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## WHAT DO THE RICH PEOPLE DO?

If you read through the annual BRW Rich 200 list you will notice that every year around 70 to 80 per cent of people on the list have either made their money through property or hold their money in property. With interest rates at their lowest for some time and the market tending to favour buyers, now is a good time to start or increase your property portfolio. So why is property such a good way to build and hold wealth?

- It's easy to understand – often the best laid plans are the simplest and when it comes to investing in residential property, it's reasonably straightforward and easy to understand.
- Property is safe – from an investment perspective, there is nothing more solid than property as the government and banking system fully support it. Banks love property, they even lend some home buyers 100 per cent of the purchase price. The banks are so heavily lent into property they have to make it work or their whole lending system collapses. The government is also keen to ensure first-home buyers can continue to afford property, offering up to \$21,000 in grants with exemptions on stamp duty to \$500,000. When it is all added up, that is almost \$30,000 worth of incentives.
- Property is stable – lots of individuals have little amounts of property. Massive companies don't buy entire suburbs or

manipulate the market in that way, otherwise entire suburbs would be affected if the company went through financial hardship. A corporation would prefer to purchase one, \$100m building than manage 300 houses and this ethos makes property investment more stable.

- Property leverages your money – a massive advantage of property over other investments is you can leverage your money five to 10 times fairly safely. So for every \$100,000 you have you can borrow up to \$500,000 on a property that may grow at \$40,000 to \$50,000 per year, long term.
- Property leverages your time – it's one of the most passive investments you can buy, which is great if you value the limited time you have away from work.
- Tenants pay most of your mortgage – if you buy good property in good areas you generally get good tenants who help you pay the mortgage.
- Property doesn't have margin calls – as long as you make your mortgage repayments the banks are normally happy. Do you know of anyone that has had a margin call in relation to their shares in the last year or so? It can be a frightening experience.



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## CONNECTING YOUR HOME

A good landscape architectural design allows for the opportunity to plan and interconnect living spaces or garden rooms within residential properties. In most properties there are at least five distinct living spaces.

The front yard is perhaps the most obvious residential design space. Improvements do add value and, as real estate agents advise, kerb appeal. The front yard's appearance can be likened to your shop front window and should be welcoming. Make a contribution or reflect the street and neighbourhood in which you live and allow for vehicular and pedestrian safe entry for your family and visitors.

The back yard or home paddock may vary from five to 40 metres in depth. It's where the kids play, the dog runs and the vegies grow. The provision of shade, adequate drainage and ease of maintenance are three common issues to consider.

Entertainment/play areas are generally associated with patios and other tiled extensions from the living or family areas within the house. Shade, privacy, maintenance, flexibility of activity or use and appropriate aesthetics are some of the key design considerations.

Utility areas that efficiently help you operate your house are often ignored and can result in access, maintenance and amenity problems. Waste and recycling bins need to be near the house, yet accessible to the street. Bikes, worm farms, herb filled pots and other changing functions also benefit spatially from good design.

Transition or movement areas are what connect and help people flow within your property. It is easy to interrupt this flow with both real, such as fences or screens, or transient, such as the sun's western heat or glaring night spotlights, barriers.

The future 'development' area is what all home owners identify as the area for the future pool, large hobby shed or boat storage facility. These important areas are often understated and overlooked, yet add value, demonstrate future options and are sometimes only realised by future owners.

Implementing a good design that integrates the landscape and these various spaces in and around your home will add value in the long run and in the short term enhance liveability and sustainability. Good landscape designs really do make good sense.

