

Ep 14: Property Nerds Unite!!! Joint Ventures, Renovating & Developing

with Karen Young

John Blackman: Did you know with just two investment properties and one single renovation that you could put over a million dollars in the bank? It's true and why stop there? Welcome to Your Property Success Podcast, the show that explores the practical steps to making your property investment dreams a reality.

And now here's your host, a lady who on her first day of work had 300 men walk out in protest, Jane Slack-Smith.

John Hubbard: Is that true?

Jane Slack-Smith: Yes it is. Oh my gosh. I'm going to share my age now, but back in 1989, legislation had just been changed to let women work underground in New South Wales coal mines and I turned up and incidentally a friend of mine turned up in another mine just down the road same day. They were a lot nicer to her but the 300 guys at my mine went out on strike and had a few hours of debating the issue of having a female underground because it was considered unlucky.

John: Really?

Jane: Yes. I wasn't expecting it. I'll put it that way but it one of those things that I guess when you're doing things that others haven't done before, you kind of roll with the punches.

John: Run up against a few robots (?).

Jane: Yeah. The thing is if it was based on logic or fact, I could counter argue anything, but it was based on superstition and these guys legitimately thought that I would create some type of safety issue.

John: Of course they went on to accept eventually and you went on to be a star.

Jane: Oh my gosh. I wouldn't put it that way, but I had a lot of fun and I made a lot of friends and we were all good mates at the end of it.

John: Yeah, that's good.

Jane: So, yes. It was a long time ago but I did start at the coal phase but we have wonderful episode, Episode 14 of the Your Property Success Podcast and can I just say we've had a great great milestone.

John: Yes.

Jane: Ta-da-da-da!

John: A hundred thousand downloads which is very very good.

Jane: Thank you so much. Yeah. We sit here and chat and sometimes we wonder if people are listening, so when we did clocking and see that we've had a hundred thousand downloads in the last week or so, we were just so excited that you guys come back and that you're enjoying what we're saying. We have a great episode that continuing in the same vein this week with the very wonderful person who I think is actually podcast royalty.

John: Oh yeah, definitely. Karen Young, host of *Everyday Property Investing Podcast*. One of the very first property investing podcast way back in 2011, I think it started Jane and I had a look before we start and she's up to 117 episodes.

Jane: That is extraordinary. Imagine how many people she has helped over the years with the *Everyday Property Investing Podcast*. It's such a great resource and I've been fortunate enough to be a guest on it many times and she's a great host. She's a very experienced property investor herself and now award-winning buyer's agent.

John: Yes. Property Zest in Brisbane and it's good because this is a subject we got a lot of questions about. How can people use buyer's agents to invest in property, particularly when you're investing interstate and there is a big difference isn't there between buyer's agents who buy family homes for cashed up time for professionals and buyer's agents that buy investment rate property.

Jane: Absolutely. Huge difference and I'm going to ask all about that. The other thing that people often ask about is joint ventures.

John: Yes because she has done a joint venture with her friend in a renovate and sell project in Brisbane.

Jane: Yeah. We'll get all the information about that and some of those traps to watch out for because it can get messy and they don't always end well. I'm also going to ask her about some of her memorable episodes and moments on her podcast and of course about being a buyer's agent. She knows all the good spots to buy in Brisbane, so we will find out about those and I'll get her to share her best tips for someone who is just starting out today.

So, a huge show. Sit back and enjoy our chat with today's fantastic guest, Karen Young.

Jane: Hello Karen.

Karen Young: Hi, Jane. Lovely to speak with you.

Jane: I know. It's just like old times, but we're reversing the tables this time.

Karen: I know. It's a bit weird isn't it?

Jane: Well, I get to ask the questions.

Karen: Yes.

Jane: Well, I want to get started way back in the beginning. Cast your mind back Karen. When did it all start for you in property?

Karen: Oh, wow. I think when I came – I lived overseas for a number of years in my 20s and when I came back from overseas, I suddenly realised I was about to turn 30 and I didn't really own anything or have anything except I was travelling overseas.

Jane: Had a lot of fun?

Karen: Yeah, exactly. So, I thought I really need to do something, so I actually bought myself a little unit at the time, a one-bedroom unit. That's all I could afford and I think I borrowed 95% of it.

Jane: Like we all did when we started out.

Karen: Yeah, exactly, that same thing. I had a reasonable job, so it was like ____ I thought. Yeah, so I did that but I didn't really do it with a lot of thought. It was really just I need to buy something. I'll buy this thing. The agent told me to pay this much or pay that much and I bought this little thing. I actually moved into it and have ____ and things like that.

Jane: When was that?

Karen: Geez, are you testing me now? 30, so that would've been 2002. Yeah. That is how old I am but that's okay. I don't mind.

Jane: We're all aging gracefully.

Karen: Well, the alternative is worse.

Jane: Exactly. Was that in Melbourne?

Karen: Yeah, it was actually. It was in Carnegie in Melbourne.

Jane: Ah, lovely. So, one-bedroom unit and then what happened?

Karen: I wasn't a particularly intelligent purchase or anything. It was just I did it because I could and I thought I should and so I did that and then I just sort of that's all I did for a while but it wasn't really until later on when I had children and actually started thinking although I have always been sort of interested in property, but really my head space just wasn't at the right point I guess where people sort of get to that tipping point of "I need of invest. I need to do something with my life and my future" and that sort of stuff. It wasn't until I had children and I sort of thought to myself I didn't really want to go back to work full time and I was just sort of thinking at the future and looking at my parents who are both retired and are on a pension and didn't really have a lot of money and I just thought, I don't really want to work my whole life to iron just one house at the end of it that I can barely pay off and that's it then I'd live on a pension. So, I started thinking more seriously then about the future and what I could do for myself to improve what my future would look like financially. That's when I really started to become interested in

investing and actually took some actions toward educating myself and that was really the turning point there.

Jane: And that first one-bedroom unit, did you sell that and upgrade to another home or did you go straight to investments after that?

Karen: Well no. Let me see. I actually rented it out and end up going and renting somewhere else, so it wasn't an investment property after about 6 months or 12 months or something.

Jane: So, you became a rent-vestor before it was even trendy.

Karen: I did. Yeah, yeah. You know I did look up what rent-vesting was the other day. Somebody said that to me and I'm like I didn't know that was a thing.

Jane: It is. It is a thing. It's like smashed avocados these days. It's rent-vesting. – hashtag.

Karen: Well, we've both been doing it for years.

Jane: I did it for 10 years. It made sense to me at the time. Now, we can tag ourselves. So, the one-bedroom unit, you rented out, you rented yourself and was it then that you thought you had to get – that was with two great children, was it then that you thought you had to do –

Karen: I'm having a baby and we needed to have somewhere to live that was bigger than what we lived in, so we decided that in order to do that – and I was lucky because the money that I've had put into that house, I've had a little bit of equity gain in it, not a lot. I mean, it's just a one-bedroom unit and I didn't hold it for all that long, but it was enough to give us a deposit on a bigger house and that became our family home. So then, we moved into that and that's when I really started educating myself more and I went to some property investing groups and reading magazines and reading books and all that sort of thing and –

Jane: Gosh. Lots of education. What were you looking for in these seminars and what kind of seminars were you going to?

Karen: I was doing the free seminars for the good of me. I love a free seminar. I think we did a whole podcast years ago on the free seminar and you can get stuff out of it. You just got to be a little careful you're not sold to. But yeah, I just went to the free seminars and I actually paid and joined an investing group and they were people who – they made their money from mortgage broking theoretically but they gave you advice on how to invest and that sort of stuff and I read a few books by this stage that gel with me and I thought I really want to do that.

