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PropertyInvesting.com 'Insider'

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

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By Steve McKnight

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Hi and welcome to your September 2003 edition of *Insider* - the e-zine outlining how to successfully invest in real estate delivering a positive cashflow outcome.

If this is the first time you're receiving this newsletter then I warmly welcome you to the PropertyInvesting.com community. Don't forget to regularly [check out our forum](#) to leverage off what other people are saying at the same time as having your questions answered too.

There's a lot to discuss this month so let's get right into it... here's what's on offer:

- [Success - it's all a matter of applied knowledge.](#)
- [Interest rates - are they going up or down? Does it matter? What you could and should be doing right now to prepare for whatever happens.](#)
- [A quick reminder about your free 'thank-you' gift](#)

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Success - It's all a matter of applied knowledge.

I firmly believe that the bridge between failure and success is applied knowledge. However knowledge, while important, isn't enough. What's also required is going on to take substantial action within the context of a carefully thought out plan.

Despite what the dreamstealers, academics and armchair experts would have you believe, it's perfectly possible to find positive cashflow real estate deals in any market provided (1) you know what to look for and (2) you know how to maximise your opportunities.

The question before us then is how can I acquire this knowledge. Well, there are three ways:

Method #1: Personal Mentoring

As you may know, I've recently taken on 20 protégés under my 'Millionaire Apprentice Program' (MAP). Over the next twelve months my team and I will be personally mentoring them to equip them with the necessary knowledge. We will also be challenging them to take massive and continual action in order to achieve their goals.

Method #2: Online Mentoring

On top of the MAP and in conjunction with Channel 7's Today Tonight, my office has sifted its way through 20,000 e-mails asking for help. Last week we managed to select three couples (who are complete strangers). We based our decision based on a 100 word application where we looked for demonstration that the applicant was appreciative of the opportunity on offer, while also being in a position to take action.

I'll be working online with these six people for the next year to help them to create a wealth creation plan that will set them well on the path to financial success, and then go one step further and help them to get started in real estate.

Method #3: Your Limited Chance

Unless you're one of the lucky 26 people here to be mentored by me, the only immediate opportunity open is to secure a seat in one of the three seminars I'm running in November (Melbourne, Brisbane, Sydney).

My goal is to outline my system behind finding, negotiating and buying positive cashflow properties in any market anywhere in the world. I'm confident I have the knowledge to pull it off as Dave and I continue to buy positive cashflow buy and hold properties in areas where people swear there are no more opportunities.

At the end of the day I think it boils down to two questions:

Question One: How committed are you to building a better life through accessing passive income via property investing; and

Question Two: Are you prepared to make the necessary investment to gain the information that will propel you towards owning a million dollar real estate portfolio?

This won't be a rehash of old material... it will contain the latest proven strategies and techniques for finding, negotiating and buying real estate, together with detailed discussion about how you can capitalise on the upcoming opportunities.

As I type this, a selection of affordable seats remain, but it won't be this way for much longer. If you'd like to find out more about the seminar or to go ahead and book, visit: <http://www.propertyinvesting.com/resources/15>

Interest rates - will they rise or fall? Does it matter? What could you and should you be doing right now in order to prepare for whatever happens?

Not too long ago most of the market commentators in the newspapers and on the TV were talking up the possibility of an interest rate cut. Now, just a few months further down the economic track, the latest hot gossip is that rates are going to rise.

Discussion about the movement in interest rates is pure speculation and is firmly in the realm of opinion. In short - it's interesting to an extent, but it is largely irrelevant.

In the cold hard light of reality, the relevant interest rate is simply the rate at which you can go to the market (ie. broker, banker etc.) and borrow money. If you have a poor credit rating, what good is an advertised cheap rate if you can't access it? On the other hand, if you're a mover and shaker, the advertised rate is what the public is offered, not VIP clients with a proven investing record.

To restate what I've just said... the only relevant interest rate is the rate at which your financier will lend you money.

This is not to say that potential rises in interest rates are not worth considering. No, no, no! It's very wise to manage your properties and have a 'Plan B' *when* (not if!) interest rates rise and your positive cashflow is eaten up by additional interest.

The key is this... you need to evaluate your buy, hold or sell decisions based, not on yesterday's or tomorrow's conditions, but on today's conditions. Put another way, don't invest for what *might* happen, invest for what *is* happening!

But while your decision to buy or sell a property shouldn't be influenced by what might occur in the future, it would be prudent to get ready for when things start to happen.

One of the many topics I'll be talking about at my upcoming seminar is how to prepare for the many expected advantages. The market is certainly changing and I feel we are on the verge of some very, very exciting times for those poised and ready to capitalise.

Some people believe that an interest rate rise will spell the end for property. What nonsense!

It's commonsense that the best deals exist in a buyer's market. So when the prevailing market conditions (ie. a seller's market) change, astute and ready investors stand to make a lot of money.

In Summary:

Will interest rates rise or fall?

Who knows? It's all opinion until after it happens. All you can do is invest for today's conditions with a safety plan for how your profitability will be impacted by an adverse movement.

Whatever you do, don't be fooled into believing that the current low interest rate environment of 30-year lows can and will continue indefinitely. If you hold this view then you are arguing against the trend of the history of economic cycles.

Does it matter?

Well, yes, it's somewhat relevant. But opinion is like the noise that distracts you from making a decision in the perfect quiet of clarity. When I first started investing, if I'd listened to people telling me not to invest in the country then I would've never made a start and I'd probably still be signing off audit workpapers.

What could and should you be doing right now?

Carry on investing, but whatever you do, don't invest in real estate that is currently marginally profitable on a long-term horizon. If things turn nasty then you don't want to be left with dead wood.

Now would also be a good time to review your portfolio and look to reassess your poorer performing investments. If they don't make money now, what chance do you have when the market conditions are less favourable?

Those at the seminar will hear much, much more on this topic, including specific action plans for "how to build a wall of protection around existing investments".

A quick reminder about your free thank you gift.

Don't forget to take advantage of your free thank you gift - a free supplementary chapter to my best selling book '*From 0 to 130 Properties in 3.5 Years*'. It's available right now from <http://www.PropertyInvesting.com/bonuschapter>

Post your questions and comments about what I've written at:

http://www.propertyinvesting.com/forum/topic.asp?TOPIC_ID=3737

Summary

Interest rates will eventually move - but whatever happens, you'll only be able to invest based on the prevailing rate. Have one ear pointed towards the market commentary and definitely have an investing Plan B based on the worst case scenario (which is probably a rise in interest rates), but have both eyes fixed on looking for deals and maximising your existing portfolio.

If you can, get to one of the three seminars I'm running in November. I've a lot of new information to share that has never been outlined before. It'll be easy to find reasons not to come, but those who make the time and money sacrifice will definitely be in the best position to take advantage of the information on offer. I urge you to make that sacrifice and, in doing so, challenge your comfort zone. Book as soon as possible while seats remain.

That's it for this month. I wish you the very best with all your investing activities. Until next month remember that success comes from doing things differently.

Warm regards,

Steve McKnight

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http://www.propertyinvesting.com/files/pop_welcome.htm

P.P.S. To read the back issues of this newsletter visit:

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