

# Becoming a landlord can be your entry point to property ownership



**How can you get a foothold in the property market if prices keep on spiralling up the way they are?**

**Why are so many Australians missing out on fulfilling the Aussie dream of owning their own property and what can they do about?**

Unfortunately, in many parts of Australia the thought of buying your own property is out of reach of many young people entering the real estate market for the first time.

Even though these people have saved and given up many luxuries to put together a deposit and raise the finance to enter the property market, they are finding their dream home is out of reach as property prices keep spiralling skywards.

**But buying your first property is only one approach to ownership and in this article we are going to share another alternative that will enable you to get a foothold in the market and could down the track lead to a greater chance of long-term wealth.**

We would like to suggest that you change your focus and consider becoming a landlord instead.

This may mean you may have to continue living at home with relatives or renting for several years to come.

**Why should you become a landlord?**

11 years ago, a mate of mine – let's call him Richard for privacy reasons - decided to take his deposit for a family home and use the finance he was able to arrange to purchase two small investment properties.

The two villas he purchased, were already rented to long-term tenants and gave him an immediate source of rental income to pay off his loan with the bank.

11 years later, both of those villas have been paid off and provide him with an income stream for life.

Richard did not stop there, once he had built up enough equity in these two investment properties he borrowed more money and purchased several more investment properties.

At current count, Richard has a portfolio of investment properties covering several states. Not once has he had put his hand in his own pocket to pay off the various loans he has acquired to build his portfolio of properties.

**What about his dream family home?**

To this day he is still renting a property to call home. But the return on all these investments has allowed him to rent properties out of the reach of any of his friends. Richard is living a millionaire's lifestyle thanks to shrewd investment

decisions. He has calculated that in another 10 years he will be able to buy a home of his choice with cash and no mortgage thanks to being a landlord.

**How can you apply this?**

It is not possible in this article for us to give you a step-by-step plan that would enable you to replicate the success of my friend Richard. Everybody's financial position is different and we would suggest you speak with your accountant or financial adviser to see if this strategy of becoming a landlord is a good fit with your situation.

**However, as a starting point we would also like to suggest you also speak to our property management team and they will be able to give you an idea of the types of properties people are renting in our area. Then our sales team may be able to show you some investment properties that suit your budget and fit your plans.**

# PROPERTY NEWS

Ideas to help you when you're Buying or Selling

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## SOLD IN 4 DAYS

**Connie Young sells 2/9 Balding Court after five inspections, two offers and a quick contract**

**FULL REPORT PAGE 3**



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- Rare find 3 bedroom unit sold in record time
- Becoming a landlord and property ownership

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**Message from  
the Director**

Dear readers,

In this issue of Property News we take a look at the recent sale of a rare find in Mooroopna - a three bedroom unit. The property was sold within four days. To find out more about this sale, see the story on page 3.

Property Cycles, when is the best time to buy? When is the best time to sell? We have a story in this issue that discusses some of the factors to consider when you are looking to selling a property.

For some people, buying an investment property may be the way to enter the property market. If you are thinking of going down this pathway, our page 4 story has a few things you should consider.

Whether you are looking to buy or sell a property, we can help, so give us a call today.

Kind regards

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# How to understand property cycles

**'Over the long term property values increase'**

Understanding property cycles is one of the biggest challenges in real estate. Many novice investors believe that having read a few articles on the subject or done some basic research they know what is involved.

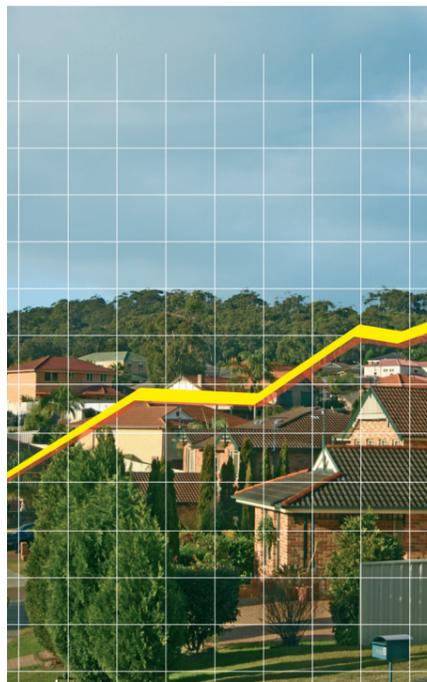
However, property cycles are not as straightforward as some authors would have investors believe. The key to investing in real estate is timing. As any experienced stock market or property investor will tell you, it's all but impossible to pick when a market has peaked or bottomed.