Jane: Joining that group though and almost finding that tribe of like-minded people, I mean, I found in the past just finding that group of people you can talk to. It really helps because you're not alone because often when you're going on these journeys of property investing, you might be the forefront of adventure in your family or group of friends.

Karen: Absolutely, absolutely right. That group really was. That's sort of what it was for me. It was other people that I could bounce off and learn from and things like that and that's actually where I met Den who was the podcast host with me at *Everyday Property Investing*.

Jane: Tell me how that all started. That's amazing.

Karen: Yeah. I met Den at that investing group and actually him and his partner and another couple and me and my partner, we actually kind of formed our little subgroup and we would have dinner parties – this is so nerdy, you would love this Jane.

Jane: I would.

Karen: I know you love these too I'm sure.

Jane: Yup. Call it as you see it.

Karen: Probably nerds unite. We would have dinner parties at each other's houses once a month and we would rotate it between the houses and we would come along and each couple would sort of give an update on where they are at and one couple would give a bit of a presentation on a topic.

Jane: Oh nice.

Karen: And literally we would do PowerPoint presentations.

Jane: And what were you looking at? Long-term hold investors or were you looking at developments or subdivisions? What was happening at that time?

Karen: We're all sort of buy and hold and I think we're all a bit focused on making sure things were relatively high and yielding but we're in potential growth locations. When I first started out, that was my sort of main thing. I wanted things to be cashflow neutral at the least to cashflow positive. In hindsight however, we'll talk about this later, but in hindsight, I probably should've maybe looked at things differently back then because I had no kids – I had one kid, I had good income and things like that.

Jane: You had the ability to make the difference.

Karen: The good purchases in the good blue chip locations at that point but I didn't, but that's another learning. We were just buy and hold, looking for some neutrally geared good growth locations and that was essentially it.

Jane: When did you actually start the podcast with Den?

Karen: 2011 maybe? It's a long time ago now.

Jane: And why? Why did they come about?

Karen: I'm a podcasting pioneer now.

Jane: Absolutely. Tell me, you and Den were you sitting one day at these dinner parties going "Gosh, our chat is so interesting. We interest each other so much, we should chat to others" or – where did it come from?

Karen: Yeah. I think it was a bit of me. I'm an IT geek as well, so I was really interested in the technology, podcasting and websites and things like that and I was looking at trying to morph what I was doing for a job looking at options for the future that could involve property investing and so I was looking at how could I build a community of people around the website and we could provide education, I could chat to people, it'll be great. And so, we started out with a website and a podcast and the podcast was the median to speak with people. And then I just thought, I approached him as a co-host because I thought he is a knowledgeable investor. He had a lot of properties, he had a lot of knowledge and he was a great person to bounce off and I think we had a pretty good dynamic there. So yeah, that's how it all started.

Jane: Let's go back to that. You had your first one-bedroom unit. You found a group of like-minded people. You niched it down to a certain little circle where you're doing your PowerPoint presentations to each other. You wanted to create that community and share what you guys have been doing. Is it then that you started investing more in Melbourne? What happened?

Karen: Yeah, because I was living in Melbourne and so I like things a bit close. I like to see the property. I really hadn't opened myself yet to interstate investing and so I just ended up investing in and around Melbourne, so I bought a couple of properties down there and then I started to get interested in renovating and development. I actually did a renovation course and that was really interesting and I loved it, so I looked for a property I can renovate and it just so happened the house I bought also was on a corner block, it could be subdivided.

Jane: So by chance, you actually had found the perfect property to subdivide in any way.

Karen: Well, yes and no. I mean it had its pros and cons. We renovated, subdivided, sold the front house, kept the back block. Now, I still got that back block and that's not a great thing because it's in a regional location, so it's not that – I think sort of missed timing a little bit there. I probably took too long on the project things changed in that location, so I ended up stuck with this block and now it's still down there doing its own by itself and sometimes I forget I still own it and every now and then I go, "Oh, I must do something with that block." Put something on it, sell it, do something – whatever, but I always get too busy so I figured I've got it.

Jane: You know what? Glamping. Try glamping.

Karen: I think of it (?) jostling horses on them.

Jane: Make it a revenue money maker.

Karen: Exactly.

Jane: And so during this period of time, what were the kinds of breakthroughs that you're seeing? Obviously, your property investing knowledge, research, and information had matured. Were you making money as you had planned out of the properties that you were renovating, subdividing, selling or was it still just a craft in motion that you're still learning?

Karen: Luckily I was making money out of them, not massive money but money. It's good to be able to learn and not lose money, so that's a good thing. So, imagine if I was in the stock market

or something, it could be the opposite. Definitely all this stuff, I'm very big on research and analysis and things like that, so I do take a lot of time and effort when I do buy a property. That first property I bought as an investment property, I did so much analysis. I made a spreadsheet of every suburb in Australia. I narrowed them all down. I used different criteria to do that, so I did lots of analysis early on, so every purchase I made, I made up with care and analysis except for that very first unit. I did do a lot of research analysis. I was fortunate that I did make money out of properties, but I look back now and think the graveyard of broken property dreams of those houses that got away and the different decisions you could've made, but there's no point worrying about that stuff.

Jane: Exactly. We grow and we learn don't we?

Karen: Exactly. You learn and you move on.

Jane: Tell me about this, with the the podcast, because I'm interested being a new podcaster myself, over the years, because you're still podcasting, who were the most memorable guests that you had?

Karen: That's tough. That's really tough. Gosh, I have to pull up a list because I've had a lot of people on the show. I really like speaking, this is just more of generalised, I really like speaking to the everyday person, funnily enough, who has done great things and it doesn't mean they bought 300 properties in they're a multibillionaire, but the people who have just been intelligent and thoughtful about what they're doing and just made good choices that will further themselves and have had success out that. I really enjoy talking to those sorts of people because that is [audio cut] everybody because sometimes it's awesome to speak to an amazing guest who have done amazing things. But sometimes that can feel so far removed to people who are listening from themselves. So, I think sometimes just the everyday person is really a good thing to having chance to speak with. I'm just trying to think, golly, it's just so hard. I have to really think about it.

Jane: Well, tell me early on, were there any kind of cringeworthy interviews or problems that came out?

Karen: Yeah. If I go back and listen to the early days of myself, I'm a bit cringeworthy.

Jane: We're always our worst critic aren't we?

Karen: Yeah. So, I tend not to listen the early days because it was so long ago and it was like a different lifetime. But definitely, I had a couple where it was a bit like pulling teeth where your guest doesn't really speak that much or I've had a couple where the topic – and I don't want to name names because I'm frightened that, you know, I don't want to offend people, but I've had some where the topic itself was actually pretty dry and boring and it was really hard to make that entertaining.

Jane: Well, what about your favourites?

Karen: Who was it...Jo Chivers was great when I first had her on our live speaking with Jo Chivers.

Jane: From the Hunter Valley?

Karen: Yeah, yeah. She was really great. Obviously, having you on the show Jane. You've been on a number of times. You always give really good advice and information for people, so I know that those podcast are always popular. I did a massive, I think, a three part series with Troy Harris on development and that I really like because at the time, I was really getting interested in development.

Jane: And what's the podcast done for you personally?

Karen: Oh look, it's free consulting isn't it?

Jane: You get to talk to really interesting people, don't you, and learn things.

Karen: Yeah. And sometimes people pay you a lot of money to speak to you. I've had just the amazing experience of being able to speak to all these people and learn stuff and then share that stuff with other people, which is for me that's massive. And obviously, in terms of profile like our business, Property Zest, it really started off the back of what happened with the podcast and the following that we developed from that. Obviously, it's had massive impact on where we were headed in life which has been really good.

