



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

HOME OF POSITIVE CASHFLOW  
PROPERTY INVESTING

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*By Steve McKnight*

Your Notes

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Hi and welcome to your June edition of *'Insider'* - the PropertyInvesting.Com e-bulletin for positive cashflow investors seeking a lifetime of passive income from real estate.

This month's topics are:

1. Vital tips for boosting profits... but are you missing out?
2. Bust through the momentum blues and fast-track your success!
3. My 4th Rule of Property Investing Success

There's quite a lot to cover so let's get started...

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### **Vital Tips For Boosting Profits... But Are You Missing Out?**

I'm very pleased to announce that in the first month of the PropertyInvesting.Com forum going live there have already been over 350 posts, with the vast majority of them containing a very high quality of information relevant for all levels of property investor.

I note in particular that many people received a lot of insight in the case study discussed under the post 'A deal too good to be true?'

If you haven't recently checked out the forum then I recommend that you allocate the time to do so because as an investor it's not what you do know that's the problem - it's what you don't know that might be the difference between a big profit and a disastrous loss.

Remember that you're very welcome to make a post at any time. If you have a question or a comment that you'd like some feedback on, then post it on the forum and you're sure to get an interesting response.

Your Notes

I make it a priority to check the forum as often as possible and am

only too willing to share my opinion on a deal you have on the table, or a suggestion on how to maximise your real estate profits.

All posts - long and short are welcome and so is your input! [Visit the forum](#) today!

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## **Bust Through The Momentum Blues And Fast-Track Your Success!**

A lot of property investors seem to experience an interesting 'plateau effect' at some time in their investing lives.

The plateau effect can occur at any time - sometimes even before you've purchased a property and is characterised by a distinct lack of being able to move forward.

You know you're suffering the symptoms if you know what's needed to be done, but you just can't gain the momentum or the lucky break you need to bust through the major issues and progress forward.

For most investors the 'plateau effect' is preceded by one of the following events:

1. Lack of a long-term investing plan
2. Lack of affordability given existing property investments are negatively geared
3. Unlimited imagination but very limited finance
4. An inability to locate deals
5. Negative experiences with current investments
6. Fatigue or boredom with the idea of property investing when once it was exciting and exhilarating.

Your Notes

Unfortunately, in many cases the plateau effect is terminal, which accounts for the reason why only one in two hundred property investors own more than five properties.

Now, I have some good and some bad news for you, which may well be the difference between fast-tracking your success or becoming stuck in the investing quicksand.

OK - first the bad news. Everyone will experience a property-investing plateau at some time; no one is immune.

Now the good news! You can beat it and go on to own multiple properties that provide a generous passive income provided you adopt the right attitude and seek assistance where necessary.

Your Notes

Ultimately the inability to move forward will be as a result of either limited time or limited money. For example, back when David (my business partner) and I began investing in 1999, we couldn't qualify for finance since we had not been in business for two years.

We tried everywhere before, in sheer desperation, David found a click-through ad on an Internet site and we found a mortgage broker who wrote our first five deals. But for months we couldn't find the momentum to get even one deal over the line and we experienced severe 'plateauing'.

A vital point to remember is that you can ALWAYS help yourself by taking action, whether it be ringing up new finance providers, or calling agents and asking them about properties they have listed.

The worst thing to do is to accept that the reasons for your lack of momentum are valid because that's "just the way things are". By doing nothing, then the one certainty you can expect is for nothing to happen in return.

An even poorer option is to assign your control of the investment going ahead to someone else. It is wise to have many opportunities on the go, rather than one big potential 'home-run' deal that someone else controls.

If you're experiencing the plateau effect then you're probably experiencing massive frustration because you know that it's possible to make a lot of money in real estate but you don't seem to be able to crack the code.

If this sounds like you, then I strongly recommend attending my upcoming ['Australian Property Investing Masters'](#) seminar to be held in Melbourne and Sydney.

There you'll be able to network with many other investors and discover the unique methods they have used to beat the phenomenon of stalled momentum. You'll also be very interested to discover my ideas for:

- How I am able to get unlimited finance, legally pay next to no tax and safeguard my assets using an effective 'multiple entity' structure. Best of all I'll show you how to do this too!
- A revolutionary idea that takes the idea of low-down and big returns to an all-new level.
- Wrapping properties in any area regardless of the value of property using a lease-option strategy with a wrap twist.
- Starting in property investing with no money and a credit history that would make Alan Bond look good!

