

# Australian Property Investor

## ■ CASE STUDY

### The right balance

For 29-year-old Andrew Martin, renting and investing balances his lifestyle and financial goals.

"My mates always opt for buying their own place to live," he says, "but I would rather rent to live and buy to invest."

The Sydney-based business development manager owns two investment properties in the Perth suburbs of Maddington and Spearwood.

He purchased the Maddington house in 2005 for \$175,000. It's now valued at around \$340,000 and rents for \$300 per week. He bought the house in Spearwood for \$475,000 in 2010; spending another \$25,000 on renovations. The property delivers rent of \$420 per week.

Andrew cites practicality and development potential as among his reasons for choosing to invest in these Perth properties. "Neither property needs much maintenance," he says, "and both areas are rezoned for dual occupancy for future development."

Meanwhile, Andrew splits a weekly rental bill of \$950 with two others to live in a three-bedroom home in the Sydney seaside suburb of Clovelly. "There's no way I could afford to buy it," he says, "so renting is an attractive alternative, and it doesn't lock me in for the long term."

Andrew plans to invest in a property in Sydney and when the equity in all three properties increases he'll leverage against it to develop the Perth properties and sell off 50 per cent.

"My worst case scenario is that one day I'd sell the three properties and buy a place in Sydney that suits my lifestyle and budget," he says. "However, I'd rather keep investing. I'd like to accumulate 10 properties in 10 to 15 years' time."

