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PropertyInvesting.com 'Insider'

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

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It's newsletter time, and this month you'll discover a simple yet practical and powerful insight that will drive your property profits higher. It's a little out of left field as it involves carpet, so if you have a spare few minutes then grab a highlighter and let's get started!

July's quick-list topics are:

- [An Improved Newsletter Format](#)
- [The Great Cover Up: How To Use Carpet To Drive Profits Higher](#)
- [Forum Post Of The Month: Profit From The Best Investing Insights](#)
- [Stop The Press: Your Chance To Be Personally Mentored By Me](#)

An Improved Newsletter Format

I'd like to share a significant 'a-ha' moment I experienced last month. I was sitting at my desk wondering what could be done to make these newsletters more interesting and informative. Unsure of where to start, I began by re-reading some of the very early editions I'd written at which point I realised that my writing style had moved away from some of the really practical insights and towards the theory of successful investing.

Now, while it's always important to understand the theory, I'd like to devote my newsletters to delivering practical information that you can implement to drive your property profits higher. So, from now on you'll be reading shorter and punchier bulletins which will then redirect you back to the website (as needed) to build your understanding.

Also included at the bottom of each section is a new "Call to Action" which outlines step-by-step procedures you can follow to implement the idea.

I hope that you enjoy the improvement and would greatly appreciate any feedback (encouragement or constructive criticism) which you can send via email to feedback@propertyinvesting.com

Call to Action

- Read this email with a highlighter handy so you can identify what's relevant to you.
- Follow through on these action-steps to build momentum
- Send me an e-mail with your feedback

The Great Cover Up: How To Use Carpet To Drive Profits Higher

t the risk of stating the obvious... carpet is made up of interwoven fabrics - either natural based (e.g. wool) or synthetic (e.g. Nylon) and is used as a floor covering. The style of the carpet (e.g. loop, twist, plush) describes the way that it is woven together. While it can be laid directly onto concrete or floorboards, in almost all cases a rubber or fibre-based underlay is used which adds to the durability and feel of the final product.

When it comes to carpeting rental properties, most landlords would probably choose to use the cheapest and nastiest option possible. However, like most aspects of real estate investing, I have a different philosophy.

Here's my take on things...

If you buy a property and the carpet stinks to high-heaven then you may like, for cost-effective reasons, to have it steam-cleaned first. However, if the stench is too great then it's better to start again from scratch. Before buying new carpet though, I recommend getting the cleaners in to freshen up the place (after the old carpet is gone) as it will be difficult to attract a quality tenant if the house has a bad odour or needs a good clean (remember that like attracts like).

I would then engage a rental agent to advertise for a new tenant on the following basis:

1. The house will be recarpeted before the tenant moves in.
2. The tenant can choose (from my pre-selected range) the carpet of their choice. My pre-selected range is chosen based on durability and ease of cleaning first and price second.
3. My choice includes three options: 'no extra rent', '+\$10 per week in rent', and '+\$20 per week in rent'.
4. It's a condition of the lease that the carpets are professionally steam-cleaned when the tenant leaves.

If you have an already tenanted property with 'carpet issues' then why not approach them and offer to replace the carpet as a way of legitimately increasing the rent in a win-win way. You may say, "Ms. T, I want you to enjoy this property as your home. I've been thinking it's about time to replace the carpet and I was wondering if you could help me with the choice...". I then go back and work through points 2, 3 and 4 from the list above in order to determine what carpet is chosen and what extra amount is added to the rent.

Having the tenant pick the carpet is a great way for them to feel more attached to the dwelling, meaning that they'll be less likely to leave resulting in a more reliable and secure income stream. You may also like to use re-carpeting as a way of signing a good tenant up on a longer term lease, especially if price is an issue. For example, you may say, "Normally I'd seek to increase the rent by \$20 per week, however, Mr. Y, you've been a good tenant so if you are willing to sign a new two year lease then let's just increase it by \$10 per week."