Jane: It's interesting isn't it? Well, what about some advice for me as a new podcaster? What would you suggest?

Karen: I think just the consistency and commitment is the main thing. Realistically, we put the podcast out every fortnight for probably 4-1/2 years and I have lapsed a little bit in the last year or two or three and it has dropped sometimes and it's not fortnightly and that's just purely because of capacity with me running the business.

Jane: Life, family, business.

Karen: Yeah, exactly. But those three or four years, every single fortnight we got on there and we interviewed someone or talked to someone or chatted about a topic and I'm pretty sure for the first couple years I don't know if anyone listened. I felt like I was speaking to myself as far as I knew because I didn't know. I really didn't know what the audience was and over time I get started getting emails, people started contacting you and then you start realise – and then you go and look at some numbers at the background and go “Holy cow! Look at all the people we have listened to this.”

Jane: It's interesting I was at a breakfast meeting this morning and someone came up to me said I love your podcast. And sometimes I sit here with John and we chat away, we're having a lot of fun and learning a lot of things from the people we're interviewing going, “Gosh, I hope someone else listens to this because it's really good content” when we're trying to ___ these notes. Let's move on to your property journey. Out of that subdivision, what happened then? You moved didn't you?

Karen: Yeah, I don't know what the order all these happened anymore. It's simply a long time ago. We did move. I moved from Melbourne to sort of out of country Victoria. I kept that house that we were living in and that became another investment. We bought another one in ___ South and that's where we lived in the outskirts of Melbourne. We bought a holiday house as well, so that was more of a lifestyle choice and investment. But to this day, it's my absolute favourite house we've ever owned because of that I think.

Jane: And you still use it?

Karen: Well I don't because we moved to Queensland. I mean, I sort of live in a holiday destination now, so we didn't use it enough, so in the end we sold it. I've just been down there actually to Sandy Point and spent the last week there. It's such a beautiful place, but we don't have that one anymore. I had another property in Melbourne that after attending some development seminars, I actually looked into it and worked out I could develop that property as well. So, we ended up getting DA for a three-bedroom two-bathroom townhouse on the back of that property.

Jane: And was that was a property that you knew was big enough to develop or it was only after you bought it you found out through--

Karen: Only when I bought it and even to this day I really don't think it was big enough to develop, but they let me do it anyway.

Jane: So, what were the steps you had to take to get that development through? So, for people who are new to development and it's not on their radar, what do you have to do?

Karen: it's tricky development. The tricky part is you don't know what you don't know. That's what I found the trick is about development. You've got to work out and see what is the highest and best use of the land? You've got to work out: Is it zoned appropriately? Can you put another dwelling on there? Is it set up for it? Are you going to be able to get your services to another dwelling such as your sewer and your water and your power and all that sort of stuff? So you got to do your—

Jane: Who helps you with that? Where would you find that information?

Karen: That's the tricky part. Engineers, town planner, lots of different types of engineers.

Jane: The actual counsels themselves?

Karen: Yeah, the council. There are building designers – up here they're called building designers, down there I think they're called jobs person (?), so lots of different people and that's the thing, there's no – you can go to a one-stop shop who can help with development but you're going to pay for it and therefore maybe shoot any profit in foot for that. But you've got to kind of work out what you need to know and then what person knows about it and then go find that person. And that can be really hard because sometimes you don't know what you don't know.

Jane: And tell me, with that development, did you actually develop it yourself or did you just get the DA or the development approval through the council so that someone else could?

Karen: Yeah. We ended up getting the DA and then sold the property later on. By this point, we've moved up to Queensland. We had some properties down in Victoria. We were starting a business and we needed some capital, so we thought, "Okay, what are we going to do with that?" And we decided to sell a couple of properties down there. I think we sold three properties down there and kept the others. At that point, I sold it with the DA in place.

Jane: And what kind of profit can you make from, you know, the difference between actually doing the development yourself as opposed to selling with a DA. Do you have a feel for that?

Karen: It depends a lot on the property, the location, the demand for it, so you can go get a DA on a property, but there's no demand to develop it in that area, which means it's really not worth anything. You've got to look into that. I looked into the options of actually developing that site myself and worked out that the profit would be small enough that the risk wasn't worth it. There is a risk in every development and I decided it wasn't worthwhile to me and I'd rather just cut and run at that point. With a development project, there are many places that you can exit, so you can buy a good site and get a DA and exit. You can buy the site, get a DA, subdivide and exit. You can buy the site get a DA, subdivide, build on one, sell one, keep one. There are so many exit points and you've got to assess them to be able to work out which ones are the most viable.

Jane: Absolutely. So, you sold up, moved, then when you went to Queensland, I think I was talking to you at the time, were you Airbnb-ing for a while?

Karen: Once again, this is one of those circumstances where Airbnb wasn't a thing, I don't think, like we were staying in a holiday house.

Jane: Because all of a sudden you said I'm up and going to Queensland and I'm staying in this holiday house, and I was like, "Talk about living the dream."

Karen: Yeah. We just thought we had this opportunity and we thought "Yeah, let's just do this." So, we hired a holiday house and I negotiated a long term lease on this holiday house for eight months and we thought we're going to come up and see what we think and what it's like.

Jane: So, why Queensland? What was it about Queensland that kind of tickled you at the time?

Karen: The weather. It's just the weather, the beach. I love the surf, the sun and the sand and anything to do with water – sailing, surfing, kayaking, whatever. It's just the outdoors. We used to holiday up here because we got family up here. When we used to holiday, we all live in Caloundra and we just loved it. Every time we come we're like, "This is so awesome." We can run outside without it being three degrees and freezing. I was lucky I had a job where I could actually work from home. That was great. That's how I was able to move and so we did that for a while, but what happened, I was sort of at this point sort of feeling like I really wanted to make it change with what I was doing and somehow my property my business because I just I wanted to make my passion into my business. I was looking at different options. Maybe I'll be a mortgage broker, maybe I'll be a buyer's agent, maybe I'll be a sales agent. I was just looking at all of the options at the time. And as it happens, I probably never would have taken the leap myself. But my company that I work for was bought out by someone else and they've laid off a

lot of people. So, in the end I lost my job and I just at the same time decided I was going to start the buyers agency and I set up the website and I set up the business and I just started with I'll going to do this two days a week and I was going to do my other job three days a week and all this, but that never would've worked in hindsight. Luckily I got a push and the push was what made it all happen.

Jane: Perfect. I speak to a lot of my clients and community regularly who say, "My passion is property. I think it all day long. I can't wait to get home and start researching. I want to make property my business." What are the first steps that people need to take? Maybe they get a push from work or whatever, but if they're going to go, you said you looked at mortgage broking, buyers agency, real estate agent, why did you choose as a buyer's agent and what were the other kind of characteristics of the other industries that didn't lend themselves to you?

Karen: I just think part of being a buyer's agent just fit better with what I liked about property and what I wanted. I wanted to analyse and I wanted to investigate and inspect and I loved all that side of it. I'm not real showy sales person. All businesses are in the sales business, but sales education is a big part of our business. I imagine yours is quite the same and that's more of who I am. It's more true to me, so sales agent probably wasn't going to be the right thing. Mortgage broking, I actually did the course, so I am a qualified mortgage broker theoretically.

Jane: Welcome to my world.

Karen: Not a chance. I just couldn't see myself doing it. I actually almost got it started and then went, "Yeah, no." I just don't think I'm going to give this a try first and so that's what I did and that's where the buyer's agent came from.

Jane: Now tell me, your first clients, how did you find your first clients?

Karen: I was very lucky because obviously I had a little bit of a profile from the podcast.

Jane: You're being humble.

