



Your Notes

16 September 2002

Hi [FNAME], and welcome to your September 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. My seventh law of property investing success
2. Find you can secure an amazing 55% discount (yes 55%!) off my Wrap Secrets Revealed Library

As usual there's plenty of great info so let's get started.

The 7th Law Of Property Investing Success

This month I'm pleased to outline my seventh rule of property investing success.

But before I do, here's a quick recap of the first six rules (you can access the backissue where the rule was explained by clicking the link).

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](#))

Law #3 - Invest In Your Area of Expertise
([see May 2002 edition](#))

Law #4 - Know Where You Stand In The Profit Pecking Order
([see June 2002 edition](#))

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

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Law #6 - Understand The Difference Between Fact And Opinion
([see August 2002 edition](#))

And now for my seventh law of property investing success...

The Seventh Law Of Property Investing Success:

The Bigger The Hype, The Bigger The Hoax

I was driving home from gym yesterday and over the fifteen minutes it took to get there I had heard three ads on the radio about free seminars promising to reveal the easy way of making a fortune in real estate.

It seems that now more than ever there is a glut of free information products (web sites, seminars, CDs and DVDs at fish and chip shops, glossy feature ads in newspapers etc.) that are really thinly veiled sales pitches designed to entice you to purchase potentially over-priced real estate.

This approach is also known as **two-tiered marketing** because the marketing that entices you to buy has two levels.

Level one is the free seminar or information product where you are sold on buying the virtues of a certain

type of property. There is usually nothing to buy - only a further free wealth consultation, possibly even in the convenience of your own home.

That's where level two kicks in. This is more of a hard sell because you've directly requested the information. You'll be presented with financial models that 'prove' what a good investment you'll be making, usually after buying a property in another State and in conditions that you are not familiar about.

You may be offered free plane tickets, limo rides, dinners out, rental guarantees – or you may be shown so-called independent valuations or other documentation that proves you are not being overcharged.

But the bottom line is that buying under a two-tiered approach opens up the possibility that you'll pay far above market value since marketing savvy promoters and developers have to make their minimum profit as well as recouping the significant costs of advertising too.

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Always remember that the information contained in such seminars, brochures and financial models have been purpose written to entice you to buy and not provide independent information to make an unbiased investing decision.

In fact, often the information you're sent is pre-sale data that doesn't even meet the minimum disclosure requirements under the Sale of Land Act.

Another favourite strategy that gets people to part with too much money is to include sales incentives (like rental guarantees) to sweeten the deal. These tricks and add-ons should never be a major factor in deciding whether or not to buy, because your property must continue to be profitable when the incentives lapse.

I protect myself from the ploys of smart sales consultants to get you to sign a contract by telling myself 'the bigger the hype, the bigger the hoax'.

Some of the common techniques used to prompt you to purchase include:

- Seemingly cheap finance terms.
- Rental guarantees.
- Fit outs at below market value.
- Free flights to inspect your potential property, together with VIP treatment.
- Free wealth assessments in your own home.
- Statements that you have nothing to lose by signing because you can always pull out (true in most states, but the window of opportunity to cancel is limited).
- Lack of time to properly read the contract and glossing over penalties as being minor and almost irrelevant.
- Charts and statistics that are selectively taken to present a tale about how *hot* the market is at the moment and that now is the time to buy.

The truth is many of these so-called discounts and other advertised freebies are actually costed into the purchase price you pay, so, while they appear to be free, they're really not. Just ask a developer how much of a discount is available if you don't want the so-called 'free' rental guarantee.

Luckily there are things that you can do to protect yourself from being ripped off, like the seven ideas that I've listed below:

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1. Make sure that you're familiar with the area that you plan to buy in. Research it online by checking out the suburb profile at <http://www.propertyvalue.com.au> Contact an independent real estate agent from that area and ask him/her about the pricing of similar properties.
2. Ensure that the organisation you are buying through is a member of the state branch of the Real Estate Institute of Australia. That way if there is a breach of the law then you have some recourse against the agent as real estate agents must comply with a quite stringent code of conduct that is based on law.
3. Have your accountant cast his/her eye over the figures to make sure they match up with your circumstance - especially if there are tax incentives on offer. The best person to listen to for financial advice is not the person who'll earn a commission when you buy.
4. Search for information about the people who are doing the marketing. Make a post seeking another opinion on the [forum](#), look up the ASIC website and maybe even do a company search to ensure that it is not just a \$2 company. This is especially important if you are relying on a rental guarantee.
5. Get everything in writing. A verbal guarantee isn't worth a cracker so make sure that you get everything that you're promised in writing *before* you sign anything - especially something that resembles a cheque or a contract.
6. Confirm the future projections presented in the glitzy financial models with historical movements in median house prices. This information should be available for free at your local real estate agent or for a small fee from the Real Estate Institute of Australia.
7. Remember that there is no such thing as a free seminar. Someone has to be paying for the room hire, brochures and drinks somewhere down the line. Often you can purchase a similar property via

normal sales channels (ie. a local real estate agent) and avoid paying a premium.

