy and therefore know what they are purchasing, and the ones that buy blindly and then suffer the financial consequences when it comes time to file a tax return.

It's impossible to escape financial responsibility and accountability for your investments. You'll either identify a potential problem before it occurs, in which case you will have time to walk away from the deal. Or you will come to appreciate the financial impact after you've bought and are taking a hit to your hip pocket.

3. The property is flawed.

Part of my due diligence process is a review of the structural condition of the property. If there are serious problems that I do not feel I can fix in a way that would see the deal remain profitable, then I'll move on.

4. Gut feeling.

As you start inspecting properties you will begin to acquire a gut feel about the investment. If you're satisfied that the feeling does not stem from greed or fear, then it's wise to listen to and follow your intuition.

If you are uncertain about whether to hold or fold on a potential investment then some warning signs to be wary of are:

- You haven't done the numbers (or don't know how to do the numbers).
- You are buying sight-unseen and without a building inspection.
- Your contract does not include a 'get-out' clause.
- You are buying a property that needs significant work before it will earn a dollar of positive cashflow.
- There is work to be done to the property and you have no realistic idea of how much it will cost to complete.
- You have to buy at an auction.
- The agent is the source of advice about the benefits and risks in the deal.
- You feel like you don't know what you're doing and feel silly asking for help.

If you experience any of the above warning signs then stop and really make sure you know what you are getting yourself into. Mistakes in property are usually very expensive to rectify.

Success in property is no fluke. It's earned through careful and diligent investing whereby you purchase the good deals and leave the bad ones to less astute investors.

About the 10 Laws

If you adopt my property investing laws then it's more likely that **all** your property investments will be profitable.

Break the rules and risk the financial consequences.

Never be in a hurry to accumulate wealth, because, just like a house, the more solid the foundation then the more sturdy the ultimate structure will become.

Buy a Positive Cashflow Property In The Next 30 Days

For many months now I have been receiving requests to record an interview between myself and my business partner David Bradley that outlines how we began in real estate investing.

Well the great news is that this has now been completed and the result is an insightful 90-minute recording called 'Fast Track'.

Some of the many topics outlined include:

- Exactly what you need to do to get started immediately.
- The power of OPM and why it makes property investing such a proven and powerful wealth building tool.
- Why investing to save tax can easily create a financial disaster.
- The 4 factors you can use to spot the next boom town.
- Why having no money or knowledge shouldn't stop you from starting.
- The biggest mistake that nearly all landlords make and how you can easily avoid it by shifting your focus.
- The 4 step plan that will identify exactly how you can buy a positive cashflow property in the next 30 days.

When I was in the recording studio doing the final edit on this product an associate of the studio owner stopped in to pick something up. He quickly became absorbed in listening to the recording and afterwards commented that "This was the kick up the investing pants he needed to get started in property."

Perhaps best of all is the price on this recording. It's just \$14.95 (plus postage and handling), which makes it an absolute no-brainer for any serious property investor.

My problem is that we did an initial order of 1,000 tapes, but already 376 of them have been spoken for. And with this newsletter now going to over 4,300 people... well, I expect the remainder to go quickly.

If you'd like to order Fast Track then the best way to do so is to [order online at the new web site](#)

Trust me - at \$14.95 for a ninety minute recording that contains real information that will take your investing to a new level, you won't be disappointed with your purchase.

A Christmas gift!

To thank you for your ongoing support and participation in the PropertyInvesting.com community, I'd like to provide to you a small Christmas gift.

I've created a simple Excel spreadsheet that acts as an automated financial calculator. I have also built a basic deal evaluation spreadsheet to help you create an initial budget for the profitability of your investment.

It is available for download from the website at:

<http://www.PropertyInvesting.com/download/Xmas.xls>

You will need Microsoft Excel 5.0/95 or later to open the file.

Summary

It would be wonderful if you could spend a few moments now to download your Christmas gift while also sneaking a peak around the new site

We have now completed our analysis of my 10 Laws of Property Investing Success. I look forward to building upon this knowledge base in 2003 as we continue to discuss strategies for boosting your property profits.

I'd like to really encourage you to purchase Fast Track. I have deliberately set the price very low as it is an essential resource that all property investors can learn from. For 90-minutes of information at less than \$15 (plus postage and handling), FastTrack is an ideal platform from which to launch your investing activities in the new year. Order your copy online for immediate shipment today

My wish this Christmas is for God's richest blessings to fall upon you. More than money, more than success - I pray that you're able to reflect and give praise to God for His unending love in your life.

Have a wonderful, merry Christmas and a safe, prosperous New Year.

Sincerely,

Steve McKnight

P.S. Remember to check out the latest forum news at: <http://www.propertyinvesting.com/forum>

P.P.S. To access back-issues of this newsletters please go to:
<http://www.propertyinvesting.com/newsletter/backissues>

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