Karen: The podcast has been running for a number of years and so I did have people that I could reach out to. I had people I have interviewed on the podcast. I've had professional colleagues. I had people like yourself, Jane, who are in the business. Pretty much, that's what I did. I reached out and I said to them, "Hey guys, this is what I'm doing. This is my passion. I would love to help you." And I was getting a lot of inquiries like, "Oh, this is what's going on with our portfolio and we're just wondering should we buy this or should we sell this or can you help us find a property?" And I thought, "You know what? I can. I can do that." And so yeah, I just reached out to all of the audience from the podcast. I let them know. I reached out to all the people like yourself. I let you guys know and then I just had managed to start with a little trickle that has now become a flood.

Jane: Which is good. It was interesting because I know we met a few times in Melbourne and you were at one of my courses and that shared love we have, that nerdy geeky analysis love excel spreadsheets of properties and as I said I know one of your first clients and she said to me, "Check this out" and all the analysis was sitting there and I was like, this is fabulous to have

a buyer's agent who can almost talk the investor language rather than being very specific to what home owners want and investors want the numbers behind the decision making that they're going to make. Spending hundreds of thousands of dollars and they're trusting someone to help them make that decision and that's what I loved that, okay, I'm going to call it "the geeking Karen analysis, but you're validating why you're looking at suburbs and things. I think you do that so very well, which is great and why are you having a flood of business, as well as the Brisbane market being so affordable.

Karen: Yeah. It's funny because when I started the business. Being a buyer's agent a funny business because there's not a lot of them around and you can't just ring them up and go, "Hey, how do you guys do this?" We have to just come up with our own systems and processes on how it's going to work, and so I pretty much did that. Me, being an investor and the analytical person I am, what would I want? What would I want people to give me? There are some buyer's agents out there where you're going say, "Hey I want to buy property" and I'll go, "Okay, you need to buy in this suburb because I said it's good." The end. I think that wouldn't sit well with me and that's why I went what I'm going to say instead we go full location analysis and we deliver people the options and we talk about the pros and cons and the different scenarios of what they could do and then let people make an informed decision because that's what I would have wanted.

Jane: Absolutely. Now tell me this so you've moved to Brisbane. You don't really know Brisbane that well. How did you come up to speed on all these suburbs and do the analysis to know where to buy?

Karen: Once again, it's my nerdiness taking over. But I came up with the process by which I could educate myself and fast and well and so I literally did an analysis of the areas I would look at in certain price brackets. I went, okay, well, what are typical investors going to be looking for? what sort of numbers and so let's say the properties under 500 or properties under 700 or whatever or high yielding versus high growth, blah-blah-blah. And I identified what would all those suburbs based, so I ended up having a massive list of suburbs that I thought, "Well, it's going to be better bang for buck for me if I know these areas super well first. So, that's what I did. When we first started, I didn't have a lot of clients at the same time, so I had time to do this stuff and I would print out a Google map from the computer and I would go in my car and I would literally drive up and down the streets of that suburb and I'd make little notes on my Google map about the character of the housing in that area. Was it a bit rough looking? Was it tidy? Was it unoccupied looking? Was a renovation going on? Was there development? What's the style of the houses here? And I would make all these notes on these printed Google maps of the suburbs, so I literally drove the streets of all these suburbs.

Jane: Do you still do that today?

Karen: Oh, no not so much like that anymore. If there is a suburb that I'm not as familiar with it and I haven't worked in before or something like that, I'll look at some properties that I might want to look at, but I'll go over there earlier and spend a bit of time driving up and down and around and I might go into the shopping centre to see what the people are like.

Jane: If you were going to give some suggestions to people who were going to a new area to investigate themselves, what would be the tips that you'd give them to what to look for?

Karen: Yeah. I would definitely go and drive the streets and you're looking at the housing style, the condition of the houses like. Are the lawns mowed and the cars parked on the grass or the front is a bit rough? Is it not rough? Is there renovation going on? is there development going on or are houses mostly original? What's the style of houses in the area? What's going on in terms of going to the local McDonald's and check out what people look like. Go to the local shopping centre where the people look like.

Jane: I was wondering what you do at the shopping centre.

Karen: Yeah, just check out the people. I would spend a bit of time doing that sort of stuff. Go to some open homes. Obviously, that's always good to get in and see some of the properties in the area. Make some contact with the agents that's going to open. I was not necessarily going to buy that even just to see, "Okay this is a house that list this sort of price looks like and by the way, he's an agent. I can make a contact with and talk and talk to and I can ask them questions." I remember going out in some suburbs and I remember asking some of the agents there. There was an area, a patch that we when we first started buying out in Logan and Logan can be a bit of a rough and ready area in parts. Some of it though is quite nice and I remember trying to get my head around which suburbs were better than others the way that I understood different parts of Brisbane and because I knew in that area – this is a couple of years back when we first started going in and buying a lot of property over there – I remember when I got into a property with an agent I'd say, "Hey, what about these suburbs, these four suburbs, can you rank them in order of which ones you think is the best to the worst suburb?" And I was starting to just get a picture in my mind of where these suburbs sat on the hierarchy.

Jane: I think that that kind of local knowledge, and you said before, you like to know the area that you're investing in. I don't think you necessarily have to live there but getting to know one area and getting to know the type of people, the type of properties can really add to I guess that value bank of research that adds a little extra layer on top of the numbers. So, crunch the numbers first and then go out and walk the streets and have a look of what's going on is a really great tip.

Karen: Oh definitely. And there are so many good examples of that in the media. When you see magazines and things like that and they say "The top five suburbs for X, Y, Z, and the top three suburbs for this." And if the area and you look at the suburb, you're like "What?" For example, one of that comes up often in for Brisbane is Rocklea. Top something suburbs for yield and low price property close to the city because it all goes underwater people and the bank won't lend in that suburb.

Jane: It's funny. I was looking at the exact same list was for Tasmania yesterday and it had a top rental yield Zeehan and I'm like I've been for Zeehan. I've been to these mining towns and there are \$40,000 dollar houses that no one wants to live in and the yield looks fabulous, but it's not really an investor kind of area. So, you got to be careful about these top areas to look at don't you?

Karen: Yeah exactly. Just don't rely on numbers I think. I think getting your feet on the ground is actually really useful and if you can't keep your feet on the ground, get someone else's feet on the ground for you, i.e., your buyer's agent.

Jane: Well, I mean, gosh you had incredible success as a buyer's agent with back-to-back REIQ Buyer's Agent of the year, runner up again this year. In a very short period of time, obviously, you've done so very well. Can you tell me some of your more memorable clients or the ideal clients that you're looking for?

Karen: I think the ideal client is ready to buy and that's a struggle for some people. I think some people sort of can't – if you use a buyer's agent, you need to be ready to buy in mentally and emotionally. For some people letting go and having that – it's a trust relationship, so you really need to be ready to buy and if you're not, maybe look at the – actually, I did a podcast recently with Liz Parker about barriers to buying. What are the things that stop people from buying and that was really interesting because there are sometimes just blocks that people need to get through before they actually can take the plunge. I think people need to be ready to buy. They also need to be realistic about expectations. There are a lot of people out there who I come across and they say, "We've been looking for 18 months and we haven't bought anything." And that to me an early warning sign that maybe your expectations aren't aligned with what the market has in your budget for you. You need to make sure that you understand and have realistic expectations about what you can achieve because you're better off to buy something that you can achieve than sit and do nothing for the next five years saying, "Well, we never really found one we liked."

Jane: And so, engaging a buyer's agent to be very specific about the brief would be I guess the first protocol but my understanding is, is this a myth that buyer's agents have a lot of opportunities that the regular Joe walking along the street trying to buy doesn't?