There are always those who will tell you they 'picked the top of the market' or 'got it right when it bottomed'. But, the reality is, it rarely happens. Instead, experienced investors try to pick a trend, whether a market is rising or falling.

For a property investor to accurately pick the trends, they need to know what a property cycle is. Property cycles in Australia generally last between seven to 10 years. They operate within the broader economy and are subject to and influenced by those factors that are impacting on the economy as a whole.

Those factors include interest rates, inflation and employment. And of course that immeasurable factor - market confidence.

It is true that the underlying force driving the property market is a growing



population. So, what you see in a rising market is that the demand for housing is on the increase, that there is a shortage of both rental accommodation and established and new housing.

According to the standard texts on property markets, the rules of supply and demand then come into play and investors and property developers step in to meet the demand by buying and building more homes.

The reality is that other factors such as interest rates are the real arbitrators of whether or not that new investment takes place. What we are seeing at the moment is a classic example of a real estate market that is extremely hot on the back of low interest rates.

Providing that interest rates remain low, the market should continue to rise.



**As with any financial exercise, the decision whether to invest in property or just to upgrade the family home is not one to be taken lightly. You should consult your financial adviser to ensure that you are in the right position to benefit from the market.**

# Rare find 3 bedroom unit sold in record time

It was all go when Youngs & Co Real Estate's director, Mooroopna branch manager, Connie Young listed 2/9 Balding Court for sale. The three bedroom, two bathroom sturdy unit had only five viewings, which resulted in two offers and a contract in just four days.

Three bedroom units are hard to find in Mooroopna; there just weren't many built. They're so rare that there wasn't even a median price for such properties.

"The townhouse was well-maintained and priced fairly at \$224,000, and that's exactly what we sold it for," Connie said.

The three bedroom semi-detached home may have its bonus bedroom but there were plenty other attractive selling points: a clean, tidy appearance; gas heating, carpets in living and sleeping areas; en-suite and built-in wardrobe in master bedroom; timber kitchen with plenty of storage space; easy-care lawns and gardens and a private driveway with two parking spaces. And it's situated on a quiet court within close proximity to shopping, schools and parks.

Another big bonus - it has its own title, which means there are no body corporate fees. It was happy days for everyone when it sold so quickly, especially for the vendor, Chris Blake.

**"Sold in four days," raved Chris. "No hassles, no complications and great service. Well done Connie."**



2/9 Balding Court, Mooroopna

Connie has more than 30 years' experience in the real estate industry. She started her career as a real estate office receptionist, which inspired her to become a property agent.

After her studies, she obtained her full Estate Agents License and became the youngest female in Victoria to do so.

Since then, Connie has lived and breathed real estate. Connie prides herself on her meticulous nature and caring disposition, which results in happy, satisfied customers.

There's no better time to buy property

in Mooroopna. Median prices for units and free standing homes are steady and affordable.

Youngs & Co Real Estate have a range of homes and units available for viewing to suit most budgets. Don't wait too long. Homes in this area don't stay on the market very long.

**Whether you're looking to buy or sell, Connie and her team of experienced property consultants at Youngs & Co Real Estate are here to help. Call 03 5825 4833 today to get started.**

## We Have The Experience And Local Market Knowledge You Need



Glen Young  
Director  
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Connie Young  
Director  
0428 254 833



Les Young  
Consultant  
0418 577 612



Michael Blake  
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For a confidential update on how recent sales have affected your property, give one of Youngs & Co's Property Professionals a call.

