

BREAKING FREE

Shane Givney's hard work means he can now enjoy more time with his growing family, but his \$2.7 million portfolio is just the start. **CAROLINE JAMES**

Shane Givney is ending a decade in the construction and mining industry to begin full-time portfolio building, and to enjoy his family. Incredibly, he's still 16 months shy of blowing 30 candles on the cake.

He and wife Jenna are expecting their first child in September and after six tough years of fly-in fly-out labour with a remote oil and gas company, plus six years working in the mines, this highly motivated bricks and mortar hound tells API, no matter what, he'll be home in time for the birth and, on July 6, his new role as a full-time property investor officially begins.

"In July I'll retire from full-time employment after spending the last 12 years working 12-hour days, 13 days on and one day off [each fortnight]," he told us in April when asked to name his short-term goals.

At just 19, Shane bought his first property. But it wasn't your regular set-and-forget unit. Displaying an active approach to creating wealth, he chose a three-bedroom, one-bathroom house on a big block in Denman, 90 kilometres northwest of Newcastle, which was prime for medium-density development.

He paid \$230,000 for his 3028-square-metre site after saving virtually everything he earned as an apprentice.

"My first property purchase was quite ambitious," he admits. "I was 19 and working as an apprentice boilermaker. I saved pretty much every cent of my money earned during my trade apprenticeship, which made up my deposit and secured this block with a weatherboard house on it."

"My vision for this block was to put as many units on it as I possibly could, but of course I had very little knowledge of how the development application worked and the steps involved. I remember taking a hand-drawn sketch into my local council with seven units on the block and this is where my journey started."

Shane says the development approval (DA) process took 18 months and was completely funded by cash he earned.

"That first DA was quite a mission. I didn't even have a computer so if anything needed to be sent away, I would go to the local library and fax it through around breaks in my work, which definitely tested my administration and organisational abilities, which were pretty much non-existent at that time."

■ MAKING MOVES

During this lengthy process he saw an opportunity for the block's existing abode. Shane realised if he could find the right block, he could move the house onto it and make a tidy profit.

"I found a 2000-square-metre block a street away with a four-bed, one-bathroom house on the front left-hand corner and I went back to lodge a second DA to sub-divide that block, this time with a little bit more knowledge."

"[I] got the approval and moved the three-bed weatherboard house from my first purchase onto the back of the [second] block. Now I had two houses, each on 1,000-square-metre blocks, and the front house was still worth what I paid for it – \$280,000 – so I essentially got the back 1,000 square metres and a house for nothing."

The hurdles were many, including meetings with council and the custodians of a heritage-listed church two houses down the street.

"There were some issues with my original plans so I had to get my landscaping redone, get new drawings.

"I also had to go to meetings with the local school to tell them about my development plans and how my sewerage and water would work.

"There were a lot of extra costs and time along the way... but I'd already made up my mind this is my future so no matter how long it took, or how long I'd have to save to pay for it, property investment was all I wanted to do longer term."

Shane eventually got his DA and, true to his word, in early 2011 he sold it for \$350,000. He says the buyer "had those seven units up in no time".

His next project required a five per cent saved deposit to buy a 667-square-metre vacant block in Aberglasslyn, New South Wales, approximately 25 minutes north of Newcastle, for \$387,000 in late 2011. He used the \$120,000 he'd made from his DA investment to finance a custom four-bedroom turnkey house on the block, which was completed in 16 weeks and has been let ever since.

"I haven't been too affected by the downturn from the Hunter Valley mining industry and am still yielding about five per cent, so my plan is to hold it long-term," he says.

Also in 2011, Shane and Jenna bought a 1830-square-metre block in Macquarie Hills west of Newcastle for \$240,000, but sold it 17 months later for \$250,000.

