

# FUTURE DESIGNS

Early financial problems and an overseas journey to his ancestral homeland spurred this young gun on to create a portfolio worth nearly \$1 million.



**\$ SALARY RANGE**  
**\$81-\$100k**

**THE NUMBERS | DENNY JONES**

LOCATION	PROPERTY DESCRIPTION	PURCHASE DATE	PURCHASE PRICE	PURCHASE COSTS	RENOVATION COSTS	CURRENT VALUE	LOAN-TO-VALUE RATIO %	REPAYMENTS PER MONTH	RENT PER WEEK
	Studio unit	Nov 2007	\$215,000	\$10,000	N/A	\$318,000 Sold Jan-2013	100%	Sold	Sold
	3-bed, 1-bath house with granny flat	Jan 2013	\$291,000	\$25,000	\$30,000	\$390,000	95%	\$1196	\$520 (combined)
	3-bed, 1-bath house	Sept 2013	\$227,000	\$23,000	\$30,000	\$310,000	95%	\$1080	\$320
	2-bed, 1-bath unit	Nov 2013	\$244,000	\$22,000	N/A	\$260,000	95%	\$983	\$295
<b>TOTAL</b>			<b>\$977,000</b>	<b>\$80,000</b>	<b>\$60,000</b>	<b>\$960,000*</b>		<b>\$3259</b>	<b>\$1135</b>

\* Total doesn't include Elizabeth Bay studio

WESLEY LONERGAN

**Dinah Lewis Boucher @DinahBoucher**

It was a trip halfway around the world when he was just a teenager that would be the catalyst for the creation of Denny Jones' personal and financial goals.

A designer and art director by profession, he lives in Sydney's Darlinghurst. Today his property portfolio's value is just shy of \$1 million and he has big plans for it to expand.

"From a young age, there was high expectation to achieve from the family. It was very much drilled into my brother and I, especially from my mother," Denny says.

"When I was 17, I went to see my mother's side of the family in Colombia, some of which I would consider to be living under the poverty line. My parents weren't poor, but weren't exactly well off either, and I just had a burning desire to provide for my family, especially with my parents retirement only about 15 years away."

Today, 28-year-old Denny has had many experiences including an early lesson in personal finance – an education that he says was a pivotal moment in his life.

"I'd come into some financial problems based on other people's advice at the age of 22 and realised I needed to take responsibility for my own life. No one was going to save me and no one else was going to make me successful. I really looked at the world differently from that moment," he recalls.

Denny was convinced that property investing was the path to success for him. Self-help books were his staple diet and Robert Kiyosaki's *Rich Dad Poor Dad* was one of his all-time favourites.

But, like most first-timers, achieving that first rung on the property market wasn't easy. Eager but with no savings, Denny turned to his parents for help securing his first loan. It took a year of convincing his parents he was indeed serious and seeing his enthusiasm, Denny's parents agreed to sit down with him and discuss a plan of action. Denny secured his first property in 2007 at the tender age of 22.

"(I was so) relieved. I'd been pushing for a way to get onto the property ladder for a while and knew this was my best chance," he says.

His first purchase was a studio apartment located in Sydney's Elizabeth Bay. Close family friends owned a mortgage brokerage business and were able to help structure

the loan.

"I borrowed \$40,000 and secured it against my parents' house, then used that as a deposit for the rest. (It was) \$218,000 all up. I'm not sure if the banks will let you do that anymore," he says.

After that first bite at the property apple it wasn't until January last year that Denny secured his next investment.

"I knew I wasn't maximising my returns with my sole property so when I finally caught up with my friend Zaki again, I knew he'd become heavily involved in the property business and I asked him for help. He took me under his wing and has been responsible for probably the biggest personal transformations of my life."

Denny had found his mentor, and with his newfound guidance he was ready to go again.

Using \$25,000 equity from his Elizabeth Bay property as a deposit, he purchased a three-bedroom, one-bathroom home complete with a one-bedroom, one-bathroom granny flat in the [redacted]. Following a \$30,000 renovation, the property's value increased to \$390,000 providing him with \$70,000 equity within just a few months.

In September last year, he purchased a three-bedroom, one-bathroom home in [redacted] for \$227,000. He used \$23,000 from the sale of his Elizabeth Bay home as a deposit for this property and borrowed the rest. Denny was also keen to renovate again and with a budget of \$30,000 undertook a similar makeover to his [redacted] property. This increased the property's value to \$310,000 after the renovation was completed.

"[redacted] had a quick renovation and returns were impressive, from both a capital and rental perspective," he says.

Less than two months later Denny purchased his fourth property, which was also his third acquisition within a 12-month period. Located in [redacted], he bought a two-bedroom, one-bathroom apartment for \$244,000.

But it hasn't been all smooth sailing. In Denny's experience one of the most difficult aspects of property investing is juggling cash flow.

"I had some pretty heavy plumbing issues with one property that ate up months of rent and I needed to get a little creative. It'll happen from time-to-time," he says.

So with this in mind, he says he prefers

high rental yield properties.

"My portfolio plan depends on these properties pretty much paying for themselves."

And he periodically refinances his portfolio to help access cash from his growing equity.

"All of my properties are positively geared, though maintenance of my older properties has chipped away at the cash flow. All up, though, the portfolio is cash flow positive," he says.

"I'd have to say my Elizabeth Bay property was the worst (investment). It appeared to have a good capital gain when I sold it, but I was forking out \$150 a week for six years to cover mortgage payments. If you do the math, the gains aren't that impressive."

Learning from his past mistakes, and working in design and art direction, means Denny takes inspiration from creativity. He has also sketched his own design for his future financial journey.

"A passive income of at least \$100,000 within the next nine years and the choice to do what I want," he says.

"Will I want a family? Will I want to start my own business? Will I want to bury myself in the Amazon with a native tribe for a year? I won't know, but I'd want to be able to do those things if it so pleases me." |

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**Denny's top investment tips**

- > Plan but be willing to adjust if circumstances change. Life isn't a fairy-tale.
- > Become a problem-solver; there are always more ways to skin that cat.
- > There's a difference between good and bad debt, know the difference.
- > Most people have been brought up with draconian attitudes towards wealth creation, be prepared to unlearn a few things. An open mind is key.
- > Remove all negative emotion about money. Be happy to learn about creating wealth, be happy to talk about it. It'll soon be front of mind and subconsciously your day-to-day activities will have you achieving your goals.