# Should You Buy a Home to Live in or an Investment Property

**Dymphna:** Welcome everyone to iloverealestate.tv. Great to have you guys onboard. Now today, I thought it would be interesting to talk about the question that I get asked all the time. I get asked this question by young people who are going out and buying their first house. I get asked this question by people who are going through a little bit of a change in their circumstances - maybe coming out of a divorce or just sold a place and they are cashed up and don't know what to do. It's a very common dilemma and it's a dilemma that's really been going on for a long time. I remember when I was buying my first house and all that kind of stuff; it was a similar kind of question I asked myself. So what's this question I'm talking about. Well what it is, if you can only go and buy one property, should you go and buy a PPR (Principal Place of Residence) to live in or should buy an investment property? Now I don't think there is a clear-cut answer to this and I thought it would be interesting to invite Ian Ugarte along again. Hello Ian, how are you?

**Ian:** Hi, I'm good, thank you.

**Dymphna:** Very good. Now Ian is one of my students and he's done lots of things along the way. He's owned homes. He's rented homes. He's lived in warehouses. He has lived in all sorts of places, really; on top of shops and all sorts of things.

**Ian:** Motorhomes...

**Dymphna:** Motorhomes, yes.

**Ian:** Everywhere.

**Dymphna:** House boats…

**Ian:** Yes.

**Dymphna:** So I think you have got the experience to talk about this particular topic.

**Ian:** I reckon so, yes.

**Dymphna:** So let's look at the basic question.

We've got a young person or young couple, whatever, who has some money to buy a property. Not two or three - just one. What should they buy? Should they go out there and buy an investment property and rent it out and obviously, have the advantages and tax advantages to go with that - we'll explain in a minute - or whether they should go and buy a house for them to live in. Obviously, if they're buying the investment property but still going to live somewhere that's still got rent, so let's just explore that little scenario a little bit.

Let's go down the road of, if they buy a PPR or Principal Place of Residence. Now I guess it's good Ian that you're male and I'm female, because I think generally males and females have a little bit of a gender bias on this one.

**Ian:** Yes.

**Dymphna:** Would you agree with that?

**Ian:** Well I would agree because it is definitely the case in our family. I actually have four daughters and my wife and...

**Dymphna:** So you live with five women?

**Ian:** Five women. And I can tell you that they do want a home and for me, from a male perspective, it doesn't really matter where I sleep. I am quite happy as long as I'm with my family but that's too different version of events that will change from one companion of female versus male, and so we do have a home at the moment, although it's not owned.

**Dymphna:** Okay, we'll get to that in a bit. Let's go back to our young couple. They've got enough money to buy one house - one property. Should they buy an investment property or should they buy a PPR? Let's look at what happens if they buy a PPR. If they buy a PPR, first up, they're probably entitled to the first homeowner's grant. Now even though, that's not as flashy as it used to be, it's still worth having.

**Ian:** Yes and there are some states that are still giving very generous opportunities in there, and there are some really good websites that will tell you about the first homeowner's grant, I think it's www.fhog.com.au and that will give you some information.

**Dymphna:** And if you put 'slash', and 'your state' after that, it will give you whether there's any State Government grants going at that particular time - because it changes all the time.

**Ian:** One of the important parts of the First Homeowner's Grant is that you are, in some circumstances, allowed to buy an investment property first and still have access to the first homeowner grant down the track.

**Dymphna:** Yes, I think the requirements on that is that you've got live in it sometime in the first 12 months or 6 months, isn't it?

**Ian:** That's if you do use it, but there is circumstances where you can decide to go and buy an investment property first and...

**Dymphna:** And save it.

**Ian:** And save the First Homeowner's Grant until the purchase down the track.

**Dymphna:** Yes, that is true. Okay, so first homeowner's grant is a big tick in favour of a PPR. The whole female 'I like my house, there is where I am, I can feel it, I can touch it, it is mine' does come into it. No matter how much you may argue to the contrary, there's a definite female gender bias that they prefer to have their own home.

