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## PropertyInvesting.com 'Insider'

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

*Issue 5, Volume 6 - July 2007*

**By Steve McKnight**

12:15am, Thursday 23rd August 2007

It's a pretty tough investing climate at the moment. But don't stress. Keep reading to find out how you can profit like a financial guru during times of uncertainty.

**FREE WEBINAR: I'm receiving a lot of requests for specific help, so in response I've decided to run a free community webinar called 'Riding Out The Investing Bumps'. However, my tech guys tell me that I can only take a maximum of 200 people, so if you want to profit from some great free info then register asap at <http://www.propertyinvesting.com/upcomingwebinar>**

## Fast Track

While it's best to read this email in full, if you're short on time then chose your topic(s) of interest from the list below:

1. [Why Uncertain Times Breed Amazing Opportunities, Provided You Know...](#)
2. [Profit Prophet: How to Accurately Predict Your Financial Future](#)
3. [Upcoming Webinar: Are You Properly Poised To Profit From Uncertainty?](#)

Let's get going!

### 1. Why Uncertain Times Breed Amazing Opportunities

Do you remember the story of Chicken Little? One day an acorn fell on his head and he started running around shouting 'The Sky Is Falling In'. Naturally, he was mistaken yet his panic caused him to behave irrationally.

We've seen a similar spectacle over the last week on a number of fronts: political moves and Federal election speculation, stockmarket correction, interest rates and housing affordability to name a few.

While many people view change as a disaster since it invades their nicely constructed comfort zones, others perceive a variation in trading conditions as the chance to sniff out new opportunities and profits.

A classic example is fossil fuel. No one is disputing that coal is bad for the environment, yet anyone who can come up with 'clean coal' technology is going to be an instant gazzillionaire!

See, change ALWAYS facilitates a redistribution of wealth: away from those who can't adapt and towards those who can position themselves to ride a new trend.

For example, the 'Chicken Littles' of the property world are running around screaming 'Interest Rates Are Going Up' and 'There's A Crisis In Housing Affordability'. By the way, both are true, but how much wealth are you going to create while you talk yourself into the merits of doing nothing other than being paralysed by fear.

How much airplay does the Chicken Little in your head get? Forget that nonsense! Go find your thinking cap and spend time with some positive people who not only perceive risk, but also use it to their advantage to eek out opportunities that others can't see staring them in the face.

Want some examples? Sadly, I'm on a word limit here, but I'll give you a fistful of killer ideas during the upcoming webinar.

In wrapping up, uncertain times breed amazing opportunities for those who can do whatever's necessary to take action and join the team that's receiving the redistribution of wealth, rather than those poor souls who sit passively and watch their hard earned money slipping through their fingers.

Which team are you on? Giddy up! Time's ticking. The market's changing. Take action!

## 2. Profit Prophet: How to Accurately Predict Your Financial Future

Yes, although my hairline may be receding, but I'm not quite at the point (yet) where my head is shiny enough to pass as a crystal ball. Nevertheless, all I need is to ask one question and I'll instantly know whether you're poised for great wealth or else sitting on the cusp of mammoth financial disaster.

That question is: How many times does your asset base (excluding the value of your home) cover your total debt (including the value of your home mortgage)?

Confused? Let's look at a case study to flesh it out. Billy has shares worth \$20,000; a property portfolio worth \$500,000 and his home is worth \$350,000. His liabilities are a credit card with \$3,500 owing, property debt of \$420,000 and a home mortgage of \$150,000.

Billy's 'Wealth Score' is 91, meaning that he has 91 cents of investment assets to each dollar of debt he owes. This is calculated by:

(Assets: \$20,000 + \$500,000) - (Liabilities: \$3,500 + \$420,000 + \$150,000).

**Note:** I've done up a handy template that will help you with this calculation. You can download it for free by going to: <url>.

Having worked out your Wealth Score, here's the grade to assess it against:

## **Wealth Score & Description**

### **<50: Warning! Crisis Pending!**

Crikey. Things aren't looking good and you'll really need your job to pay your interest and debt obligations. Make sure you give your boss a great birthday present and a Xmas card. Work on getting your debt down and the value of your assets up as soon as possible as you may be wiped out when interest rates rise!

### **50 - 100: Lift Your Game, It's Not Good Enough**

While it may not be a complete disaster, you're not exactly going to win any awards for wonderful financial stewardship. Concentrate on assets that build your wealth and at the same time repay personal debt as quickly as possible. I also recommend that you make a written plan that outlines how you expect to repay your investment debt.

### **101 - 175: Okay, But Can You Do Better?**

You've done okay, but you're a long way off financial independence. However there is certainly hope on the horizon. I recommend that you take a look over your investment portfolio and isolate those assets that have been underperforming because, if they haven't gone gangbusters in better times, how will they fare in an environment of greater uncertainty?

### **176 - 250: Well Done. What's Next?**

Your plan must be working because, although you may not know it, you're amongst Australia's richest people. Sure, lots of folks earn big salaries, but you have a system that is seeing your assets grow significantly faster than your debts which is a proven recipe for long term wealth. Even if you don't have millions, you certainly have the right mindset. Keep going, but also set benchmarks and regularly re-evaluate.

### **251+ Impressive.**

Excellent work. I doubt your success has been a fluke, so you must have mastered the ultimate wealth creation strategy: spending less than you earn and investing the difference on growth and income assets. I wonder though... has there been some 'slack' that's crept in of recent times? If so then go back to basics and keep building your cash reserves because your position of strength will see you flourish in uncertain times.

How did you score? If you want to join a discussion about the merits of this measure and also read how other people went then take a look at

<http://www.propertyinvesting.com/forums/property-investing/general-property/4321527>

One lucky poster will win one of my very popular MasterClass packs valued at \$495. You have to be in it to win it so get posting today. Entries close 14th August 2007.

## Free Upcoming Webinar

If this email has tickled your fancy for more info on the topic of investing during uncertain times then make sure you register for my free upcoming webinar (online seminar). Full details can be found at: <http://www.propertyinvesting.com/upcomingwebinar>

The webinar is your chance to call in and have your specific situation assessed in an attempt to brainstorm ways for you to improve your score and position yourself properly for any financial fallout from upcoming political and economic events.

## Homework

Your homework is to complete the following tasks by 5pm this Friday:

1. Consider how much time you're spending listening to the Chicken Little in your head. Is it time to cook him up rather than listening to that clucking?
2. Download the template I've created and calculate your 'Wealth Score'. Post your comments and observations on the forum using the link given earlier.
3. Gain the edge by registering for my free upcoming webinar about investing during uncertain times by going to: <http://www.propertyinvesting.com/upcomingwebinar>

Right. I reckon that's enough for the moment. Keep an eye on your inbox though as I'll be sending you another email in a week or so that finishes off the discussion by revealing how you can protect and position yourself to fully capitalise on these uncertain times. You won't want to miss it.

Until then. Remember that success comes from doing things differently.

All the best,

- Steve McKnight

P.S. Don't forget to sign up for the free upcoming webinar. Find out more by going to:

<http://www.propertyinvesting.com/upcomingwebinar>

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