



The Australian Finance Podcast Episode Transcript

Episode: Inside Property Ownership: Owen's First Home (12-Months Later)

Release Date: 31/08/2021

Speakers: Kate Campbell & Owen Rask

Duration: 42:08

Please read this prior to using this transcript:

*Please note that there **may be human transcription errors** within this document, and we recommend referring back to the original episode for a true depiction of what was communicated in this conversation.*

*The information in this document is **general financial advice only**. That means, the advice does not take into account your objectives, financial situation or needs. Because of that, you should consider if the advice is appropriate to you and your needs, before acting on the information. In addition, you should obtain and read the product disclosure statement (PDS) before making a decision to acquire a financial product. If you don't know what your needs are, you should consult a trusted and licensed financial adviser who can provide you with personal financial product advice. Please read our Terms & Conditions and Financial Services Guide before using this document.*

Episode transcript:

Kate:

And you've been a homeowner for a year now, and it's been a journey of ups and downs. How's it going?

Owen:

Yeah, pretty good Kate. I'm sitting here in my half done office. I'd turn the camera around and show you but there's actually instead of a door, I have an old doona cover that's currently acting as my door. So yeah, things are good. Things are great.

Kate:

They sound great.

Owen:

We're in the depths of despair with the renovation, but yeah, I'm eager to talk about all the different stages of buying a house and share my experience, but I should add, this is just one experience. So everyone does it differently. So what we talk about and what I talk about is limited to my experience. Yours might be completely different.

Kate:

Yeah. And I think a lot of people have been following along with interest because we talked about shares and you've been talking about investing in shares for so long and we've never really covered property much. And then out of the blue, during COVID suddenly you're a homeowner. That was a surprise even

for me. And I think a lot of people have been following along with interest and we did the first episode last year. So for context, I'd recommend going back and listening to that first, we'll put it in the show notes. But I thought it would be great to get Owen back to talk about his journey, the ups and downs. And there have been a few one year on and everything he's gone through and learnt, and maybe some of the things that Owen's learnt might be able to help you and maybe stop you from making a similar mistake if you've made any mistakes.

Owen:

Yeah. I definitely made some mistakes. I think the last one, we talked about how I found the application process a bit, how finding a property how that took shape and some of the issues that we had. For those who don't know and those who haven't taken our property course typically, when you own a business, as I do, and your income comes from that business the way it works with getting a mortgage, which should be your first thought, if that's... Unless you got a lot of cash, good on you, but most people don't and need to get a mortgage to buy a house. The thing to keep in mind is that as a business owner, they take into account not just your income, but also that of your business. And it actually is miles more difficult to get over that hurdle.

Owen:

So for us having a startup business, what it meant was that every year the business had to be profitable and most startups aren't profitable. And the other thing is that if you... I remember there was a comment made by one of our loan assessors or something like that. They said that because I own most of our business, the financials of our business they would take with a pinch of salt. And the comment was most of them say that like, "Yeah, no, that looks great." But that's got nothing to do... How do we know that you're still going to pay the bill, pay the mortgage when it comes through. We can't lend against that. And I think that caught me off guard as a first thing.

Owen:

The other thing was that obviously we were buying during COVID and property prices were in a bit of a bind at the time. So reflecting on that now that was a brilliant time to buy. We bought the day before the first round of stage four lockdowns here in Victoria. And then what that meant was that no one knew what was going on. The sellers of the property had this unknown this uncertainty, this air of uncertainty around what would come next for property at the time, longtime listeners would know that I did a podcast by myself. Actually, I don't know where you were at the time Kate but-

Kate:

I think I was attempting to leave the country in March last year.

Owen:

I think you were, and the Commonwealth Bank CBA, some analysts at CBA came out and said the property prices could fall something like 32%. And I just thought that was the most outrageous thing I'd ever come across. And I thought that was a few months before we bought a house and I thought, well, if I'm going to buy a house and there's all these snaggles salespeople selling these doomsayer predictions maybe now is actually a good time to do it because some people will feed into that nonsense. And yeah, so we went and started looking around that time. And lo and behold what happened next was unexpected for everyone I think. I think it was really interesting from the time that we bought our house you could have basically just put a rocket under the paper price of houses in our area.