The second thing is obviously, reduction in Stamp Duty. If you're buying a PPR in most states, you get a bit of an ease there from an initial purchase perspective and then you think, "Okay, well let's look at the benefits of your own home." If you're buying something that you can do something to. I believe until you're replaced your income and two or three or four times, I might add, and you don't need to produce any more passive income until that point in time, I don't believe you should have your dream house. I don't think you should be even contemplating having your dream house but that doesn't mean that you shouldn't have a home, but your home in my opinion, should be a tool, a stepping stone to the next thing in your investing career.

So if you're buying a house, you should be buying something that you can do something too. At an absolute minimum, you should be buying something that's got some upside through manufactured growth. Now whether that's a property that you might build on and you make money out of building it because you've done your analysis and you've worked out that finished homes are selling for more than what you can build it for or things that maybe a strategy. Not always all because a lot of the house and land packages drop in value $40,000 - $50,000 as soon as the marketers walked out of it because that's how much the sales people selling you that house and land package are actually getting - there are situations where that can be the case. You actually do make money on the build process.

The second thing is that you might be looking at an older property that perhaps you can renovate. Now if you're renovating a property, just understand that you can live there while you're doing all the manufactured growth process and all that kind of stuff. I've lived through a lot of renovations over my time and let me tell you, it's not the easiest thing to do when you've got little kids around. I guess you'd be the same.

**Ian:** Yes, I've actually have been banned from renovating the PPRs house anymore. So the next PPR which we do move into will be completely finished before we move into it. I remember our last one – I remember one night getting into bed with sand and dirt on my feet and that just wasn't nice at all, so I kind of imagined how bad it was for my wife.

**Dymphna:** I remember in the early days my kids learned to walk on bearers and joists so they are two kids that definitely have got very good balance.

**Ian:** Yes, that's the reason they're world-class gymnasts...

**Dymphna:** Not quite.

**Ian:** But the other component too from the male perspective, is that a home, when you own your own home and this tending towards the female side of it is that, I have rented very few houses, two houses I've rented in our time and I sit in properties and I go, "Gee, I'd love to knock that wall out," and it's so hard to sit there and actually say, "I'd redesign this house completely." So if you've got a handy male that could be a bit frustrating for them too, if they're renting.

**Dymphna:** Mind you, if you've got a handy male who is worn out, to rent a place for a little while, it gives them a bit of break.

**Ian:** Yes, that's why we're out at the moment.

**Dymphna:** Okay from that perspective, do something and buy place that you'll do something too. Now, some of you are buying units and some are buying houses and things like that. If you're going to buy a house, I'd like you to buy something you can do more than a renovation on. I'd really like you to buy something that's got a bit of land attached, so you could get out there and maybe do a sub division, as well as a renovation. The more strategies you can add on to the one thing, the more money you're going to make. So don't just think of your house, "Oh, this is where I want to live," and, "It's close to my work and whatever," that may be the case.

I remember years ago. I was talking to a lady in Adelaide and she didn't have a lot of money but she had enough to go and buy something and I said to her, "Look, why don't buy a place that you can do a bit of a reno on and you can do a subdivision on." At least that way, you'll be making money out of it while you're living there. You have got to live somewhere, so you may as well make money while you're living there. And she was, "Oh no, but then, I can only afford to buy in this price range and that would mean, it's so far away from my work and I have to travel, three quarters of an hour to an hour everyday to my work," I'm going, "Hang on a minute." We're talking about making money here. That extra whatever it was - I think she was 10 minutes away now and she was going to take three quarters of an hour to get to work.

But the deal she had eventually came back to me with was a deal that she would be making about $80,000 to $90,000 on that deal over the space of a bit over a year. Her salary was $40,000, so it was like she makes two years' salary for the inconvenience of travelling an extra three quarters of an hour to work, it's like, "Get over it."

**Ian:** Yes and sometimes, we get stuck in that precious – this is too hard for me to do that and actually losing the perspective of that she was going to earn double her income in a year and she couldn't get beyond the 'now' and what she was doing. I guarantee you while the driving was going backwards and forwards, she would have plenty more time to think and maybe listen to you old CDs too!

