



- >> **Name:** Karen Murray and Maree Reid
- >> **Age:** 38 and 36
- >> **Occupation:** Both are nurses and Alpaca farmers
- >> **Properties:** 7
- >> **Strategy:** Growth portfolio to fund retirement

## From farm life to fine living

**Siblings Karen Murray, 38, and Maree Reid, 36, began their investment journey with just one property in 1993. The driven duo has since amassed a property portfolio valued at almost \$2m, and have no plans to slow down any time soon**

Two years ago, with two properties in Queensland and a reasonable equity position, Karen and Maree thought of investing in another property.

What stopped them, Karen says, was fear. “We were scared that we wouldn’t earn enough, that we couldn’t get a tenant, that we just couldn’t afford it. So, we just did nothing.”

It took a sudden death in the family to “shock us into action”, Karen explains, which is when their property investment journey really began.

“It made us sit up and realise, you know, life is short and we need to take action,” Karen explains.

The pair are both registered nurses, and they also breed Alpacas on their acreage. So, when they began looking at increasing their investment portfolio in 2006, they did so to create some form of financial security.

“You create a certain lifestyle, and you want to continue that when you get older,” Maree says. “I don’t want to be told that I can only get \$300 a week in superannuation when I retire.”

### The art of negotiation

The first property they purchased was their principal place of residence – a modest three-bedroom house in Eagleby, South East Queensland – that they bought in 1993 for \$82,000.

Four years later they purchased a four-bedroom house in Logan Village, Beaudesert, an hour’s drive from Brisbane. “The reason these people wanted to get out was because they’d built another house and it was ready to go,” Maree explains.

“The original asking price was \$290,000 and we ended up paying \$188,000 – so we were in the right place at the right time.”

It would be another eight years before they added to their portfolio,

during which time Maree says they “didn’t have a plan or strategy” related to their property investments. Despite this, they went ahead and bought a house and land package in Oxenford, also in South East Queensland, paying \$480,000 for the property which was constructed, with tenants in place, by September 2006.

### Property coaching

Around this time, with three properties to their name, they attended the Property Expo in Brisbane where they met Gary Seeto, a Canberra-based property advisor and author of *Property Millionaire*, and developer of the board game of the same name.

“We were unsure of who to trust, but wanted to explore the boundaries of what we could do,” Karen says.

“[At] the property expo we hooked up with Gary Seeto, and he helped us form strategies and plans that helped us go forward. After meeting Gary, we realised how important it was to actually have a plan.”

They decided to purchase his book, and after reading it they engaged Gary as a coach, meeting twice for lengthy coaching modules.

At the first session, they discussed basic goals, strategies and their financial position. "We separated personal from investment lending, and structured the lending arrangements simply," Karen explains.

In the second session, they looked at administrative arrangements to simplify property management, expenses, cash flow, forecasts, tax and record keeping.

As they manage all of their investment properties themselves, this coaching has helped to simplify their processes and cut down on the amount of time they spend day-to-day managing their investments.

"We spend around two hours each per week actively managing our investment properties, but it's something we're passively working on every day," Karen says.

"We're always reading new books, researching online, visiting forums, – we like to keep up to date with market trends and stay motivated," Maree adds.

For their third session with Gary, they embarked on a "live" property session, which involved travelling together to locations in regional NSW. During the two-day journey, they purchased four properties on Gary's advice – two units in Albury, and two townhouses in Wagga Wagga.

They decided to invest in these regional locations because both are experiencing population growth and improvements to local infrastructure.

"We invested in Wagga Wagga because the Hume Highway was being upgraded and improvements were happening," Karen says.

### **Developing a strategy**

The pair believe that having a plan and "writing it down" is the essential first step.

"You need a plan, then a back-up plan, so if the first one doesn't work, you're not disappointed," Karen says.

Their current portfolio is reasonably balanced, allowing most of the properties to "basically pay for themselves", as the positively-g geared properties balance those that are negatively geared.

"We also buy in different areas so we can survive the ebbs and flows of market cycles affecting different areas," Karen says.

"We've learnt the importance of spreading your property around. We've also brought a new lender on board."

Karen also believes that it's important to physically visit potential investment properties if they're unfamiliar – not only to inspect the property, but also to view the local area.

"We also look at local council websites, planning and development agencies, we ring real estate agents in the area, and research government agencies to gather as much information as possible about each area – it's amazing what information you can get just by asking." ■