

**INVESTOR REVEALS: 'WHY LOSING MY JOB WAS THE BEST THING THAT COULD HAVE HAPPENED TO ME'**

**LAST MINUTE TIPS TO REDUCE YOUR TAX BILL THIS YEAR**

**WIN \$1000 CASH** CONDITIONS APPLY



**AUSTRALIA'S #1 PROPERTY MAGAZINE**

**Australian**

# Property Investor

JUNE 2012

FOR HOMEBUYERS AND PROPERTY INVESTORS

\$9.95 (incl. GST) ISSUE 136

www.apimagazine.com.au

## David Purcell

lost \$14m in shares and is rebuilding his wealth through real estate

# Young millionaires

Investors 40 and under share their secrets to making a fortune in today's market

### MEET:

- The 24-year-old electrician with \$3.7m in equity
- The office cleaner with \$1.4m in the bank and growing
- The million-dollar couple creating riches by only buying ugly properties
- The husband and wife duo who raised fast equity of \$1.6m by buying in bulk

### Women buying solo

How they're doing it alone – and with great success!

### REVEALED

# 30

locations where a shortage of housing is sending rents and prices soaring

ISSN 1329-2447

36



9 771329 244000

PRINT POST APPROVED

PP431206/00010





Maureen Pound admits she's a risk taker.

mining town Blackwater, again with both of her sisters. But by 2010 the trio opted to liquidate their value gain of 35 per cent and move their investment dollars offshore.

"We basically moved into the NZ market because my sisters and I wanted to build our equity bases, but with young families we need our properties to be covering their own costs," she explains.

This year Milly, who today works full-time as a property investment adviser, plans to make another investment, possibly in the Newcastle/Maitland corridor. She says its mix of high-yield properties and housing shortages makes it appealing. She's currently "eyeing-off" a duplex renovation project in the area.

For the next decade she plans to buy one property a year.

Asked if her husband has been threatened by her love of real estate, she says he's always encouraged her passion for investing.

"He understands what I do and the importance of creating your own opportunities," she says.

"Single women wanting to invest in property should do it! Take control of your future. Set your financial goals for how you want to live your life and talk to a professional to ascertain how many properties you need to acquire to meet your goals." **api**

## "MY ADVICE TO OTHER INVESTORS IS GET ON THE RIDE"

Self-employed Maureen Pound sees property investing as a rollercoaster – and she puts her faith in the ride.

Single mum to two young children, Maureen rents a \$1.6 million five-bedroom house in Melbourne with two long-standing flatmates.

What makes the 43-year-old's story inspiring, however, is the fact she has amassed three blue-chip rental properties worth almost \$1.5 million across two states while living on a single income with two dependants and bearing the financial risks and costs associated with founding a small business.

In 2009 she launched a professional coaching business with a business partner, who opted to leave the business in 2010.

"I'm a risk taker, so I just went for it. What's the worst that can happen? I sell something," she tells API.

"People are always saying to me, 'Maureen, you just seem to always land on your feet'.

"I've definitely had some stressful times along the way but I follow my instincts and don't think you can lose if you hold on."

Her entry to the world of rental property investment happened without intent when she decided to vacate her first home because she wanted company.

She'd bought a "quirky" one-bedroom Melbourne CBD apartment in 2002 for

\$199,000, using money a past boyfriend had suggested she invest for a rainy day.

"He was always on about 'what's your five-year plan?' And so I invested the money on his advice and when I needed my deposit, I had it there."

Straight away the art deco-style property's value skyrocketed by about \$90,000 when the area posted a long-awaited growth spike.

"I'm a really reactionary person so when my first property went up... and everyone was saying 'don't live in it, you should rent it out' I followed the advice that you shouldn't live in your biggest asset and decided to move out a year later, rent a bigger apartment and get some flatmates as I was a bit lonely on my own," she explains.

By 2003 Maureen's CBD nest-egg was worth more than \$300,000, heralding the next stage of her single-handed investment story; again, not part of a property strategy but the upshot of a dinner party conversation.

"I went to a friend's dinner party, got talking to someone, the opportunity (to buy) came up and by the next day I'd acted on it."

The property was an off-the-plan three-bedroom townhouse in Strathpine, about 25 kilometres north of the Brisbane CBD.