**Dymphna:** Absolutely. Yes, it's good therapeutic time.

**Ian:** Yes.

**Dymphna:** Okay, so PPR do something that you can do a manufactured growth strategy on. Get something where it's a stepping stone, it's a building block to the next stage of your investing career and it might only be a year that you're there, it might be 18 months or might be number of years, I don't know. It depends on what the deal is and what you're actually doing but certainly consider that home as a stepping stone to something else.

Now when we start to look at homes and things like that, the other advantage of having your own home and your PPR is that any gain that you make on it and I have to qualify that a little bit because if you do it with profit-making intention, the result might be different. But if you buy it as a home and then while you're living there, you go about fixing it up and doing this and doing that and maybe later on, you go, "Oh I'll make more money if I do a subdivision," and you chop it in half and whatever else, then the gain that you make is actually Capital Gains Tax free. So the money you're making is tax free. Now go back to my little lady in Adelaide, she was making \$80,000 to \$90,000 and her salary was only like, \$40,000, but the \$40,000, she had earned, she had to pay tax on before she had any money left over for living. Now if she earned that \$80,000 to \$90,000 on her home over the 12 months or a bit over 12 months or whatever it took, then she was in a situation where she made that money tax free. Now that's equivalent to not only two years' salary but at least two and a half years salary because the rest would have gone in tax, so that's a major, major benefit to having your own home particularly when you look at the cycle of the market that you're in and you determine if the market is in upward swing or not because if it is, Jesus, it's hard to say don't buy your PPR.

**Ian:** Absolutely. The benefits of actually having that tax exemption is a big one, I mean obviously you have got to be careful that you're not seen to be trading in your own home because the taxation office would be very severe with that implication down the track but if we happened to have bought some really nice homes over the years that have naturally grown in value and then the choice is whether you sell that property, you may sometimes be better to revalue it and take the money from the bank for your further investing.

**Dymphna:** That's right because if you do that, then you're off to the next deal and you've still got that property and even if you move out of that property, you can if you choose to and it's not something you have determine straight away but you can choose if that property remains your PPR for period of up to six years but I must say, you then have to move in sometime within that six years and live in that again at least for some period of time and you can't ask me how long. There isn't a specific time frame but if you move back in to the property, well you know, it's still your PPR and any gains that you've made even when you're out of it and renting it and claiming it on your tax returns and all that kind of stuff, for Capital Gains Tax purposes, it's still Capital Gains Tax free.

**Ian:** I'm not sure if we clarified from the beginning if you called it the Principal Place of Residence, so we've been using that acronym PPR but some PPRs (Principal Place of Residence).

One of your students at a boot camp realised that this could be used to their advantage. They had a two-bedroom unit in an area in Sydney that they could use a specific strategy that you talk about where we could take their rent, standard two-bedroom would rent for $600 but if they use this strategy and rent for $900 to $1,000, sometimes $1,200, so the decision there was to set that up, so that they could get the higher rent and then they went and rented it in equivalent apartment at the $600, so they were making somewhere between $300 to $500 per week extra on that property which meant they could pay down their debt on their property. Plus they had a redraw facility, so you know, teach that in your boot camps and in your CDs and workbooks how to reduce tax and how to reduce your interest on those loans as well, so you know, and then this couple could decide to move it back into the unit within the six years and any gain they would have had in that time would be Capital Gains free.

**Dymphna:** It's exactly right. So let's go to the other one, let's go to, I'm going to buy an investment property and continue renting because the situation you're talking out there is kind of that they bought their PPR, lived there for a while, but then manufactured some extra income on it and ended up renting somewhere else. Now this is a very male-oriented strategy in my opinion. I remember years and years and years and years ago, I was speaking to a developer and a guy and he was saying, "Why would I ever want to own my own home? Because I can rent this apartment (he was living in on the ocean frontage), it's the penthouse and I've got this and that and I've got whatever else and if I was to buy it, the rent on it works out to about a 3% yield which fair enough it does, and then I can use my money to get out there and invest in investment properties.