Protect yourself from slick marketing talk by being alert to the warning signs that your investment is big on hype, but low on substance.

Secure A 55% Discount On The #1 Wrap Resource In The Country - The Wrap Secrets Revealed Library.

Okay, I am going to get right to the point on this one because this is something that LITERALLY won't be around for more than a couple of days!

Yesterday Brent completed a stocktake of the remaining Wrap Libraries we have upstairs and discovered there were a few of these courses that had been damaged in the shipping process.

Other than a few bent covers and a few little marks on the inside, they're practically BRAND NEW! They still contain the proven information about wraps and how you can build a substantial passive income with no / low money down.

And they are still covered by the fantastic 60-day money back guarantee that ensures you have nothing to lose and everything to gain!

Remember that, included in the Wrap Secrets Revealed Library are:

- The special conditions that I've spent over \$50,000 developing with legal experts that are essential to protecting your wrap investing, at the same time as creating a win-win outcome.
- My proven 8-step wrap process that will allow you to have other people search for the right property while you spend your time doing the things you love.
- The 4-Keys To 'Money Magnet' Classified Ad Success that will have your phone ringing off the hook and clients wanting to pay you above market rates.
 - The powerful negotiation strategy where the agent agrees to submit an offer way below the listed price
- The 5-Steps To Making Any Classified Ad A Home Run.
- The strategy I've used where the government has paid me in excess of \$280,000 - all because my wrap process is done the right way!
- Discover how to get the bank to say 'Yes', using 'inside-knowledge' they don't want made public.
- The 10 'must-ask' questions to quickly determine whether your lead is serious, or whether they are a tyre-kicker wasting your time.
- How I regularly earn annual cash-on-cash returns of 70%+ and buy property with little or none of my own money.
- How to correctly set up your empire so you pay as little tax as is legally permissible.
- Unlock the secret and avoid the #1 Financial Property Mistake that has cost other investors hundreds and thousands of dollars.
- And much more!

... and these are just a few of the coveted strategies you'll discover in my course - even with a bent corner or two!

With that said, we regularly receive calls from investors looking for a way to receive this information at a reduced price - a position that almost all of us have been in at one time or another.

So if you're new to property investing or haven't previously been able to afford the full price of \$1,995 that is essential to your wrap success, then pay close attention to what I am about to tell you...

Take advantage of the proven #1 Australian Wrap Course that will fast-track your property profits and built reliable long-term passive income. If you can bring yourself to look past a bent corner, or a few scratches, then I am willing to send you one of these slightly damaged courses for over 50% off the regular price of \$1,995!

Because of the extremely limited inventory, this offer is first come, first served... If you choose to wait and we run out of our VERY LIMITED INVENTORY there is nothing we can

do. So do not hesitate. Call Brent on 1800 660 630 and secure your Wrap Library today.

Note too, people, that there is also limited stock of pristine quality Wrap Libraries for sale at the regular price too.

If you have any questions or concerns, please send an e-mail to brent@propertyinvesting.com, but like I said before, the longer you wait, the less chance you will have as we expect to be completely sold out within days.

Summary

This month I outlined my seventh law of property investing success - the bigger the hype the bigger the hoax. This is especially true for properties purchased off the plan or that are sold through follow up sessions after free seminars.

It's essential that you understand there is no such thing as a free lunch when it comes to property investing. It is the buyers of these properties that end up making promoters and developers rich because you are potentially paying \$2 for something only worth \$1.50!

I strongly recommend that you follow my seven tips and always be on the lookout for wild hype or else risk paying too much.

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Finally I mentioned the way that you can secure a 55% discount of the fantastic Wrap Secrets Revealed Product. We have a strictly limited number of courses that have been slightly damaged in the shipping process - no worse than a bent corner on a folder but nevertheless enough that I wouldn't charge full price for it.

If you've been looking to secure all the proven information contained in Australia's #1 Wrap resource but haven't been able to afford it then be sure to take up this strictly limited offer and call the office on 1800 660 630 today.

Well, that's enough for this month. Until next time I wish you the best of success with your property deals and remember to only invest in things that make money.

May God bless you with good health and happiness,

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/files/content.asp?cid=backissues>