She paid \$177,000 and recently had it valued by her bank for \$350,000.

Providing her bank with a guarantee over the loan, Maureen says she was able to use the equity in her first property as security when seeking funding.

"We exchanged contracts in August 2003 and settlement was 18 months later so I didn't really have to do anything but wait and watch its value climb."

Pregnant with her first child, in 2007 she used her growing equity to buy again.

She signed contracts on an off-the-plan two-bedroom apartment in Port Melbourne, about five kilometres south of Melbourne CBD.

She paid \$550,000 for the luxury apartment with restricted water views and a 50-square-metre balcony one block from Port Phillip Bay.

But by the time the property settled in December 2009, Maureen's circumstances had changed.

Pregnant with her second child and on maternity leave, she faced hurdles getting her investment over the line.

"After all the delays, in the end they (the developer) sent me a letter telling me I had four weeks before I would have to pay the balance.

"It was a really stressful time, given I



had a toddler and a second baby on the way and it was tricky getting a loan from the banks as I was very sick with my second pregnancy and my income – or lack of income – reflected this,” Maureen explains.

“I nearly lost my \$55,000 deposit, but there was no way I was going to walk away from it.

“There was too much at stake. My broker and I just had to think creatively in terms of loan structure to get it across the line.”

Because most banks were shunning low-doc loans in the post-global financial crisis lending climate, Maureen ended up spreading her borrowings between two lenders: one loan was for \$468,000 via a low-doc loan product, the other was a \$100,000 business

loan. “My friend also offered an 11th-hour loan of \$30,000... unfortunately I did end up paying a late fine of \$2000 because I couldn’t meet the deadline, but at least I saved the deposit money so there was big relief.”

Plucky Maureen plans to consolidate her financial position this year, ploughing any extra funds into her growing business.

She expects to add another investment property to her portfolio by 2015.

Her long-term goal is to have \$10 million net wealth within a decade via a mix of property and business ventures. “I

may be with a partner in the future and that may change things, but I plan for my future as if it will only be myself and my children,” she says.

“I’ve never relied on anyone, ever, so I don’t know any different when it comes to my financial future.

“My advice to other investors is: get on the ride.

“Occasionally it’s a roller coaster and is a bit scary but the view makes it worthwhile.

“What’s the worst that can happen? You get off.” **api**

#### THE NUMBERS | MAUREEN POUND

Location	Description	Purchase date	Purchase price	Purchase costs	Current value	Loan-to-value ratio	Rent per week
Melbourne CBD, Vic	1-bed apartment	Oct 2001	\$199,000	\$4,195	\$350,000	50%	\$345
Strathpine, Qld	3-bed townhouse	Aug 2003	\$177,000	\$7,900	\$350,000	50%	\$350
Port Melbourne, Vic	2-bed apartment	Dec 2009	\$558,000	\$10,000	\$715,000	79%	\$515
<b>TOTAL</b>			<b>\$934,000</b>	<b>\$22,095</b>	<b>\$1,415,000</b>		<b>\$1,210</b>

## Congratulations Destiny Clients!

**You now own more than \$1 BILLION in property!**

**“We don’t sell property, we help you to buy it and finance it, safely and securely.”** Margaret Lomas, Founder of Destiny

*“Hello, I’m Margaret Lomas, host of ‘Your Money Your Call’ and ‘Property Success with Margaret Lomas’ on the Sky News Business Channel. Did you know my company, Destiny, has been helping property investors for more than 15 years?”*

*Destiny provides Education, Support and Advice for both new and experienced Property Investors. My team are accredited and qualified property investment advisers (QPIA®), and are also experienced property investors. Book your free consultation and join the thousands who are part of our Destiny family. I know you’ll be glad you did!”*



Margaret's 8th Property Investment book, released August 2011

Sydney | Melbourne | Perth | Adelaide | Gold Coast | Virtual

**www.destiny.com.au**



Australian Credit Licenses Destiny Financial Solutions Pty Limited (ABN 25 073 558 488) is licensed (License No 385880) as an Australian Credit Licensee pursuant to the National Consumer Credit Protection Act 2009.

**ph 1300 MY DESTINY**