Now look I'm certainly not against that and if it's fits your lifestyle, that's fine. He was also someone who, unlike you Ian is not very hands on, not very handy even though he coordinates and does feasibility studies all day long on developments. When it came to actually hanging a picture, he was hopeless.

The need to do stuff around the home and things like that wasn't there for this particular guy and if that fitted your lifestyle, I'm not against that. I'm certainly not and for him and his lifestyle, he wanted to live on the beach and whatever else and have this penthouse apartment, then I go fair enough, understanding that if the owner of that property wants to kick you out in 12 months time because they're going to move into it or they're going to sell it or whatever you've got to be prepared to do that. The money that you've got elsewhere needs to be working for you, so you do need to have it out there being invested and the advantage with that is that any of the loans on the investment property are obviously going to be tax deductible whereas the loans on your own home are not. So on your home, yes you're getting the Capital Gains Tax benefit but you're not getting any of the benefit from the interest and the interest is then tax deductible.

**Ian:** Yes, so with that component, too, I agree in principle with that – I agree in principle with the male version with one qualifier though. If I'm in an area that is growing in capital value, I wouldn't be able to rent a property because I would be saying, "I could rent that property and I would be losing on the capital growth." In the area that we currently really live in, it's not really a big issue for me because the place is probably 18 months away from starting to have some growth again and for that period in time, I'm happy to take the rent and to pay someone rent on a property and I'm very selective too with the properties that I do rent. I make sure that I select the property that's quite likely going to be one that the vendors will be happy to sell me if I like it and I like living there.

**Dymphna:** And obviously, you've been a happy little tenant for all of that space of time, for a year or whatever, and they may well even do vendor financing into it, who knows.

**Ian:** And that's exactly right, so I was very choosy with this particular house that we're currently renting and I knew it had been on the market, so it meant that it didn't sell and they have lost capital value, so I do know the figure that they're willing to sell at that, so I'll probably approach them down the track about that and there's plenty of investors that are around that will not have their own home and there's different reasons for that. I can choose to rent my property right now and at the end of the lease, if I don't like the area or if I'm not sure about the neighbours or we just wanted a different outlook, we can just get up and go and move on to the next one, so for us right now, we've chosen to use our money in investment and hopefully duplicate that money and grow our equity while we are renting the properties that we're in now. We'll rent that property and our other investments are growing in value and better than the capital growth around the area that we've decided to live in, and plenty and plenty and plenty of investors will decided to do that.

Now I do know that one of Dymphna's student last year had a choice of buying in a suburb that she was – the suburb she was living was a million dollar suburb and she could not afford to buy in that suburb with the amount of money or equity that she had there, so her decision was to go off and invest that money in different areas and grow equity and increase her passive income and she can now afford it. Previously she could afford to buy a PPR in the suburb of $600,000 and now with the extra income that she's gained using the strategies that Dymphna talks about, she can now buy a property in the million dollar range because she's increased her income.

**Dymphna:** Yes, and that's the difference it makes. So look, I don't think there is a hard and fast rule, one way or another and that this one is so much better than the other. I really feel that's a matter of your lifestyle and what suits there and also what your next move is in a lot of instances. Take you as an example, you just moved to a new area and I was saying to you, much as you didn't want to at the time, why don't you just rent for a while? Not only from a growth perspective because the area you're moving to is not an area that has particularly high growth right now. It will have but it hasn't right now. We got probably about 12 months play that we talked about and it also gives you an opportunity to work out where and if you do want to live there.

**Ian:** Yes.

**Dymphna:** As kids in school and all of those other issues coming to it.

**Ian:** And that's right and I was going to say you were right...

I won't to say that. In the end, we looked around a fair bit and we were looking specifically for a type of deal where the vendors would leave some money in because we wanted to make sure our money was being used in our investment and we had a couple of deals we could have taken but the end result was exactly that. We weren't quite sure where the kids would go to school, we weren't quite sure about the area, we didn't know whether we wanted to be close to the beach, whether we wanted a few acres, whether it was going to be just a standard block of land with standard backyard and a nice house, we were so unsure about it all and the end result was for us that we're renting a property and I think given the choices of what we had to buy and what we were probably going to buy with two different ends to the spectrum.

