



Property Investing.Com 'Insider'

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

HOME OF POSITIVE CA\$HFLOW
PROPERTY INVESTING

Issue 1, Volume 1 - February 2002

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Your Notes

Welcome to the *Property Investing.Com 'Insider'* - the special Property Investing.Com e-publication written especially for property investors seeking to build wealth using genuine positive cashflow real estate techniques.

Let's be clear up front, this e-publication will step on some people's toes and will hold nothing back in attempting to assist you to accumulate more wealth.

Your *Property Investing.Com 'Insider'* is not designed to be a fluffy, fun read... it exists to deliver cold hard facts about what works and what doesn't. But, most importantly of all, *Property Investing.Com 'Insider'* is written to make you THINK.

This edition contains the following Property Investing Insights:

- Making A Successful Start in Property Investing... Which Strategy Is Best?
- The Investing Dangers of Succumbing to Fear and Greed.

INSIGHT #1: Making A Successful Start In Property Investing

One of the most difficult concepts for new investors to grasp is:

**There Is An Infinite Number Of Ways To Make Money
And No One Strategy Is Best.**

There are hundreds of thousands of ways to make money in real estate and to be honest - it's not all that hard to get the dollars rolling in once you've developed a system that works.

Your Notes

But the key to long-term successful property investing is to:

Work Out Why You Want To Invest Before Deciding How

Only after you have determined what you want from your investment can you select the appropriate tool or strategy tailored to help you achieve your goal in the least possible time.

When it comes to making money in real estate there are usually two types of profit that can be earned.

1. Capital Gains / Capital Appreciation / Increase In Net Worth

This is the sort of profit return that most people think about when it comes to property investing and is simply the difference between the price you pay for the property and the value your investment property is eventually resold for.

For example, you buy a property for \$100,000 and sell it three years later for \$150,000. The difference, \$50,000, is called your capital gain or net worth increase.

2. Positive Cashflow Returns

A positive cashflow return is the surplus of investment income over investment expenses. In a typical property investment a positive cashflow return is achieved when the rental income is higher than the total of mortgage payments and ownership costs (such as repairs, rates, taxes and management fees).

For example, when the rent or other income you receive is \$1,000 per month and your expenses are \$750 per month. The difference, \$250, is your cashflow return or monthly profit.

Your Notes

Despite what some so-called experts will tell you, it is very difficult to earn both capital gains and cashflow returns unless the market that you are investing is moving very, very fast. Even then, once property prices exceed the '11 Second Solution' outcome (see the special Free report titled 'Confessions Of A Veteran Real Estate Investor'), positive cashflow returns will become next to impossible.

Your choice of which return you are seeking to make depends to a large degree on your personal circumstance. If you are happy in your job and want to continue working for at least ten years, then a capital appreciation strategy that is at least cashflow neutral might be appropriate.

But if you are like me and want to stop working as soon as possible, then you'll need something to replace your wages and earning a positive cashflow return will be your focus.

Your Notes

One of the truths about property investing that I've discovered is that it is more likely to have a cashflow positive property achieve capital gains returns than it is to have a capital appreciating property purchased outside of the '11 Second Solution' to earn positive cashflow.

That is, if you want to have both capital gains and regular positive cashflow, the appropriate strategy is to buy a property primed to earn cashflow and not capital gains. This means the old catch-cry of 'location, location, location' is not the wealth building formula that people think... rather it's a way for real estate agents to earn higher commissions by selling more expensive property.

Don't get me wrong! Position is important, but I believe cashflow is more critical to your success if you want to achieve financial independence.

Only Once You've Worked Out Why You Are Investing Can You Then Select The Best Property Investing Strategy To Enable You To Achieve Your Goal.

Strangely, this is not the normal way people invest. Instead, would-be investors rush out and buy a property based on hype or promises of instant riches, usually in a location that the investor has little or no knowledge about.

Then, when the property loses money, the bad investment choice is blamed on the tenant, the real estate agent or the investment promoter. This is the "it's not my fault" reaction that single-handedly characterizes a dud investor.

Avoid making this mistake by setting out your investing objectives now. You can do this by answering the question below.

However, before you do, let me warn you up front. The easy way out is to give the answer 'make money'; and the easy way will get you no where in property investing. Think seriously about what the money, financial freedom and confidence will provide you. Then write your answer below.

The reason why I want to invest in property is:

Your Notes

Your answer here:

Congratulations! Deciding why you are investing has just qualified you as someone who will greatly benefit from Property Investing.Com because you're not just another instant-profit seeker looking for a get rich quick scheme... you're someone with a goal!

INSIGHT #2: Watch Out For Fear & Greed - The Emotions That Can Knock You Off Your Plan!

Every investor is plagued by the powerful emotions of fear and greed... the *fear* of missing out and the *greed* associated with amassing wealth.

Don't be too upset if from time to time you become motivated by these emotions - it's natural. But be aware your investment decision will become clouded and your judgment impaired.

If you'd like to be a successful investor, then the best thing you can do is adopt the habits of people who have already proven they have the psychology to make consistent long-term profits.

One habit you might like to adopt is to avoid schemes that are promoted on the basis of instant riches and fast-buck returns. The reality of successful property investing is that it isn't sexy or glamorous - it's quite the opposite, boring and methodical.

A simple template that successful property investors follow is to only acquire properties that:

1. Fit into the property investment strategy
2. Is at least cashflow neutral, but even better - cashflow positive
3. Can be disposed of in an exit strategy if something goes wrong

Another way of looking at the difference between would-be investors and successful property investors is:

Would-Be Investors Buy Something That Might Make Money Successful Investors Secure Deals That Will Make Money

Here's a simple rule to take the guesswork out of property investing...

If You Only Purchase Properties That Make Money, You Will Make Money!

However simple that statement sounds... it is the plain truth. I know many investors who have this on their office wall because it is amazing how often you can be pulled in a different direction. Model the strategies of successful investors. Print the above statement out in LARGE Print and put it in your office as a gentle reminder.

What To Do Next...

If you are receiving this e-publication then you have either already subscribed or have been forwarded it by a friend or acquaintance.

Should you fall into the later category then I encourage you to subscribe for your own copy. That way you'll be sure to receive future editions as well as news about upcoming Property Investing.Com events and site developments. You can subscribe by clicking [here](#).

It's a pleasure to be able to bring you this e-publication. Be sure to regularly visit our flagship website PropertyInvesting.Com often and don't forget to tell your friends about us.

And remember - never, ever, ever buy a negatively geared property.

Warm regards,

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P.S. Please feel free to forward this edition of the ***Property Investing.Com 'Insider'*** to anyone you know who would be interested in creating more success in their property investing endeavors.