If you missed out on receiving all the details of this event, including the dates and massive discount for Property Investing.Com

members, then please click [here](#) Alternatively, visit the [homepage](#) and click the link under the DON'T MISS OUT heading. I must warn you though... seats are selling fast so be sure to make your booking fast.

Your Notes

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## The 4th Rule Of Property Investing Success

As a quick recap, my first three rules of Property Investing Success are:

- Law #1 Choose Your Investing Yardstick (see March 2002 edition)
- Law #2 What Has To Happen In Order For My Investment To Make Money? (see April 2002 edition)
- The Third Law of Property Investing success is Invest In Your Area of Expertise (see May 2002 edition)

My fourth law is - **know where you stand in the profit pecking order.**

A phrase you've probably heard before is 'pay yourself first'. This is difficult to do in property because a vast array of agents and advisers must be paid at the time you buy, while you own it, and also finally when you sell.

For an experienced investor who knows what s/he is doing, this is not necessarily a problem. But for a beginner - identifying and understanding how hidden expenses whittle away critical profits is an essential step in any due diligence process.

The aim of the fourth law is for you to become immune to marketing hype and instead focus on the factors that can be the difference between profit and loss. Naive investors leave such things to chance because they get swept away with the promise of riches. Sensible investors act on information that other people disregard or find too hard to understand.

Put another way, my fourth law of investing identifies that the lower down the profit pecking order you stand, then the less chance you have of ever making money.

Your Notes

You can apply this rule by asking the question:

"When I invest in real estate, who stands to profit:

1. *Before* I buy
2. *While* I own, and
3. *After* I've sold."

Some of the people who fall into the above categories include:

*Before you buy:*

- Vendor
- Solicitor (legal fees)
- Bank (mortgage application)
- Government (stamp duty)

*While you own:*

- Bank (interest)
- Council (rates)
- Real estate agent (management fees)
- Contractors (repairs / renovations)
- Government (taxation of profits)

*When you sell:*

- Solicitor (legal fees)
- Bank (mortgage payout fees)
- Real estate agent (commissions)
- Government (taxation of profits)

All these people must get paid before you can derive a dollar of profit, so the purpose of this law is to encourage you to understand what has to happen in order for your investment to make money and to appreciate where you stand in the profit pecking order.

Your Notes

The aim is to protect yourself from the promises of instant riches when you calmly and accurately assess the role of each person and how their involvement will detract from the overall profitability of your investment.

The profit pecking order becomes the basis for Property Investing Success Law #5 - Understand the True Cost, which I'll feature in the July 2002 edition.

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## Summary

After just one month the official Property Investing.Com forum has already received 350 posts - each one offering a special insight or point of knowledge for you to profit from real estate.

If you haven't already checked out the forum, or if you'd like to make a post, then I invite you to visit:

[www.propertyinvesting.com/forum](http://www.propertyinvesting.com/forum)

I also went on to discuss how every property investor will experience what I call a 'plateau effect' when momentum fails and progress begins to drop off. Indeed, some investors may experience this before they have even purchased a property.

Your Notes

It's important not to feel like it is your fault if this is happening. But unless you seek help in rectifying the problem then it will be difficult to find a solution yourself. This is one of the many reasons why I strongly recommend all PropertyInvesting.Com community members seek to secure a seat at the upcoming '[Australian Property Investing Masters Series](#)'

At this very special event I'll be featuring many new strategies and will introduce you to a network of successful investors who will provide valuable advice about exactly what **you** need to do to boost your profits. Find out more about the event by clicking [here](#)

Finally, this month I outlined the fourth rule of property investing success, which is knowing where you stand in the profit pecking order. Sadly many investors mistakenly believe that the simple act of owning property is enough to secure instant profits. The truth is that there is a long queue of advisers and helpers with their snouts in the profit bucket, leaving the poor old investor with grim pickings.

Don't let this be you! Be careful in appreciating the role of all the people who support your investment and always remember that the higher up the profit pecking order you stand, then the more money you'll make.

Your Notes

Have a great month and remember to only invest in things that make money.

May God bless you with good health and happiness,

Steve McKnight

P.S. Don't forget to book your seat to the upcoming two-day seminar. Property Investing.Com community members get a massive discount provided they book by the early bird deadline Find out more by clicking [here](#)