**Dymphna:** Yes, that's right. Now let's talk a little bit more about the first-time home owner again and going out buying their first property. Should they buy a unit or should they buy a house?

**Ian:** Well, there are different options there. You've talked about manufacturing growth by going into a property that has the ability to renovate or to subdivide or do different manufactured growth strategies that you're teaching. The other opportunity there is to go into a small block of units and try and use the sinking fund to be able to increase the equity in your property.

**Dymphna:** Yes, this is the strategy that I talked about for first timers particularly. If I don't have a lot of money, try and pick a block of units that's not too big. My rationale behind that is that in a block of units, your unit value can be totally determined on the other people that lived in that block of units. There are some blocks of units that are 300 strong and they tend to become secular those big blocks of units where you can quite often have a big population of one or more ethnic backgrounds which means that quite often when you are selling your property, that you can be limiting your sale to that class of the buyer - of the similar ethnic background - and that's not pro or against, it's just how it is. Similarly when you have got really big blocks of units, you've got more people just in volume that you can't control, that might have a fight or might leave their things everywhere or leave their washing hanging out on the balcony.

**Ian:** And the other component of that too is that with 300 people in the unit block, you can guarantee that one of them is a bad money manager and will have to sell their unit really cheaply and it doesn't matter how much better your unit is than theirs, that's how a bank will look at or value that sale price and even though you may have paid $400,000 years ago, your unit is only now worth $300,000, they'll look at that a lot. Personally if you're looking at units and you can only afford to buy one unit in the block, four units, six units, maybe eight units, and I like the 1950's brown brick places because they've got quite large living spaces that can be converted and you could add extra bedrooms in. I also like the 1960's, 70's red brick and yellow brick places too, because again, a nice little render on the outside and a bits and pieces can actually increase your unit's value just from the ascetics on the outside.

**Dymphna:** Yes, I look for that kind of stuff. Keep it small and the other thing is the older it is; number one is more opportunity that you can add value by renovating (because it will probably need it), but the other thing is that with an older block of units, what that means is that they may have had owners over the years owning that property and it has a body corporate for the common areas and things like that. What happens is that a certain amount of money each year has to be put into a pooled fund. Now that's called the 'sinking fund'. Over the years, all of these investors or owners have put their little bit of their money each into this fund and the purpose for this money is to be used to improve and upkeep all of the common areas of the block of units. The external is an example and the gardens and any hallways or pools or whatever else it might be there. So what you look for is a block of units that's got a nice big 'sinking fund' because that can then be used to increase the value of the whole complex.

**Ian:** Yes and that strategy there is what you talk about a lot and how you would do that. It's a little bit involved and it'll involve you being part of the body corporate and it'll involve you also going over to making sure you can get control because guaranteed in that unit block, they will always be the little old lady that will disagree with everything that you want to do because they...

**Dymphna:** Because they can.

**Ian:** Yes, that's right. Older people also have that mentality where you have got to try and save as much as you can whereas, I have seen some 'sinking funds' that have over $200,000 sitting there and the most they've ever used out of it was maybe to replace the sewer line because it cracked and the roots into it.

**Dymphna:** It can add up to a lot of money, so target old, small blocks of units where you can get in there and use the 'sinking fund's' money to really improve the value of your property. I remember one of my students a number of years ago, she was 19 years and she'd done well to be able to save a deposit by the age of 19 to get into a property but she couldn't afford very much, so you know, a small unit in an old block of unit was ideal for her. I talked her through the process and she went and targeted a block of six and there was an old lady that owned and lived in one of them. She had bought one and she was living and got the first homeowner's grant and everything else to get in there and the other four were all investor properties. I showed her how to put together to bit of a proposal on how to get 'sinking fund' money used for improving the property and she got quotes and she did appraisals on the properties of when the work was done, what they would then be worth. She put a proposal out to all of the owners of the properties and said, "Look, I'm young and I'm enthusiastic and, you have got his much money sitting in the 'sinking fund' and I'm going to propose at the next body corporate meeting that we use that money to do these things," and she listed it all out.