Karen: I think the answer to that is yes, but it's not necessarily what you think. So, yes we do get off market listings, they get sent through or we get market listings that are coming to market before they get to market. That is definitely a plus but sometimes you can snap those up before they actually go to the market. But probably the thing that we get access to, the thing that is a big benefit is just the relationships that we have with people, so even if our property is on the market and I'm in there competing with other buyers from just walking off the street, if I know that agent and I've got a good relationship they want to do business with me because they know I don't muck around. They know that our clients are good for finance. They know that we will nurse our client through the building and pest phase because they get a lot of circumstances where first time buyers might freak out after building and pest and pull out for cold feet and things like that. They know that we are good to work with. Even if they've got other offers on the property and those offers are all very close, often they will push our offer ahead of others just because of that relationship. That's a really big plus that people don't actually realise.

Jane: And tell, me give me an example of a memorable win for a client?

Karen: Memorable win...I think I've had some interesting ones, really good investment properties. There are so many properties that are pushing people where I just wish I have that

one myself. There's one example I can give you where I purchased a property for someone and was actually in Chermside and that property was on a small block of land and it was a dead set renovator, but for the price in that area it was unheard of. It was in the 3's I think. It was super cheap, the cheapest property in that suburb, but it was definitely run down. It needed some work, so I bought it for that client. The client did the renovation on it, but then as it happened, their block wasn't big enough to develop, but it was in a developable area. And the two houses next door decided to team up and sell as a development site. And so, the agent then contacted the owner, who is my client, to say "I'm selling two property next door. Do you want to come in on this?" And so, this is only like less than 12 months after they bought it. They've come in on it and unsold this problem less than 12 months later and made a substantial amount of money as a development, so I paid with the other two properties next door. That was a big win.

Jane: Tell me this. You're travelling around, you're looking at these properties, feeling a bit jealous, I think from my memory you then decided to buy and do something different. You were going to buy, renovate, and sell.

Karen: I did. That was exciting.

Jane: So, tell me about that. Did you do that by yourself?

Karen: No. I did that with my good friend, Jo, and Jo's been on the podcast a number of times, Mastermind Jo we used to call her. She's a good friend of mine who I actually met through property investing as well. She's a geek too and she'll be proud to say. We decided to pair up. I've not long started the business. I've been in business maybe a year or so. But banks don't really want to give you a lot of money when you run your own business, particularly after the first year or so.

Jane: You need to use under your belt, don't you?

Karen: Yeah, so it was difficult. I want to keep investing obviously because I love it and looking at all these awesome properties, but in order realistically to do anything, I was going to have to pair up with someone. It just so happened Jo and I were in the right frame of mind to work together on something and we actually did a Reno Kings course which was great. I really enjoyed that

Jane: With Paul and Geoff?

Karen: Yeah. So, after that, we decided we were going to find something to renovate and sell. Look, we both really wanted to keep it because I still think if you can read about and keep it, you're going to be doing a lot better in the longer term. We both wanted to, but it's just circumstances wouldn't let us, so had to flip it.

Jane: Now, tell me this. I just want to go back to the comment you made about you were "both in the right frame of mind." Tell me about what's the right frame of mind of finding a JV partner?

Karen: Oh, I think it's tricky finding a general JV partner I'm not sure. This is someone who I've known for a long time and I know she's got good financial knowledge. I know she's happy to get

her hands dirty if we had to do work, I knew her. So, to find a JV partner cold, as in someone who you don't know, I don't know how that works well. I'm not too sure. I don't know how you would screen them appropriately quickly enough to know that that's going to work out. I knew that we would be okay or work well together.

Jane: So, with that having a JV partner, you both were in a circumstance, I imagine, one provided the finance maybe being Jo and you provided something else or did you delineate the roles?

Karen: The idea was that Jo was going to pay for the property and I would pay for the renovation and I would call the night of the renovation. Jo's going to come out and help a bit when she could because she lived interstate and that was kind of the division of jobs I guess. But look, even knowing someone really well like, I knew Jo and we had our roles and lots of stuff, we still had tough times where I thought we could have lost our friendship over it. It's not easy to run something like that particularly when things start to get a bit hairy or the property now needs to get on the market quickly otherwise we're losing money and but this thing hasn't finished, that thing hasn't finished, so people start to get stressed. So, yeah, it still is difficult even with a friend.

Jane: Yeah and I think from the JV partnerships that I've seen, going in very clearly in the beginning with who does what and who's providing what and what the exit plan is and your strategies in case you have to have an emergency exit are a really good to have clear upfront. But, often those conversations late at night over a red wine with some friends going, "Hey, let's do this together" could be the ending of some very nice friendships or family harmony.

Karen: You're absolutely right Jane. You got to spend time to knot out "what-ifs." What if I lose my job? No, no, not for me, that was a business. But, what if Jo lost her job or what if one of us died? We even went through that scenario. What if she was hit by a bus or if I'm hit by a bus. So, you have to talk that stuff through. I think you're silly to go into stuff just assuming that's all going to be roses.

Jane: Good tip. Well, now tell me about the flip. Give me the numbers.

Karen: It was a success and this is just off the top my head. I don't have it in front of me but we paid I think \$343 for it at auction and we sold it eight weeks later for \$500 and we spent I think about \$50 or so on the reno. We made \$62,000 a profit.

Jane: So, you bought it for \$343,000 eight weeks later you sold it for \$500,000. So, what did you spend on the reno?

Karen: Like \$50 to \$60 somewhere in that bracket.

Jane: And how did that work with the budget? Did you go over budget?

Karen: We did but we did it knowingly. In the end, we decided to take a punt that the deck that we were going to buy for \$5,000 would add more than \$5,000 of value on and would be worth it.

Jane: People talk about cosmetic and structure renovations. What type of renovation was it?

Karen: Essentially, it was cosmetic. We did turn a laundry into an en suite, so we had a couple of little wall changes or bits and pieces but realistically it was cosmetic.

Jane: Okay. And what was the profit you made?

Karen: \$62,000 we made between us.

Jane: And that was before tax.

Karen: That was before tax, yes. We worked really hard for that and in hindsight if I look at it now, would those numbers be enough for me to do that project now. I don't know that I would. Because at the time only I only ran a few clients at a time in my business, I didn't have a shop and staff and things like that. I was a sole operator. For me to stop working and to paint a house for two weeks was kind of okay. It probably wouldn't be now.

Jane: And hence, your cost would go up if you had someone else do it.

Karen: Yeah that's it. So, nowadays, I wouldn't be doing that myself. I couldn't stop working for two weeks to go and sort this out and I spent a lot of time over there managing stuff and I couldn't do that now because I have a shop and staff to look after and things like that, so different circumstances. At that point in time, it worked for us both. We made a modest profit, modest enough that was worth the project. Would I do that same project again? Probably not in the same way because I'm in a different position now, and that to me, that's a real key learning of investing. What's right for one person, isn't right for another, and what's right for you at one point in time, isn't necessarily right for you at another point in time. You have to evolve.

Jane: And tell me this, you make that comment about you personally doing the painting, what are your thoughts about DIY versus having tradees involved in your renovation?

Karen: I see it a bit like an apprenticeship. I think you got to do your time. I think if you have no concept of what it takes to do a renovation or to do work or to estimate work, it will make your life hard. If you're going to renovate for profit, that'll make your life difficult, and I think getting your hands dirty gives you a real understanding of how long things take, what's involved, what costs there are, and all of that sort of stuff. I think to me, to just say I'm going to do a renovation and now I'm going buy a house, pay all these people to renovate it and it's going to make me money, I feel like you've got to do your time. But at some point, you realise that there's a limit to what you can do with that.

