



Rear view with Prue Muirhead



Businesswoman turned professional investor Prue Muirhead talks about scoring deals off lazy agents, making money in SA, and her not one but 17 positively geared properties

You've made a lot of your investments in South Australia, but the funny thing is that forecasters are saying SA is still a little slow and probably won't see much growth. Is this what you're seeing on the ground?

Being from the state, this is sad to hear. The statistics have not always been favourable to Adelaide and South Australia, but I believe that's always been the case. We're the tortoise, not the hare. Besides, South Australia, and in fact Australia as a whole, is full of mini-markets. There's also the fact that a slow market is not always a bad thing – it can often be a great time to buy.

Last time we spoke, you were negotiating a deal in SA port city Whyalla. How did that go? Have you bought more properties?

Interestingly, that property we had purchased, which was a double semi in Whyalla, never settled. We had everything in place, but the poor vendors were selling the property for less than their mortgage. They couldn't settle because our purchase price would not pay out their loan. I think it was

obvious that they had fallen on hard times and couldn't pay the shortfall. We waited about four months and decided to let the deal fall through. I found another semi selling with a 10% return. We eventually purchased that in December for \$100,000. It gets \$200 rent a week, hence the 10% return.

We got another great deal in the La Trobe region of Victoria. I've always liked this area, and there was a fantastic block of four units selling for a significantly dropped price.

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I called about the block and made an offer over the phone. It turned out that the vendors did not get along and the agents were the most unprofessional

people I've dealt ever with. And I mean: ever. What else could explain them ignoring me and my offer?

My husband wanted to give up. I kept saying "No, I want one more shot". My thinking was that the block was too good an opportunity to pass up. After three ignored emails and two unreturned calls, I attempted another offer. It was accepted within 24 hours. I ended up paying \$310,000 for the block, when the true market value was \$460,000. Basically, we made \$150,000 in one transaction because the agents were lazy. The units are also positively geared. Those deals take our portfolio to 17 positively geared investment properties.

Are you normally a persistent buyer?

I think in the case of the La Trobe Valley block of units, I refused to give up because I knew just how good this deal was going to be. It's actually one of the best deals in our portfolio. I mean, how often do you get the chance to save \$150,000 in a few days? And all because the vendors did not get along and, as I said before, a pair of lazy agents?

So, if giving up too easily on a deal is a common mistake, what else do you think most people get wrong in their investing?

It's simple. They don't start investing in property early enough, and they fail to properly educate themselves about it.

Speaking of mistakes, what's the one thing you wish someone had told you when you starting investing?

Buy positively geared property. They are the only properties I buy now.

Where do you think you'll be investing next?

If I suddenly had a big deposit that I could put on a property right now, I'd probably put it on a small block of units in a large regional town in NSW. Another tempting option would be to buy a single house or unit close to the [Sydney] CBD in an 'ugly duckling' suburb. ■