

How one couple
turned \$20,000 into
a \$6 million property
empire – safely!



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With a smart and low-risk investment strategy, it is possible to create a significant property portfolio within a decade.

Learning from other successful property investors can be truly inspiring.

Take the example of one Northern Beaches couple who have safely built a fabulous portfolio – all by the age of 40.

While living in England a decade ago, Sam and Kate started out with the purchase of a modest £190,000 (about \$324,000) investment property with just a £10,000 deposit. That was equivalent to about \$20,000, but they were also wise enough to keep about \$10,000 as a cash-reserve buffer.

About two years later, they moved to Sydney and within a year had saved about \$80,000, which they used to buy their first home – a two-bedroom unit in Balmain for \$495,000. It settled in March 2007.

Quick equity growth

After a sluggish couple of years, Sam and Kate's properties in England and Balmain began to achieve significant growth and, by late 2009, they had enough equity to upgrade to a house in Belrose for \$860,000.

Better still, they could still afford to keep their England and Balmain investment properties. They also borrowed extra funds to increase their cash reserve buffer in the event of any unforeseen changes to their finances.

By now, the rent for the two investment properties was almost double the interest cost, so over the next four years they were able to pay down their home loan significantly – all while the three properties continued to achieve robust growth.

Come 2014, the value of their English property had grown so much that, after selling costs, Sam and Kate had almost enough money to pay off their Belrose loan.

Dreams come true

Given their very strong financial position, Sam and Kate felt they were in a sound position to buy their dream home when it became available for just under \$2 million.

After developing safe investment strategy with our advisors, they bought the property, initially renting it out because the rent and tax benefits covered close to all of the costs of the property. So they had the luxury of staying in their Belrose home with essentially no home loan debt.

Furthermore, on the back of a significant surplus cash flow, they were also able to recently buy another investment property in Brisbane, a market hot spot.

Happy times

Sam and Kate are now planning to sell their Belrose home and move into the dream home. The sale proceeds should leave them with a small mortgage on their new place and a large cash reserve.

Remember that all of this self-made success has been achieved by the age of 40 – and at the same time as starting their family of two young children!

Sam and Kate's current property portfolio is now worth close to \$6 million, with more than \$2 million equity. Their success shows if investors seek professional advice from a young age, the benefits can last a lifetime. ●