Jane: And what about getting a quote for the job outright versus material labour quotes?

Karen: Material labour in my experience you'll always going to beat it. If you're going to coordinate, that's going to beat it because you're going to pay someone to do it. They're going to add money on to do that.

Jane: They're adding that money really for that risk, aren't they? They're like, if I uncover something, at least if they go with their material and labour quote, they can say, "Well, this has blown out" and they're going to get recourse for it but if they just go for a big quote then you're going to hold them to the fact that they said they're going to build a deck for \$5,000 dollars.

Karen: I had that exact same circumstance happen on that project.

Jane: Really.

Karen: Yeah. Well, the guy sort of one day – he was a bit of a *feffer* (?) quietly doing it and *feffer* (?) about and he *feffer* (?) about and he'd go to Bunning's and buy one thing and then he come back and feff about and he go to Bunning's and buy another thing. And we're like, "Dude, buy all your Bunning stuff at the start of the day and then work for the rest of it. At one point, he actually *down tools* (?) and said, "You know, this is taking too long and I'm not going to finish it now." And I'm like, "Hang on, we've got to fix price quote for this." And in the end he left. I had to get someone else come finish it.

Jane: And that getting someone else to come and finish the jobs, I mean you say that flippantly, but they're taking the risk of maybe builder's warranty insurance and all of these other things, it's very hard to get someone to take up someone else's half finished job, isn't it?

Karen: Yeah, it wasn't great. We went through three builders on that project.

Jane: Wow. In eight weeks?

Karen: Yeah. The first guy—

Jane: Oh, you burned them Karen? What happened?

Karen: The first guy was a builder. He was a qualified builder and told us he could do all these things and then once he actually started, I could see within the first day, I thought, "Oh, this guy doesn't look like he knows what he's doing." And he's sort of asking me questions I'm like, "Oh my gosh. You shouldn't be asking me that because you're a builder and you should know that." And it started to worry me and then we sort of found a little late he'd been a builder on new-built homes. He'd never done a renovation and it's a different kettle of fish.

Jane: That's a good tip. Actually finding out the experience the builder has had in the specific type of project that you're doing.

Karen: Yeah. It sort of feels like you have to ask people and you do. You have to ask people common sense things that you think should be their job. It's like asking your accountant, do they know how to use a spreadsheet or something? You need to ask the person can they do specifically what you want them to do not just because they're a builder they know how to do it. And so, I found that I don't assume that anyone knows anything and I don't care if I'm teaching them how to suck eggs or I'm telling them what I want. I'm really specific now that I need this done. Have you done this before? What's your experience? Blah-blah-blah...

Jane: Right. So, tell me this, from that project and that flipping experience with the JV, what are your best tips that you can share with our audience if they were thinking about doing something like that?

Karen: Do the numbers hard. Do it properly. We were really good on doing that. We had this massive spreadsheet and we had all the things we're going to do and we costed it all out and

we worked out what the profit would be at the end. When we first went our run through of what we wanted to do the house, we had \$80,000 dollars worth of work in there and we just knew that you can't do \$80,000 worth of work or this won't be profitable. This is on the actual renovation side, but do those numbers really well, but before that, buy the right house. If you bought the wrong house, it doesn't matter what you're going to do because you bought the wrong house.

Jane: Nearly every property can be renovated. They don't all deserve to be is what we say here.

Karen: Yeah and they all weren't be renovated for profit. Just because they're old doesn't mean it's a great renovation project.

Jane: So tell me this. What's next for you property-wise?

Karen: Well, I'm actually in the market looking for another property of my own which is exciting.

Jane: A home or an investment?

Karen: An investment property. We've got another one we bought a couple of years ago that's a hold in Brisbane in a nice inner suburb that's doing quite well and we bought that in a superfund. And now, we're going to go again in our superfund actually, but this one's going to be a little bit of a different property. It's going to be more of a lower budget. There are a few suburbs that are in Brisbane where you can get group development potential and a nice little buy and hold with really good yield, but it has future development potential. That's what I'm looking at.

Jane: Do share, do share. Give us a tip. What's the suburb we could be looking at for that?

Karen: Oh, there's a few of them actually. Everybody knows at the moment the out of north of Brisbane where the new university is going in Petrie and all those suburbs that belong in the Morton Bay area there are all doing really well. So, there are some really good properties to be had there. I'm buying it in my superfund just because I know someone's going to be sitting there going, "But you can't develop in your superfund." Yes, you can develop it using borrowed funds and you use your fund and my intention is not to develop it. It's to sit on it and unsell it.

Jane: But interesting point, if you did have funds in your superfund and you didn't have to borrow, you could make good progress with the property. Well we're not accountants or financial planners, but I have heard—

Karen: I heard someone knowledgeable say that once.

Jane: I think I interviewed someone on a podcast once. So tell me, you have got big pitch of Brisbane. Obviously, the affordability issues in Sydney and Melbourne are driving people to look at more affordable capital cities and we're saying can you tell us your thoughts about the Brisbane market and opportunities for people there today.

Karen: Yeah. Brisbane has been going great guns for a couple of years now. There was actually an interesting article I read this week by Terry Ryder where he said that, it looks on the

surface if you look at the broad median price of Brisbane, it looks like all this hype come to just a little bubble – not in a housing bubble, but like a little bubble of activity. But it hasn't quite turned into this massive sort of explosion that they expected. But as Terry writes in his article, if you look under the hood and you start looking at specific areas of Brisbane, some areas have had double digit growth easily. There are quite a few areas where that's occurred and so there's a number of suburbs where really good growth has occurred and it has been doing that for a couple of years. Yes on the surface you might think, "Wow, Brisbane hasn't really eventuated into whatever it said it would." It actually has in several areas, many areas. You just got to work out and hopefully you have the property in those areas. However, it is still going at the moment there is still a lot of legs in Brisbane. I would think just by history and the length of property cycles and things like this, you would expect things to slow. But on the ground, I don't see it. Honestly, we are smashed with inquiries. There are a lot of buyers out there. There are still multiple properties, probably not the same heat as they might have been sort of maybe 12 months ago, but definitely a lot of buyer activity.

Jane: Absolutely. As you mentioned, university, the Sunshine Coast got the hospital, there's infrastructure that's going in as well, so there's a lot of investment that's happening.

Karen: Yes. Yeah, definitely and I think if your plan is to sit and hold a property for long term there's lots of good property to be bought here.

Jane: Perfect. Okay. Finally, best tips for new investors. What are your top three if people are listening to this podcast going, "Oh, property investment, haven't started. I've now got a bit of a taste for it." What would be your best tips?

Karen: I think educate yourself. This is a really hard one because I often get contacted by people who are like, "Who can I go to?" "Who is a mentor for me?" "Who is this?" And I found this when I was trying to learn about property. There is no one stop mental shop that's going to solve your problems, and realistically, you are the person who cares most about your finances so you are the person you're going to have to rely on at the end of the day. Educate yourself but realise at the end of the day, you're the one who is going to be responsible for this. Sometimes I think you start off and you're looking for someone just to give you the answers, "Just tell me what I'm supposed to do." And my experience of that has been there is no person is going to tell you that, sorry. Sorry.

Jane: The best property investment is the six inches between your ears.