Many investors see replacing carpets as an annoying cost, but really it's an opportunity for the savvy property owner to drive rents higher which will then have a flow on effect to the value of the dwelling.

Call to Action

- Call your tenant and ask them how the carpets are holding up. Use it as an opportunity to see if they are interested in an upgrade. You could say, "Mrs X., I'm calling with an unusual request. I'm concerned about the carpets in the house and am wondering whether you feel it might be time for new floor coverings." See where that conversation takes you.
- If you are buying a home that stinks from mouldy old carpet then make it a condition of your purchase that the old carpet is ripped up and removed prior to settlement. This will save you the effort and cost and should be easy enough to negotiate.
- As a rule of thumb, you should recover the cost of the recarpet through higher rents over three to four years.

Forum Post of the Month: Profit From The Best Investing Insights

This month I'm seeking to enlist your help. I made a post on the forums the other day in an attempt to raise a databank of great tips from investors of all abilities. Here's what I wrote at <http://www.propertyinvesting.com/forum/topic/18594.html>:

Hi,

I thought I'd start up a thread that summarises the collective knowledge of this vast forum.

Don't worry so much about the theory, perhaps post a personal experience about an aspect to property investing that you wish you knew about prior to beginning.

Here's an example to get us started:

>>That you don't need to know it all.<<

When I lack experience, most of my confidence comes from me trying to understand a topic inside out.

However, when it comes to investing, while a solid education in the basics is very, very important, the best way to learn is in the field.

This is because experience adds a context to the information you will learn by reading books, going to seminars etc.

So, my tip would be to be at ease with your investing by looking at it as a journey - whereas trying to know everything upfront will only end in confusion.

In summary, the better way to learn is 'experience before education'... that is - gain a little bit of experience and then match it with a little bit of education in order to support your learning experience.

My investing journey leads me to believe that there will always be more to learn.

Please, post your own tip or insight and let's build a really useful database of experiences.

Regards,

Steve McKnight

Already there have been some great replies, but I'd love it if you could spend a few minutes sharing one of your own insights so that less experienced investors can profit from your knowledge.

Call to Action

- Make a quick post now by visiting: <http://www.propertyinvesting.com/forum/topic/18594.html>

Stop the Press: Your Chance to be Personally Mentored by Me

Okay, now for some news hot off the press. In a short while I'll be starting up an all new web and face-to-face based mentoring service, and I'm on the look out for individuals who would like some coaching on how to be better skilled investors.

The last time I ran a mentoring program the results were quite impressive, but the impact in changing lives was even greater. Are you committed enough to your financial future to make the time and personal sacrifices needed to be a success? If the answer is yes then I'd like to short-list you.

I need to point out that there will be a cost involved, however, as yet, I haven't decided on a final figure. My current thinking is to price it as affordable as possible, say \$5.50 per day (the cost of a sandwich or train ticket).

Numbers will be limited and I expect demand for a spot will be quite intense, so I encourage you to pre-register your interest by completing the pre-registration form at <http://www.propertyinvesting.com/sima/click.php?id=77>

I'm excited by this upcoming opportunity and look forward to receiving your email.

Call to Action

- Register your interest now by going to <http://www.propertyinvesting.com/sima/click.php?id=77> and completing the pre-registration form. This is not a commitment by either party, just an expression of interest

Final Words

We've now come to the end of the July edition of Insider. Thanks for your continued support and membership of PropertyInvesting.com Feel free to onsend this email to others. Be sure to remind them that they can join the

mailing list for free by going to <http://www.propertyinvesting.com/register/newsletter.asp>

Until next month remember that success comes from doing things differently.

Regards,

- Steve McKnight

P.S. Don't forget that I'd love to receive your feedback about this new newsletter format. Drop me an email at feedback@propertyinvesting.com

P.P.S. Also, you can now register your interest for my upcoming mentoring program by completing the form at <http://www.propertyinvesting.com/sima/click.php?id=77>.

Disclaimer: This newsletter is not intended to be a substitute for taxation advice. It is a broad discussion to provide a general understanding. You should seek specific advice for your unique situation.

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