Owen:

And this is not me saying that we were smart we were just lucky. And we were just lucky to buy when we did. And I think for most people buying a house isn't an investment I'd say. I'd say it's a lifestyle thing, a lifestyle decision that they make. And so we were just very lucky, that at the same time that we were making that lifestyle choice house prices started to go upwards and vendors or sellers were very desperate. So yeah, that was the application process. I know you want to talk about other things as well, right?

Kate:

Yeah. And I think that's something that people really need to think about is whether they're buying a house for that lifestyle choice or whether it's an investment. And it's really important to distinguish the two. And I think Andrew talked about that as well. And what is the reason you're doing that because there's going to be a lot more costs involved and you have truly experienced that with owning a home, but the costs I guess in some circumstances are worth it because you have a place to live that you can make your own, that you can build your own deck and beer garden and whatever you want to do.

Owen:

Yeah. I did build my own deck. So people that are in Instagram would know that. Decks are really good, this is a fast tip for anyone that owns a house, decks add a lot of value. You can't just go and build a deck because you need a permit if it's attached to your house. But when you're doing old for new, like our decking Kate you didn't fully experience it.

Kate:

No, I actually looked up your house the other day because I was trying to make sure I got your address right. And I looked at the photos before you bought it and I was like, "Is that the same house? The fence doesn't look the..." Everything looked really different. You've made a lot of changes in the year and especially without the tech and all of the things you've added the property was barely recognisable in those photos from a year ago.

Owen:

Yeah. And that's a fair point. So one of the things that... So just to finish off that decking point is that decking are actually not that... I mean, I say they're not that hard to make, you've got to do them properly. But they're actually a really good way to add value to a house because they don't cost that much and you can do a lot of things to them to make them look newer even if they're not, you don't have to restart a deck.

Owen:

For example, you can put a new hand rail on and people love, in Australia, we love decking so a buyer would like that. I think you make a good point there about things that have changed for the property really quickly. So one of the big things is that people who are quite hands-on think that they can spend time and money and effort improving a property which is completely fair. One of the criticisms of shares based property for the pro-property debate is that you can do things to a house, but you can't put a new bathroom on a share portfolio.

Kate:

Yeah. You can't jump into the company and start working in the marketing team and getting involved that way.

Owen:

Yeah. So you can't improve Commonwealth Banks profits just because you have a few extra hours on a weekend, but you can go and plant some hedges or whatever on your property, if you do have that ability. But I would also say that there's a massive counterpoint to that. The counterpoint is that you have to firstly want to do that. Secondly, the property has to be right. So we knew this before we bought the house, but we were very fortunate that we knew what we were looking for.

Owen:

And this comes back to that property costs we've got where Amy Leonardi goes through what to look for on a property or in a property. And oftentimes when you want to make changes to a property, you simply cannot because of we're just talking off air with Monique about body corporate. The other thing to keep in mind is councils make it very difficult. And oftentimes it's not just councils, but it's actually your neighbours that report you to the council. The council oftentimes doesn't really give a crap.

Owen:

It's more the neighbours that are nosy and just obnoxious and they take it upon themselves to do you in. But basically what we were very fortunate with Kate to tie this in a bow, is that a lot of the stuff that you have seen that we've changed, we didn't need permits for because it was already existing or there were things that just were for the most part cosmetic. Like replacing the deck that was already there meant that one, we could make it safe, but two, it could just give the property a facelift.

Owen:

And we also have a weatherboard house, which means that it's very cheap to put weatherboards on a house. Whereas, if you have a brick building brick and concrete even more so brick is a lot more difficult to work with. If you just need to patch up a few areas or whatever you require a brick layer and whatever, and typically have to take down the whole wall. So yeah, we were very fortunate. We've made some cosmetic changes, but I would say that it takes a lot of time and effort and it's a never ending thing [crosstalk 00:10:11].

Kate:

Yeah. Every weekend, you seem to be sinking 10 plus hours into various projects. And it definitely sucks your time up. And I think it has been good during COVID for you to have this project, but in general times you don't normally have that much time if you're working a full-time job and you have family and other commitments to spend every waking moment on the property. So I guess it's coming back and being realistic about how much time you can actually spend on renovating, especially in your circumstances.