Karen: Probably. Yeah, I think so. I guess that would be number one, educate yourself. Number two is, do something, like, just do something. There are so many people out there who go, "Oh, I want to do this. I want to do that and I want to do this." And they don't ever actually do it. You have the belly, you've got to be the one who takes the action. If you're the person taking the action, then you're going to get further than the person who doesn't. So, just do something and the other thing is, I think this sort of goes along with that I guess is, set goals. That is the thing that will spur you into taking the action. There's no point you're just going, oh, I really love to get into investing one day and then go and have a beer and do something else. I really want to get into investing one day, so give yourself a little piece of time somewhere. Go to a coffee shop or

go to the beach or go somewhere with a little book and a pen or an iPod or whatever it is and go “Okay, what do I want to achieve?” Give it a five year, three year, and a one year or something like that. I'm not a big believer of too far in the future. I think you can have a broad high level, I want to retire by the time I'm 60 or 50 or whatever, but realistically, when it comes to actually implementing, you need the nitty-gritty stuff. You need to be closer in the map. Write down what you're going to do and then hold yourself accountable. Set some reminders in your calendar. So, by this date, this is one I'm going to achieve. Put the reminder in your calendar. Put the actions in your to-do list if you use a to-do list or something. But it's not going to happen magically. I guess that's it.

Jane: Great. Great advice. So, set your goals, educate yourself and take action. I can't think of anything better than a new investor could take on board, so that is just fabulous. Karen, thank you so much. Great tips for those new investors and we really appreciate the things that we've covered with you today. I think you've just been an absolute wealth of information with your JVs, flipping, buyer's agency, starting businesses, starting podcasts and all the tips that you've shared with us. It's just absolutely amazing. As I said, standing on shoulders of giants I feel today being able to interview you finally having known a lot of your story over the years you've been inspirational and definitely done so much to inspire and educate a wealth of Australians out there about property investing. So for that, I really appreciate your time as well.

Karen: Thank you, Jane. It's been an absolute pleasure speaking with you as always.

Jane: Till next time.

Karen: Alrighty.

John: That was great.

Jane: Oh my gosh. There's so much information there and there are so many points I want to pull out. But if we go back to when she started, we're talking about someone in their 20s has gone, “Got to do something. Got to buy property.” And a lot of people do this for their first property. Maybe a one bedroom unit is not the best thing to do but that's where a lot of people start.

John: Yeah I did that. I did the travel overseas in my twenties and then kind of got back in late 20s and thought, “Oh—

Jane: Better grow up?

John: I got to get something behind me. But yeah same thing and it was just like taking the box with me too. I didn't really spend too much time on location and stuff like that. I just got it and renovated it and away we went. But yeah, it often happens that way but she certainly learned a lot since then.

Jane: And lucky that the Australian market, unless you get something that is a real dog, the Australian market the longer you hold it, the more you look like a bit of a champion too.

John: Yeah. Pretty forgiving.

Jane: Yeah it is a forgiving market. But she started with a 95% loan which is exactly how I started. I only had a 5% deposit. Unfortunately, with the banks pulling back on a lot of their lending criteria at the moment, not everyone would get 95% loans anymore. But starting with something small, which if we kind of fast forward, my goodness, she's done so much since then that first little property. But just that kind of – she had her kids, she didn't really want to go back being full time. She realised that you know there's a whole lot of life ahead to live and she didn't want to rely on the pension, and I think so many people go to that realisation when they sit back and go, “Is this it?” And they look for that kind of alternative and she really then started investing in herself and like me started with the two hour free seminars. Doing all of the free seminars you can.

John: Yes. We all have done that.

Jane: Until you realise that they're probably costing you a lot in time and angst.

John: Yes. Still loves a good free seminar. Well, we talked about this the other day and you learn a lot in those seminars and as long as you don't get caught up in the – if you don't run to the back of the room, nail yourself to the floor and hold tight, yeah, but you do learn. You meet people and you learn a lot of good tips here and there.

Jane: And that's the interesting thing about Karen's stories. I found this exactly and I know you did we've talked about this before, is that you're kind of on this quest and you feel like you're this adventurer by yourself and then all of a sudden you find someone who understands what you're talking about and you cling onto them for dear life, which you know, that's Dan and her group.

John: It was hilarious. I loved the PowerPoint presentation to a room of six. That's great.

Jane: Unite the nerds. I could just visualise it and I want to be there.

John: I know that sounds super nerdy, but those groups that just get together and chat and have a few drinks, they're so unproductive often, so super nerdy as PowerPoints are, that would actually have some structure to it, so I can see the sense in it. It's good.

Jane: Many years ago, groups used to get together and play the cashflow game which ____ cashflow game as well and I was a little bit jealous because I never got a chance to do that. But I was always wanted to be invited to a dinner party for cashflow. I'm sending out a call guys.

John: Yeah, we can do it, right?

Jane: But that idea of surrounding yourself by like-minded people and having conversation and stretching yourself and being each other's backers and cheer squad, we have the ability to see that in the Your Property Success private Facebook group. Everyone's in there supporting each other, but sometimes it's just so hard to find that kind of tribe to hang with and she created it herself. Then, what did she create?

John: The podcast.

Jane: It's like I want to interview the experts and get what did she call it?

John: Free consulting.

Jane: Free consulting. Perfect. I'm going to have to put that down. I have to come up with next podcast—

John: Why did you start a podcast? Free consulting.

Jane: Free consulting. She's interested in finding out the answers, so why not find out from the experts. In 2011, she really paved the way.

John: Yeah, absolutely. That was one of the first property podcasts and what an excellent resource it's become. When you look back six years now of great information, great guests.

Jane: And it makes you realise too, I know that I was on the podcast maybe 2012, that was probably my first podcast with her and I still get people listening to that podcast and ringing me up. It's just extraordinary. Once you send it out into the ether, it's there forever, so we better be careful what we say John.

John: That's right.

Jane: Or we won't get to podcast 15.

John: Yeah, that's right.

Jane: So, she really turned that interest into –a lot of people talk about stuff and it's nice to surround yourself by good people but you had to take action.

John: Yeah.

Jane: She loves that analysis, but she's also practical in putting things in place as well. She's out there. She's looking at doing things and walking the talk and getting out and a bit later in the interview we talked about how she learned up on going into a new area and to Brisbane – Google maps. She prints out the Google maps and drives and drives and she needed to know the suburbs not just from a – I was speaking to a new client this morning and he was saying he's driving around the week on the weekend through Brisbane looking at suburbs, which she was trying to get to know the streets and the type of houses and everything because that is becoming her business. It's a good lesson for anyone who wants to learn a new area.

John: Well, it's low tech too, isn't it? because people often get caught up in all the expensive software and that kind of thing and it's a great way to do it. Obviously, you need to do the tech research and the research online and you don't want to pound the pavement of every suburb, but once you've done that, you still need to get down on the ground and we've heard that on probably five episodes so far of people going around and looking at the shops and looking [crosstalk]

Jane: Going into the supermarkets, seeing the type of people you're going to find as your neighbours.

John: That's right and it's really interesting too. When we were doing research property or suburb due diligence for our development sites, we would print out the maps based on the incomes, all living high income levels, and then when we drive those streets and look at them and go what makes the people here high income compared to the next block over there, so all those little things and trying to piece it all together is a really great thing to do.

Jane: Absolutely. I think that it's the thing that differentiates a buyer's agent who specialises in looking after investors to the ones that are looking after mum and dad who are just time poor because getting that – you have to be very specific about the criteria that you give them as well because they're going to deliver the results that you set some boundaries around in the beginning, but having someone then back up their recommendation with data and why they're recommending a property for you to go into your portfolio is fabulous. If you get it right, well they obviously are going to come back again and again and refer people to you too.

John: Yeah. They can really take up a hell of a lot of that grunt work that takes a lot of time to do. It's a good thing when you get it right but you do. We have heard stories where people for instance do the Ultimate Guide to Renovation or the Your Property Success Club, they come up with a really strict criteria which is excellent. And then they hand that out to a buyer's agent, and the buyer's agent goes, "Whoa!" Because that's a lot of work for them. They're set up to work for time-poor people to buy homes. So you've got to find the right buyer's agent that works for investors.