"These are the quotes that I've got for doing that work. This is the all of the assessments that have come back from the real estate agents on what our places will be worth when the work is done and would you consider coming to the body corporate and voting with me and if you can't make it, would you mind giving your proxy to vote." Well, what do you think all the investors did? They said, "You go girl," here is my proxy. They went to the meeting, she had four proxies and her own vote and there's the body corporate manager's vote and then there was the old lady's vote. Well, of course, the old lady voted against it and but the motion was carried because she had the numbers. Now it took about four to six months to actually to get all of that work done and she oversaw that and meanwhile, she is still working, she is still living there and she has still got a mate in renting the other room to help her pay for all that kind of stuff and then when it was all done, she went and got her place revalued and it increased in value by $160,000 or some phenomenal figure like that. The excercise gave her enough borrowing capacity to be able to refinance her property, extract some equity, and then use that to go and improve the inside of her unit, rent it out, positive cash flow, move on go to the next one.

**Ian:** Yes.

**Dymphna:** Pretty good.

**Ian:** I mean you raise a good point there because if you decide to buy a PPR ahead, you might look at those areas where there is a high need for single-room letting, so you are allowed to use the first homeowner's grant and you still can rent some rooms I believe...

**Dymphna:** Yes.

**Ian:** Maybe you'll have to check the websites. So that would mean if you are close to a university or a hospital, you could rent a room out to help assist you in the paying the mortgage on your new PPR.

**Dymphna:** That's exactly right. There's lots of opportunity there and like I said in the beginning, I don't believe this question is a hard and fast, one way or another. What I do advise people to really think about though is that they don't get caught up into the emotion of, "Oh, I'm going to buy my first home and I want this and I want that and I want whatever," and all of this money goes into setup and prettiness which doesn't create any value. The little tiny bits and pieces that you can literally spend thousands and thousands and thousands of dollars add no real value to your property from a capital perspective and if rented, they certainly don't add any rental on them either.

**Ian:** I mean a clear example of that is that people will go out and buy a $1,500 toilet just because it's a brand name...

**Dymphna:** Yes.

**Ian:** When you can buy an exact same looking toilet for probably $300 or $400. It's still does the same thing; still flushes. The value won't work into your property whether it's a top growing model or a Turkish import – it won't really matter.

**Dymphna:** I don't think you'll be spending too much time looking at your toilet, no.

But Ian is absolutely correct on that and that philosophy goes through the whole house. I mean I'm not saying, "Go and get plastic sinks," but there's ceramics things that go from one into the extreme to the other or stainless steel whatever it is, so just be mindful in that kind of stuff and another thing if you're just starting out for the first time, don't go overboard on furniture.

You can spend tens of thousands of dollars on furniture but in five years' time, A; you might not like it anymore because the fashion has changed, and B; it is certainly not going to be worth what you paid for it and it's just a waste of money. Your money would be better spent paying down the mortgage, so that you re-borrow or put in or offset accounts, so you're not paying as much interest and you're putting more against the principal, so that you've got that money to go off into your next property sooner. So please be mindful of those sorts of silly things.

**Ian:** Yes, we just moved into that – well just six months ago - we moved interstate and we chose not to bring our furniture with us. We sold off the furniture we had in there and we've just put into our new home, a package deal, it's a four-storey home, so there's a heap of bedrooms and it's a massive house. I think we just paid a little bit over $11,000 including white goods - there's no need to go and spend $40, 50, 60,000; yes the furniture might break in a few years' time but...

**Dymphna:** But then you're bored with it anyway?

**Ian:** Yes, and it's been scuffed by the kids and bit and pieces, so yes.

**Dymphna:** I'm not saying don't have nice furniture, but time it properly. Have the nice furniture when you've got your income, you've got everything that you're ever going to need for the rest of your life from a passive income perspective and that's when you start to really go, "Okay, well now I can really start to think about setting myself out of everything that I've always wanted," as opposed to trying to do that first because if you do that first, you'll never get to the point where or it'll be a long way out there. You have replaced your income two or three or four times over - you've got that ability then to be able to have whatever you want, so people tend do things back to front, too often.