Owen:

I think one of the things too, Kate is that I think a fair question to ask is, has having the house made us happier. And I can't say that it has so I think in some respects it has, but in some respects it hasn't. So as you know, I'm the type of person that likes to get things done to build things, to get things finished and just get them done. And I can't rest until things are done. And so for me, looking at a house and then seeing that, there's a hole on that wall or look there's water pooling over there or something like that. It probably gives me anxiety to be honest. And so, whereas we look at investing in shares, you can just find really good companies, invest in them that's a hands-off approach.

Owen:

And so that works as well. And I think that's a really valid point that not enough people ask themselves, we get hung up in this idea that we have to have a house because it's going to bring us happiness and all that sort of stuff, but it might not. So keep that in mind too a lot of anxiety comes with big mortgage. I think

our last recording I actually Googled it and it was \$700,000 is the average mortgage ours isn't that big. And I don't know if that's a bit skewed, but that's a lot of zeros.

Kate:

Does that stress you out having that debt hanging over your head. I'm still pretty young, but the thought of having a massive mortgage is really terrifying, much more terrifying than the risks that I take investing in shares.

Owen:

Yeah. I think that's a fair point. Not many people juxtapose the two things, not many people compare them that way, because typically when you're dealing with a share portfolio, you're dealing with a smaller balance, so there's fewer digits, but second of all, is that Kate you're the exception. You understand how the share market works most people don't. So most people are comfortable taking a massive loan against a patch of land.

Kate:

One single asset.

Owen:

Yeah. So a lot of people don't think about that because they're not taught finance theory. Or they're not across the benefits of diversification and for most people for the past 30 years that has been A-OK get a house, you'll be fine. And it's worked. I don't know if that will work going forward probably it might. Maybe not as well, but yeah, for me, we're very fortunate in that we have the knowledge to deal with finances pretty easily. We have pretty good income not fantastic, but we have pretty reliable incomes. Now anyway, I went four years without a wage because of Rask, but yeah, the actual numbers in the account aren't such a big deal as say the repayments every month and just managing cashflow and ensuring that you have offset accounts and those types of things. Those are fine.

Kate:

No, another thing we've been talking about in the team is just that cost of renovation when you don't have that knowledge or experience, or that friend you can call on to say, "Hey, does this quote sound about right for this roof job or something like that and how you can get ripped off." And I know you've been fortunate that you've actually got some of that industry experience, but I think that's another point to talk about that. If you don't have that experience or a friend, you can call who's a tradie or gone through it before, it can be very difficult going for a renovation. And if you want to try and DIY it, it can be a lot of YouTube videos, but even then you might not be able to work it out yourself.

Owen:

Yeah. And oftentimes a lot of the YouTube videos are from the United States or Europe or from a different state where the regulations are different too. Like Bunnings has some great DIY videos actually. I think I get a lot of enjoyment going to Bunnings, by the way. I think that's cool. It's dangerous-

Kate:

I think a lot of Australians get a lot of enjoyment. I think one of the most popular stores [crosstalk 00:14:54].

Owen:

It's like a magical place. It is a magical place. I should have bought shares in it a long time ago. But anyway yeah, so I was chatting to one of my mates who's a chippy, a carpenter yesterday. And I was just

telling him about a quote that we got back because to your point earlier on about COVID projects I've been very fortunate that when we moved in, it was locked down and it's pretty much been on and off lockdowns in Victoria ever since. And the reason why I say I'm fortunate is that we have a house that needs fixing up and ordinarily, I work six days a week and oftentimes 10 to 12 hours a day. So for me, I don't normally get that much time if you throw in family and friends and whatever.

Owen:

And so for me then to find time to do things around the house that need to be done would be very difficult, but because of COVID I was able to, and I was messaging... Because we've come out of COVID and our team at work has expanded and we're in the middle of reporting season as we record this, I just don't have the time anymore, nor do I have... I think I'm just really burnt out with the house and everything COVID and whatever. And I messaged a mate saying, "Hey man, I've got this quote yesterday, it's \$2,000 cash to instal five doors, the internal doors pretty easy to instal. I could do it myself. And he's like, "Well, that's really expensive." And he said he's currently doing it right now in his own house.