Jane: Actually, I remember one of the couples that came to our one day hot spotting workshop in Brisbane in December in 2016, we got down to the street to buy in Kedron then they gave that to the buyer's agent and the buyer's agent was saying, "Really? Can we go outside these streets?" They said, "No. This is where we want to be." That's how strict they were. They found a property and it's gone up \$50,000 since they bought it. It worked for them, understand going in with a good criteria and working with a savvy buyer's agent is good. Look, she's won REIQ's buyer's agent of the year and only relatively new to the industry, so fabulous. Fabulous.

John: Joint ventures.

Jane: Gosh. Joint ventures. Sometimes they're a diamond and sometimes coal. She linked up with a good friend who is also a property investor, so they knew the numbers and we hear about a lot of stories where JVs go wrong and just some of that advice around having the exit strategy set up in the beginning and understanding who's bringing what to the table. Is it money, is it time, is it expertise, etc. And knowing the numbers upfront and making sure that there is a profit because the worst thing can happen is that you don't make money at the end and you lose a good friend as well.

John: Yeah but you've got to have those scenarios of if something goes wrong and there's all sorts of scenarios of what can go wrong too in JVs. It's not only that you don't make a profit and then what's the loss split, is it the same as the profit split, so there are questions like that.

Jane: Gosh. I never even thought about that.

John: Yeah. So it sounded like they did all of their research. They even discussed if one of them was to die, what would happen, and you've got to do all that if you're doing it because you need to work out all of those scenarios. If something goes wrong, what then happens?

Jane: Exactly. Because you're not just usually pulling your own time and effort and money into the deal or your family's behind you, so if something does go wrong it's the family that has to deal with the issues and pick up the problems.

John: Yeah. And it means if something goes wrong, then you've got it there in writing you've already agreed to that. You're not doing it or you're in the heat of the moment with the stress and everything.

Jane: Exactly. When I listen to it, I was thinking, "Oh my gosh. She's driving around every single day seeing these deals of a lifetime. How do you choose?" And it's funny because she probably has the same conversations that we do with people they go, "Gosh, there's nothing out there. I can never find anything." Open your eyes a bit more. There is so much out there. Look harder. She's now targeting a lower budget Brisbane property for another development as a buy and hold and if it was a flip, I think it would have some concerns at that low end of the market doing a development and all those costs but there is a longer term plan for it. So, it just shows you how you strategise about what you need to do and the property needs to do for you first before you then go and start looking for it.

John: Yeah. She had some good things say about Brisbane too didn't she? She's kind of said that it's still flying under the radar and even though there's been a bit of an expectation, I mean, it was pumped up a lot few years ago and some people kind of feel that that didn't probably eventuate. But what she's saying is on the ground that it did eventuate, that suburbs have been performing really well if you know where to look and know where to buy.

Jane: Absolutely. And I think there are so many markets within Australia and there are so many markets within every capital city and we can say that Brisbane hasn't performed but we've got plus 10% for some suburbs in Brisbane. There's still opportunity out there and still affordable.

John: Yeah, absolutely.

Jane: Still affordable.

John: So, Jane. I think we have reached that point in the program that everyone's waiting for.

Jane: What could it be John?

John Blackman: Yes. It's that time again where you get the chance to test your suburb knowledge while the entire nation holds its breath. Ladies and gentlemen, it's time to play, Suburbs Against the Clock. The rules are simple. To play, all you have to do is answer a question about 10 suburbs in the city of your choice within 20 seconds. The lucky winner of Suburbs Against the clock will win 1 year's free access to Your Property Success Club. Your Property Success Club is an in-depth monthly master class which gives you the practical tools

needed to grow your portfolio yourself without having to spend a fortune on expensive seminars or even leaving your own home. So, who do we have standing by to play Suburbs Against the Clock?

Jodi: Hi. It's Jodi.

John: Hey Jodi.

Jane: Hey Jodi, how are you going? Are you ready for Suburbs Against the Clock?

Jodi: Hello, I am ready. Suburb – Brisbane.

John: Brisbane. Good. And you know Brisbane well Jodi?

Jodi: Once upon a time I knew it very well. Now, I am 12 weeks living here and discovering it all over again.

Jane: Oh good. Well, let's just hope that you can achieve 10 suburbs in 20 seconds with the question we have in mind here.

John: The suburb shouldn't have changed that much anyway.

Jane: Nah, that'll be the same.

Jodi: We'll see.

John: And what stage are you at the moment Jodi in your property investing?

Jodi: Depends which of my husband or I you ask. If you ask me directly, I am ready to go again and got a little bit of strategy work to do to map out exactly what would work well in our portfolio, and if you ask my husband, he thinks I'm at the shopping centre looking for shoes and purses.

Jane: Cool.

John: I just want everyone to know that Jane has written this question.

Jane: Well, it was on the back of the fact that I had difficulty with it when I was speaking to Kieran Clare recently and I thought Brisbane has—

John: It has come up for Brisbane has been a reoccurring problem for us. So, are you ready?

Jane: Let's start the clock.

Jodi: Fine. You're making me nervous. Yes. Let's do this.

John: Okay. And the question is, can you name 10 Brisbane suburbs with strange-sounding names? Clock starts now.

Jodi: Burpengary, ____, Deception Bay, Bongaree, Moreton Bay, ____

John: Ten seconds

Jane: Ten seconds.

Jodi: Oh golly. Manly, Kangaroo Point, ____, Keperra

John: Oh there goes the bell.

Jane: She did it. She got it.

Jodi: Did I get ten?

John: You've been paid. You've been paid.

Jane: Good job. Good job. You know, Deception Bay, I was thinking, was that weird sounding? I'm thinking yes. Imagine going out at night and going "I'm from Deception Bay." So yeah, I'm going with weird. Very well done. Congratulations.

John: Well done Jodi.

Jane: Well, we're going to get to you access to the Your Property Success Club.

John: Yup.

Jodi: Oh, wonderful. Thank you. That'll be great and my husband never needs to know.

John: That's right.

Jane: All the best Jodi. Thank you so much.

John: This gets better and better doesn't it?

Jane: Yes it does.

John: And if you would like to be contestant on Suburbs Against the Clock or you have a suggestion for a question to ask one of our contestants, please contact us at support@yourpropertysuccess.com.au and use the subject line Suburbs Against the Clock.

Jane: And of course, before we go, just something a little bit extra. Karen and myself actually recorded an hour long video last year looking at potential investment properties in the Brisbane market and I think there are so many research tools and a lot of really great stuff that we went through there. We're going to put that in the show notes so people can go back and have a look at that as well.

John: Yeah, it was really good.

Jane: It was great. It was a great challenge and we had some of our community put up those properties, so it was really good interactive and a bit of fun. We're going to make that available on the show notes on the website page yourpropertysuccess.com.au the letter E for echo, P for papa, and the number 14. That's your property success dot com dot A-U forward slash E-P 14.

You'll find everything there from today's show including the transcript, that great video, and everything else that was mentioned. So, that's all for today guys. Stay safe and here's to your property success.

John Blackman: Ladies and gentlemen, it's important for you to understand that you need to take care in applying what you've heard on this podcast to your own personal circumstances. Every one's situation is different. And while we go to great lengths to ensure that everything we share is accurate, the information in today's podcast was based on personal experiences and opinions and is not intended to be specific to your circumstances. We are not real estate agents, financial planners, lawyers or accountants and are not liable for any loss, damage, or misunderstanding caused by reliance on any information provided or inferred. We highly recommend you seek out the services of a professional or mentor to help chart your own path to property success.