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Walk up and find a 'brilliant opportunity'

■ Gemma Nisbet

In-fill developments with groups of townhouses on a subdivided block in Perth's suburbs are, by now, fairly familiar to investors.

However, the latest opportunity for buyers keen to invest in this area could see them create a greater number of new dwellings on the same site, increasing their potential return.

According to Liz Sterzel, of Subiaco buyer's agency Property Wizards, changes to planning laws to facilitate the construction of multiple dwellings on blocks zoned R30 and above have created a loophole allowing for the construction of two-storey "walk-up" homes which look like townhouses but are actually separate apartments.

"The brilliant opportunity the loophole presents is being able to build two-storey walk-up homes which may look like a townhouse but are actually two apartments, one on top of the other, where each unit is a separate property with its own title," Ms Sterzel said.

A block where you could typically build two townhouses might present the opportunity to build four walk-up apartments, creating a higher potential return but with similar costs, Ms Sterzel said.

"The key wealth-creating strategy here is that the costs should be about the same for developing four homes that can be sold or rented out for a much larger profit than simply building two houses," she explained.

While these types of developments offered great investment potential, there were pitfalls to be avoided, Ms Sterzel said.

"Of course, finding the right block is crucial and even when it appears you have the correct one, that may not be the case due to council regulations or the shape of the site," she said.

"Be careful when choosing designs for two-storey walk-ups — consultants who can create beautiful living units within higher-density projects such as these are the way to go," she added.

"It's such a new area that, unlike townhouse and villa projects, there presently aren't many builders or real estate agents offering pre-packaged help to investors.

"There's major upside though, so if you have expertise, including the right project manager, town planner and architect on your side, these walk-up developments are one of the best development opportunities in Perth right now."