Owen:

And he's like, "I totally take for granted what everyone else has to go through to get a quote and what would be reasonable." And so yeah, the cost of not even just a renovation, just anything around the house. I remember when we did a live in reno when I was younger at home and you'd be throwing pineapples at the tradesman's. So the \$50 notes, but now everything is probably counted in thousands. So if you want an electrician to come out for a day, 600 bucks, you want a plumber to come and instal a new toilet thousand bucks.

Owen:

I'm not saying they're all like that, but there are actually Facebook groups of tradespeople who post their quotes, and post their hourly rates and try and get feedback on how much they should charge. And basically, if you're not charging a certain amount, then you can get a bit of backlash from the community to say, "You're not charging enough when you push prices up." And so that's great for the tradies. Wonderful, good on them. They work bloody hard. They deserve to get paid well I totally do have so much respect for them, but at the same time for people that are into that, they don't know.

Owen:

And particularly in advance, you don't know if you're getting a good job. So having someone that you can call upon to say, "Hey, is this reasonable?" Or someone that can even come around and look at the job is so valuable because it is very expensive and you never really know what you're going to get. Just some things that we found were super useful. High pages is where we found some tradies to do things that we mates didn't have time, or I didn't have time to do Airtasker was another great find. A lot of the times people on Airtasker will do a job for you through Airtasker. And then you can develop a relationship with them and get them to do more jobs. Those are just some of the things you can use, but like I said Bunnings for videos.

Owen:

And then there are plenty of YouTube tutorials. And even for example, when we're looking at installation, we ended up going with earth wall, which you can get from Bunnings. And the earth wall website actually has tutorials on which ones you should choose and how to instal it. So the product providers also have really good tutorials and step by step instructions on what to do. I just say, just be prepared that it is very expensive. It's more expensive, whatever number you have in your mind, multiply that by two and you might be close to whatever it is that you've got to come up with once you move in.

Kate:

Yeah. I remember that TV show I used to watch when I was a kid, I think Grand Renovations, I don't know what it was called from the UK and the budget would be say, a 100K and I would always go to 200K plus. Everything always went over budget and then there'd be the tense moment where they'd have to find more financing and they always did in the TV show, but in real life, the money's not always there.

Owen:

Yeah. That's it. So just be aware, you might have to prioritise. Again, I count my blessings here because I've worked as a carpenter for, I think it's about 12 months and actually worked with an electrician for probably three to six months as well. And all my mates are tradies so very well adapted all the things that I needed to do to get things done around the house. But I just think that you've just got to be prepared if you're not doing it yourself, it's going to be very expensive. And so you might have to prioritise, I think one of the real important things is, as we said in the property course actually is you probably want to start from the ground up. So when you inspect the property, what's it built on?

Owen:

Is it built or you could even just start with the land itself. Is it flat land? Is it well drained? Is the water going to flow off it or is it going to sink and sit there and get damp then what's the house built out? And is it on a concrete slab, if it is look for any cracks or any uneven areas or is it on stumps? And you can just look under the house and see if it's like... It looks like a stump like stilts. And are those stumps in reasonable condition or do they look rotted? Then go up from there does the floor squeak? Do the walls look straight when you put your eye against the wall and look down and then you go to the ceiling.

Owen:

Is there any patches in the ceiling or are there any patches in the ceiling that look like water damage has crept in or cracked and then go to the roof and the leaks does the roof need to be repaired. And I think if you take that kind of bottom up approach when you get a house that may need some work, I think that's a good way to think about it too, is that you may have to go through that list and do every one of those things, which we have basically had to do. So we've had to do the plumbing, put new stumps in, sanded the floors, and redid the floors straightened the walls, re-insulated electrics, plaster, painting-

Kate:

The works.

Owen:

We've done some... Yeah terminal-

Kate:

Just everything. I know if people have taken the property course, you took a video right at the very beginning of the interior. And you actually went onto the house to show people where to look at pipes and sewerage and cracks and things that might get hidden under carpets during the inspection-

Owen:

Learn from my mistakes.

Kate:

Which I think you can gain a lot out of watching that video. So I can highly encourage you to take the property course because Owen does share the things that he's learned there as well, which will help you

a lot. Just the trick of looking under the carpet. I wouldn't have thought of that, but it's so obvious thinking now.