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MICHAEL DINES

THE NUMBERS - HELD & SOLD | SHANE GIVNEY

Location	Description	Purchase date	Purchase price	Renovation and/or development costs	LVR	Current rent per week	Current value	Gross yield on current value
Denman, NSW	3-bed house on 3028 sqm (house then relocated to another property)	May 2007	\$230,000	N/A	N/A	N/A	Sold in February 2011 for \$350,000 with a DA for 7 units	N/A
(1) Denman, NSW	4-bed 1-bath house on 1000 sqm	July 2009	\$280,000 for original 2000 sqm block & house	N/A	71%	\$260	\$280,000	4.8%
(2) Denman, NSW	3-bed 1-bath house on 983 sqm	July 2009	New block (see above)	N/A	58%	\$225	\$245,000	4.8%
Macquarie Hills, NSW	Vacant 1830 sqm block	August 2011	\$240,000	N/A	N/A	N/A	Sold in January 2013 for \$250,000	N/A
Aberglasslyn, NSW	4-bed 2-bath house on 667 sqm	November 2011	\$387,000 for vacant block	\$390,000 on house	86%	\$400	\$450,000	4.6%
Fletcher, Newcastle, NSW (PPOR)	4-bed 2-bath house on 598 sqm	July 2012	\$550,000	N/A	43%	PPOR	\$615,000	N/A
(1) Mt Kynoch, Toowoomba, QLD	3-bed 2-bath strata title duplex on 394 sqm	August 2014	\$190,000 for vacant 774 sqm block	\$415,000 developing a pair duplexes	81%	\$330	\$340,000	5.0%
(2) Mt Kynoch, Toowoomba, QLD	3-bed 2-bath strata title duplex on 380 sqm	August 2014	Strata (See above)	See above	81%	\$330	\$340,000	5.0%
Newstead, Brisbane, QLD	1-bed 1-bath off-the-plan apartment	September 2014	\$416,000	N/A	82%	\$440	\$460,000	5.0%
Woolloongabba, Brisbane, QLD	1-bed 1-bath off-the-plan apartment	March 2015	\$403,000	N/A	N/A	N/A	Sold in April 2016 for \$403,000	N/A
CURRENT HOLDINGS			\$805,000		\$1,985		\$2,730,000	

"I was going to build our PPOR in Macquarie Hills – we were in and out of council for about nine months but in the end we couldn't build what we wanted and that led us to our current home in Fletcher, an ex-display home in a nice little estate close to the beach.

"So, while it was a bit of a distraction for 12 months [Macquarie Hills] ended up being a blessing in disguise."

Still keen to sink his teeth into development, he quickly bought another block, this time six kilometres north of the Toowoomba CBD on Queensland's Darling Downs, using equity from his family home.

The block was just shy of 800 square metres and located in Mount Kynoch.

Shane paid \$190,000 for the land and spent \$415,000 on his dual-occupancy

development, all of which is now worth about \$680,000 – a gain of \$75,000.

Today, his pair of strata-titled three-bedroom duplexes each produce \$330 weekly rent, which covers outgoings, making them excellent "set and forget" assets.

"This was particularly important given what I've been doing for work and their huge tax deductions have put a lot of cash in my pocket.

"We knew exactly what we wanted. Two months and we had our DA, and I knew a little bit more this time... so we locked in our builder's contract – a fixed-build 16-week timeframe and interest penalties for going over time.

"What attracted me to this custom build was it meant I was making money from the get-go; they [the duplexes] were positively geared from the start and I liked Toowoomba's diverse economy and growing population of about 150,000. This whole project just felt good."

Shane likes mixing his asset types and next up bought a one-bedroom Brisbane city apartment off the plan in the blue-chip inner suburb of Newstead for \$416,000 in late 2014 and, hot on its heels, another one-bed unit in nearby Woolloongabba, which he subsequently had to offload without gain.



Mt Kynoch duplex

"We bought it to put in our self-managed super fund but ended up having to sell it because deposit requirements for SMSFs have since gone up from 20 to 30 per cent and that changed things."

Today, Shane and his ever-supportive wife, whom he married in 2014 after more than a decade together, own more than \$2.7 million worth of real estate.

"At the age of 18 I was working as an apprentice boilermaker, doing 12 hours a day and knew I did not want to be doing that for the rest of my life.

"I would often think, 'There has to be an easier way to make money and not be doing this type of work.'

"My parents had made money when they sold their own home and that really got me thinking, 'what if they'd two houses that they'd held onto for the same period of time and then sold them both... they could have doubled their money! What if you could have four, five or six? It was definitely a light bulb moment."

"I'd never read a book in my life but after that realisation I got my subscription to API, read numerous books and attended lots of property events. I was hooked."

"I always wanted to retire from boiler-making by the time I was 30 and I've done that one year earlier, so I'm thrilled!" API