

Going for gold,

For those prepared to scan the market through a different lens, there are golden opportunities to get on the property ladder and keep climbing.

The secret seems to be to put aside the rose-coloured glasses of short-term lifestyle priorities and use the eagle eye of the long-term player instead. So, what are some secrets to success? **Mara Fox** profiles three Perth home-makers climbing the property ladder

'Be prepared to take a profit if it feels right'

How many properties do you own?

In various company structures, presently more than 12. I sold a couple recently as well.

What was your first property purchase, where and how much?

I was consulting from home having just finished employment where the 'JOB' (just over broke!) I had was \$76k a year but I went home with just \$43k. So I went to The Investors Club, liked the concept and thought, 'How can I better it?'

Accessing property at cost was the solution and, being a builder with an MBA, I built up a property-developing enterprise. I started with \$50k, built two townhouses in 2000, sold one at \$240k in Kingsley (never been done before). As it was, I sold one and kept one, as this was my intended tax strategy. I sold the second last year for \$615k as I was consolidating.

How did you turn one into two?

Banks were useful at the time and this aided economic growth through a longer-term

STEVE GRIFFITHS

approach to growth in Perth. Today, though, it's about managing short-term risk, and if business or industry have low levels of cash they can't grow. Having been a builder/developer in the UK, and after living in Perth in the '80s, I knew that Perth was going to be expanding with new properties beyond my lifetime.

So it was a natural progression to buy two sites for triplex townhouses in Kingsley and in phase one I sold two, kept one, and in phase two I sold one and kept two, and so on.

What were your subsequent property purchases?

Around 2002, having gained a track record, I purchased four blocks in Joondalup to build nine more townhouses, plus a few under contract for clients. I sold most, but kept three and rented them out before selling a few years later. This I repeated on larger projects over subsequent years and picked up the capital growth.

If you used a regular system, what was it?

I like the buy-and-hold strategy to let the market increase the value over time but there's no doubt that accessing affordable property was the key and ensured rapid expansion. After a while it became a bit of a

monster with debt re-funding, company tax and trust structures/strategies and so on, so I seriously recommend a great accountant. We rely on property specialists McKinley Plowman in Joondalup. And shop for funding as there is little lender loyalty.

What are your top two tips for others wanting to get on the property ladder and build a portfolio?

Financial literacy helps a lot! Read *Money* magazine, etc, as a good start, be patient when the costs seem greater than the benefits, get tax advice before you sell but be prepared to take a profit if it feels right.

Buying sound property in good areas is obvious but starting local rather than in the unknown areas will more likely hone your skills and ensure you get established to possibly expand that is, stuff it up first time and there will be no appetite for a second.

Some advice, though, is to make sure the deal works in all areas at the beginning cash flows, tax benefits, capital growth and with low rental headaches. I work with property managers such as Karyn at David Evans Realty.

Has this changed your life?

I always wrote my annual strategy, but the building company grew and became a real headache. Initially it was

my job, however, and it suited my investment ambitions.

At one time I was heading off-track thinking I wanted to be a bigger builder, but the external forces were ridiculous and when a good friend suddenly died, I cut back and reassessed what my personal goals were and decided I wanted a life.

So today I'm holding the properties I want, have the debt where I want it and have structured to concentrate on investing in projects and development consulting.

I'm looking to work more with other investors in joint ventures, so I guess I'm getting some of the benefits of the strategy and today that strategy still works.

Have we missed anything?

Yep, the wife. Behind every great man, etc. Julie was a cancer radiographer but in 2005 the travel and the hours and the tax losses meant joining the firm was a natural move.

Today she does casual work for Griffiths Group and now we travel and have time together, as well as with our sons, Brent and Rostyn, who both play professional soccer.

Brent was at Perth Glory and Rostyn is at Central Coast in the A league but both were in the UK for five years, so we travelled twice a year to the UK while running the building company... a nightmare!



Pictures: DANIEL WILKINS