Owen:

Why wouldn't the real estate agent put the carpet over the crack in the floor? It makes sense. Right?

Kate:

It makes absolute sense.

Owen:

Yeah. So, and then even things like we found that there was some timber underneath the house, and termites are attracted to wet well ventilated areas. And so I should say moist well ventilated areas. And we found like a lot of bugs had been eating at the timbers that were around the underneath the floor, which is never a good sign, but it turned out that that was... We were a bit concerned about that, but it turned out that it wasn't termites it was something else called borer.

Owen:

But then when we stripped back the plaster from the walls, we realised that about four of the studs. So those things that go from the floor to the ceiling, the bits of timber that hold up the roof they actually were eating out as well. So we had to remove all of them when we did it. But fortunately again, it was just borer and not termites. So it meant that there were just isolated patches that were very old, but you could, for example, grab the bit of timber in the wall and pull it. And half the bit of timber might come with you. So yeah, things you don't know.

Kate:

I know, honestly seeing the reality of what you've gone through over the last 12 months and just the sheer amount of hours and stress and emotional toll and the costs involved that you've had to sink into this property it's really put me off ever wanting to renovate a property actually. And if I ever did buy a property, I think I'd want the hard work of the renovation, like that stress to already have been done.

Owen:

Yeah. And that's fair enough. And I think for most people, that's the way to go. I wouldn't say buy off the plan and buy something brand spanking new. I would say that's probably a lot worse because you don't get the satisfaction out of building something, but also you're at the mercy of builders warranties, which are pretty difficult to negotiate anyway. But yeah, I know that one of the things that we wanted to talk about was basically the toll it takes on you physically and mentally. I don't want to put you off it Kate or anyone, but as you know my attitude to things is get it done now. And the more difficult something is, the more I rise to the occasion, like Barney from how I met your mother.

Owen:

If someone says I can't do something, it's challenge accepted, I will go and do that now. And so for me, the idea of getting a place that we could renovate was super exciting at the time. But now it's not so much now that we don't have time and we're very stressed with work and constant lockdowns and just finding time to fit it all in. So yeah, someone said on Twitter, actually... Not on Twitter, it's Instagram message... There's Siri for you. Sorry about that. Someone messaged me on Instagram and said, "Renos and relationship [records 00:25:26]." And they weren't the only one that said actually a few other people, someone has emailed me the day and it's true. They're very stressful. I think things like the block and all those definitely romanticise the idea of doing a live in renovation.

Owen:

They made it seem very good and you don't see that the 50 trades people behind them that are doing all the work, but yeah, I'd say that it's not for everyone. And you just want to make sure that you're comfortable and both you and your partner are on board. And you really think through the circumstances, because I said before, that you could probably double your budget or you could probably also double your timeline. I thought I'd have everything done in six months. I would just go hell for leather. And it did, but that takes its toll physically, emotionally and all the rest. So yeah.

Kate:

I think people just have to be really realistic when they dive into this and think about all the practical realities of it and look at the costs of everything and not just jump in and go, "Hey, I think I could renovate a home. That sounds fun."

Owen:

Yeah. Because you don't want to get to the point where you try it, you make things worse and then you have to sell it anyway, and then your relationship's frayed as well. So just really think through all of those things before you do it. And do your research on the council, do research, ask the right questions during your inspections. Make sure you're comfortable doing certain things with regards to if you know that there's a crack in the floor. That's a crack in the floor, but make sure you factor that into your thinking when you make a decision to put in an offer on a property.

Kate:

No, I know the thing that people have been really interested in the last 12 months is how has this changed your opinion of the property versus shares debate? And I know we talk about it being a false choice, but property does suck a lot of your resources up and might mean you can't invest as much in shares and can invest in all the companies you want to. How has it changed your perspective on those two things and your approach there?

Owen:

I think there are a few things here. The first is that the share market is a far superior way to invest money. It is a far superior way to invest. The math says that, everything says that, but you can get a 100% lines on a property. So that definitely helps. So you can if you want put \$0 down and get a massive amount of exposure to something that should make money. So keep that in mind. And I think if they were on the same terms, if you could give me a \$500,000 loan to go and invest in shares at 2.19% interest, which is what we've got our home loan at, I would take that hand over fist. Because one, I think I can make more money that way. Two, it's less stressful for me. It's less stressful.