**Ian:** Yes, you have to look at the pros and the cons of buying the PPR and that of an investment property and where does it sit. There's been a couple of example we've shown you today where that might fit your scenario and you have to look at it in that way. I know from the perspective of my wife right now, we had to come an agreement that right now, we're in a investment strategy, we're accumulating the properties that we want to accumulate over the next few years and I don't see as moving into our final PPR or long-term PPR for another four or five years. Yes, we'll probably own a property in that time. That will be our home or two properties in that time but the final one that's on the beachfront or on the waterfront, with a lap pool in it, and the boat sitting at the front and all that sort of stuff, is still five years away from us and that's our goal and plan to have that at that time.

**Dymphna:** Yeah, it's just a stepping stone through the process really and I think anyone who really wants to go down this track and replace their income and accumulate significant wealth needs to realise that their home will be part of that process. It is just another property. It is just another tool until you get to a point where you go, "Right, well I actually don't need anymore income. I've been there done that. Now what?" And that's where we start to talk about consolidation and paying down debts, so you'll be debt-free. You buy the property that you do want and your strategies then really start to change.

So there we go guys. I didn't answer the question at all, but it's not one answer, it depends on who you are, where you are, what your circumstances are and I can tell you now though, the correct answer for you can be calculated. You can sit down and work the numbers through and the numbers don't lie. They will tell which ones is going to be best for you at your stage of life as this point in time.

**Ian:** And I do remember having to do that and sitting down through one of your boot camps and saying, "What is it that we need right now and what's the best option for us to move forward and what's our best outcomes?" At different times at different boot camps, we've decided to do different things because it suits us to do that at that time because that's what the numbers tell us.

**Dymphna:** Yes.

**Ian:** Without emotion.

**Dymphna:** Yes and that's what you have to do constantly. Every deal puts you in a different position, therefore your next deal is going the need to be tweaked and changed because you've now got that other deal or you've sold that deal or whatever, so it's a constantly moving target but when you understand the process, it's actually not that hard.

**Ian:** No, and I do remember looking back and thinking at that time, "Gee, how am I going to work this out, this is really hard," and now having the educational background that I've got through your program, I now know it's just a matter of putting it together. I can get my old feso sheets and I can pull them in and I can change the numbers and I can quite openly and clearly see what the next move is.

**Dymphna:** Okay guys, well that's it for me. Remember to go to iTunes and download these at least every week because we're putting up new ones every week or go to www.iloverealestate.tv and you can actually go back and listen to some of the back copies, so if you go down right down the bottom and click to some of the older ones that we've been putting up there because obviously we're doing a new one every week there are a fair few there now. Go back and have a listen to some of those and accumulate them, pop them out to your iPads and your iPods and your phones and whatever else you've got and when you have got a few minutes to spare, pop them on and have a listen. There's a huge range of topics there and what I would really like you to do is to think about who in your sphere of friends and family could really benefit from this information, that could really benefit from being a little bit motivated and little stimulated and perhaps have that 'aha' moment of, "Okay, this is something I can do."

Honestly, we have had huge success with friends, and friends and families and things like that where some of my students will just show a link to one of their relatives and said, "Look, don't know whether you are interested or not but have a listen to this," and then I get an email or a conversation with somebody - they're the ones who received that email and it's just opened so many doors for them as to what they have been able to go on and do. So do your civic duty, if you like, and think about who else might be able to be inspired and benefit from really really getting in touch with who they are and what they want to achieve and getting out, making it happen with some decent structure and education around them. So guys that's it for me, I will be back again to talk to you very very soon. Thank so much Ian for joining me on the couch.

**Ian:** Thank you for having me again.

**Dymphna:** There you go. We'll talk to everybody soon. Bye for now.