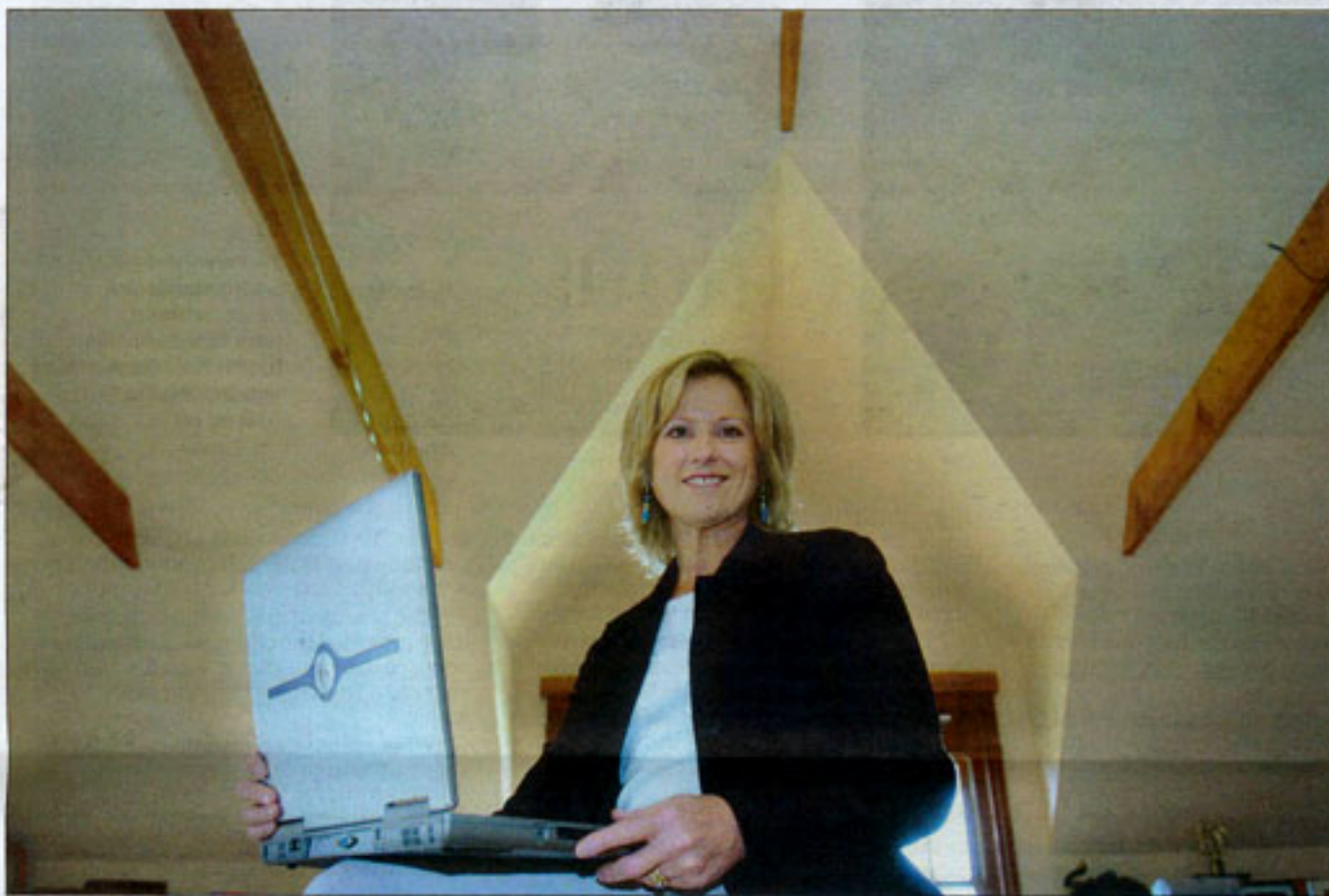


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Instant property portfolio



Joanna Chivers with one of her renovation projects, before (above right) and after.

Main picture: ANNIKA ENDERBORG

AMANDA DAVEY

DEVELOPING property can be a great way to boost your investment portfolio and a good strategy in a flat property market.

Furthermore, if you are clever about it, you can potentially unlock the riches from your venture while waiting for capital growth to occur, and ultimately convert your investment from being negatively geared to cashflow positive.

While property development can be exciting, it can also quite easily end in disaster for novices unsure of the often convoluted rules of the game.

Joanna Chivers opened her North Curl Curl business, Property Bloom, four years ago in response to a gap in the marketplace for professional project managers who are

willing to work with mums and dads' investors on a step-by-step basis.

Essentially Property Bloom is both developer and project manager, with the aim of creating lucrative property investments for its client base.

According to Mrs Chivers, her prime objective is to locate affordable property that can be developed and then, through a detailed process, create three properties from one. She specialises in the Hunter Valley region which has shown very good capital growth in recent years.

"Once I have found a few suitable properties for my client, I carry out all the necessary checks with the council to ensure they can be developed," she said.

"I then organise a feasibility analysis on the projects from my builder and once they are complete, the client will usually come and choose one.

"They buy the property direct and then

I can take them though the whole process from renovating the existing house to organising development applications to build a couple of villas on the land, which is usually around 1000sq m in size."

Mrs Chivers said her clients usually paid about \$190,000 for an original house on a large block. They should then expect to fork out somewhere between \$20,000 and \$30,000 for renovations while the cost of the new duplex on the dual occupancy site is usually just over \$270,000.

"My role is to co-ordinate the whole project for them and once complete, I will find them tenants."

For a total investment of around \$530,000 three properties are created, resulting in an instant property portfolio.

With the rental return on these properties averaging around \$660 per week, a 6.5 per cent yield could well be achievable.

In addition, Mrs Chivers approximates \$80,000 in equity can be created.

"We have some clients that are first-time investors and need their hand held and others who want to learn the development process so that they can do it themselves next time.

"At the other end of the scale there are experienced investors who work in demanding jobs who need assistance to get everything done."

The timeframe from the purchase of the block in its original state to completion of the dual occupancy site complete with renters in place is usually around 12 months.

Mrs Chivers' fees are based on the net profit created by the project.

• Phone Joanna on 0418 293 575 or register your interest on www.propertybloom.com.au