Owen:

And yeah, I just think it would bring me more happiness researching companies and investing in things that create value for their community and for society. But that's a more of a philosophical thing. Andrew Page, came on the podcast the other week. And he talked about how there are many reasons why property is a great place to put money. So for the majority, I would say for the majority of Australians, the vast majority of Australians who are not like myself investment analysts, there's not many of us property is a great place to put money. A fantastic place provided that you do it properly. You buy what we call investment grade properties. You stay in control of your budget. You use offset accounts and all the rest of it.

Owen:

I think, probably maybe 90% of Australians should focus on buying a house and then having money in an offset account, not necessarily repaying the mortgage, but having it in an offset account and investing in ETFs and super. And I think for 90% of Australians, that is the very best thing you can do for your long-term wealth and for your family's wealth and all the rest of it. Andrew much like myself, Andrew Page, much like myself, we are professional investors, so the rules are a bit different for us. So my answer to the question of property versus shares like Andrews is different on paper.

Owen:

It makes sense for us to own shares, but there are huge consequences for not owning a property, which this isn't... I'm not reinventing the wheel here. And so I just think I say, but people take it out of context. Like I did a wellness webinar the other week and one of the slides was don't have an investment property. Don't think of buying an investment property straight away. And the first question that popped up in the Q&A section at the end was why, what's wrong with property?

Owen:

And it's nothing wrong with it it's just that it's context matters. And I think for me, shares are still a superior investment and because shares represent businesses. So if you understand which businesses make the most money and grow and whatever, I think that's a good place to put your money. I know there's a lot of people that would disagree. My brother-in-law's going to listen to this and he's going to say, "Yep, I understand all your points of view, but property is still a great way to do it."

Owen:

And to be honest, just so you know, Kate going through the property process has made me think that Rask what we do could be applied to property to make it easier on people. Because I've found a lot of it is very hard to navigate and there are great people doing many wonderful things in property, but at the same time, there's a lot of work that needs to be done to educate people. So there is a version of Rask in say five years from today where we do things in property and help people invest in property. So I don't want to say it's not a thing that I would invest in, but yeah, this is a long crappy answer to your question about shares versus property.

Owen:

I think for me, makes sense to own shares for most people property is a great way to force your savings. And hey, I'll give you a tip once you buy a house, once you have equity in your house. So that means you paid off your loan a bit. You can actually use some of that. If you're really well inclined, you can use that to get a line of credit to invest in shares. Andrew said this last week, that that was his biggest regret was selling the house and not using that line of credit to buy shares. Instead, he sold the house and just used cash to buy shares. He could have had the best of both worlds.

Kate:

And I think that's why a lot of people, I speak to that more property than pro-shares just like that they don't have to know the price of their property and the fluctuations every single day. There's nothing ticking over the top of their property saying it's up 50 grand today it's down another 20 grand. And that alleviate some of the stress that if they looked at their brokerage account every day and suddenly they saw the equivalent value of a property just fluctuating up and down in their brokerage account, that would add a lot more stress to their life. And that's one of their points of they can understand property. They don't have to think about those daily movements. And so that alleviates that impulsive behavioural nature that they might accidentally sell something on a day they're not feeling great.

Owen:

Yeah. There are some people that run towards the fire and there are some people that run away from one. I'm definitely the person that would probably run towards it. I think the other week I was jumping over a fire that we had in our backyard and I'm a 30 year old man.

Kate:

You probably can't jump that high.

Owen:

Hey, I'm pretty good. I'm pretty good, but not as good as I used to be, but pretty good. And I think, when I see my shares going up or down, let's say it's very scary. It's going up or down 20%. I absolutely love that. I love it because it means something's happening. It means I might be able to invest in shares cheap. It means that people have made mistakes or got things wrong or overreacting, and I love that, but most people aren't like that. Most people see that and they're super afraid. Which I understand. So yeah, I think you can already do this today. But there are apps that give you an indicative price on your property and the value of your property basically every day.

Owen:

So you could basically get a brokerage account for property. And we have fractional property investments in Australia, you know all about those. So those things are probably coming, which is pretty scary to think. But yeah, that's a fair thing. So the behavioural advantage of owning property is definitely there because you can put your hands on the weatherboards and you can run your fingertips along the window seals and gather all the dust. You can feel the value of the thing that you own within your it's the sense.

Owen:

But when it comes to the share market, you probably wouldn't want to run your fingertips on the window seal of a McDonald's or try and understand if you own shares in McDonald's or try and grab a share certificate. We don't really have those these days, but it's just not the same thing. So for a lot of people who understand investing the behavioural advantage of investing in property is definitely there. And so if you could invest in a property with say an 80% loan, and you could reliably get four to 10% per annum.

Owen:

I'm not saying that that is going to happen, but if you could get that over 10 years and provided you're not super stressed, that is an exceptional return on your money and your time, if you can get that, exceptional. And I would take that. Likewise, if you could get the same thing in your super fund in your share portfolio, I'd probably take that bet too. So it's just that my strength lies in investing in shares others might be in property depending on their behaviour.

Kate:

And that comes down to it, it's that personal decision working out where your interests lie, where do you want to spend more time and energy and money and thinking about your own behaviour and maybe going back to listen to Daniel Crosby's episode, we did a few weeks ago about how our behaviour and our emotions impact our decision-making. And I think that's a good starting place if you're trying to work out where do you want to start?

Owen:

Yeah, I would just say, just educate yourselves on the merits of either as well. So there's that old saying, you've got to understand the rules of the game before you can play it. A lot of people get their information on the share market from sources like family and friends who have had I guess, interactions with the

stock market in a very negative way and associated with gambling and those types of things. Because they don't understand what the ups and downs mean and what they don't mean. And by the same token, they have positive experiences with property because it's going up and it's understandable. So I would just say put in the time and effort to understand both as best you can and make an informed choice. And you said at the top of the show Kate, it's a false choice.

Owen:

You don't have to have one or the other, you should have both ideally. So yeah, I mean there's a lot to work through there, your behaviour, understanding what the pros and cons of both. Andrew did a very good job of weighing up the cons of renting with a young family. So just take all those things on board and I don't want to scare anyone off. My experience is definitely different to say, Monique's, who's just bought a house or when you buy one in the future will be different again. And everyone else that listens to this will be different. So many of them are good experiences, I'd say most of them.

Kate:

Well, there we go. One year on it has been a ride. So I hope everyone got-

Owen:

We will see where we are in 12 months.

Kate:

A few insights from this episode. And if you have your own first home buying stories or buying your first share stories that you want to share, definitely put them through in the Facebook group, we'd love to hear your experiences. And I think a lot of people can learn from everyone's different experiences and hopefully learn from people's mistakes as well. So don't be shy about sharing your mistakes because they are so beneficial to learn from and to share with others.

Owen:

Yeah. If you have a story, if you want to write into us and maybe potentially appear on the podcast to explain how your property journey went good or bad, you can write into us as well. We'd love to hear that story. We've focused a lot on debt and the emotional side so far, which is fantastic, but there are other aspects of a property story or just a money story that can come to life. So you can write into us. What I will say in closing is that we were very fortunate that we had great people around us, and good professionals.

Owen:

And we understood finance when we bought our house. We also had a really good understanding of the area in which we bought. If you don't understand any of that stuff, if you don't understand what to look for when you do an inspection, just go and take the free property course honestly.

Owen:

The first house that you buy is by far the most important house you will ever buy, because it will either be terrible, or it will be wonderful somewhere in between. If you educate yourself, you're going to give yourself a better chance of putting it in the wonderful bucket. So don't make simple mistakes when you buy such a big, important thing in your life. So yeah, that's my pitch for the property course, and I think for a free course, it's well worth the money.

Kate:

Yeah. Amazing. Well, Owen thank you so much for sharing your story with us today.

Owen:

No worries. I've always wanted to appear on the show, I just love what you guys do and-

Kate:

It's great to have you on. What a wonderful guest.

Owen:

Yeah, it was heaps of fun. So thank you so much Kate. Keep fighting the good fight and we'll speak soon.