



House rules

EVEN IN THIS UNSTABLE ECONOMY, A SAVVY WOMAN CAN PROFIT FROM INVESTING IN REAL ESTATE. THE KEY IS TO DO YOUR HOMEWORK BEFORE SIGNING ON THE DOTTED LINE



With one successful condo flip already under her belt, Colleen Narang of Vancouver is now on her second. Despite the topsy-turvy economy, the 39-year-old executive assistant is using the lessons she learned from her first foray into real estate to guide her through the next one.

She's not alone. Experts say that although the housing market is nowhere near what it was a year ago, you can still make money by investing in real estate.

Narang bought, renovated and sold her first property before the economy went into free fall. Three years ago, after receiving notice that the \$900-a-month rent on her apartment was going up again, she knew it was time to take the plunge. She contacted Vancouver realtor Shelly Smee, and together they found a one-bedroom condo in an up-and-coming neighbourhood in East Vancouver. Sure, it needed some TLC, but for \$215,000 it was the right investment at the right time.

Smee's advice for first-time buyers willing to reno? "I always suggest my clients start with a one-bedroom apartment. If you've never renovated anything before, there's no point in buying a house and deciding you're going to restore it. That's super, super ambitious, and not for the faint of heart."

BY KAREN CUMMING

HOLLY LINDEY



Working with a budget of about \$7,000, Narang ripped out the old bathroom linoleum herself and hired a professional to install new bathroom tile and hardwood floors throughout the rest of the condo. She did much of the remaining work herself, with help from a few reno-savvy friends. Thanks to some fresh design ideas, a coat of paint, new light fixtures and home staging, Narang sold her condo about

18 months later for a cool \$295,000. "It was very painless, and it was all very well worth it. I was so excited after I sold and made such a profit that I couldn't wait to get back into it."

Last year, she traded up to a downtown Vancouver condo, and is now tackling a more challenging reno. She'd initially hoped to sell it in a year but, given the current economy, is taking things more slowly. "I'm not in a rush to

sell or have all my renovations completed as quickly this time," she says. She is also considering the possibility of renting the condo as an income property.

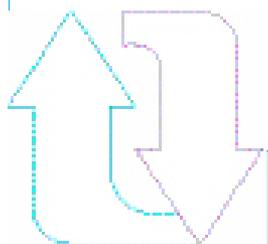
Narang says she has no regrets, and continues to be both excited and optimistic about the project and its potential for profits down the road.

Smee points to a number of female clients currently searching for reno properties, some of whom are finding good deals thanks to lower prices. Once they've found the right deal, she encourages women to not be afraid to get their hands dirty: "I think a lot of women start out thinking, Oh, I don't know how to use a screwdriver, I don't feel like I have the skills. But if guys can do it, surely you can do it. It's not that hard. The skills you use in your workplace — organizational and time management — are transferable to a home improvement project. For the electrical and plumbing and things that require professionals, you hire people." For those who discover they can manage the work and the investment, Smee says it's a high.

According to Michael Bequette, president and CEO of the Mortgage Alliance Company of Canada (the country's largest independent mortgage brokerage), "Women are generally the ones making the financial decisions when we're talking about a primary residence. So extending that to an investment property is not a big leap.

"In the current market," Bequette continues, "real estate has become much more of a long-term investment. The dynamic that sees women being the independent or the primary decision maker hasn't changed, however. There are opportunities out there. You just need to be open and prudent."

Pam DeCourcey, a realtor in Saint John, says entry-level real estate continues to enjoy an upswing. And that's



GETTING REAL about real estate

NO DOUBT ABOUT IT — SOME WOMEN'S FLIPS HAVE FLOPPED. PUT THESE TIPS IN YOUR TOOL BOX

- **EVERYONE AGREES:** Make sure your financing is in place. There's no use window-shopping for property if you don't have good credit and can't meet the requirements for a mortgage.
- **KNOW YOUR TAXES.** When you sell your investment property, 50 per cent of the profit, or capital gains, is taxable in Canada.
- **LOCATION, LOCATION, LOCATION!** Research the area that interests you. Check comparables to see what neighbouring properties have recently sold for. Above all, don't buy the best house on a bad street.
- **IF YOU'RE NOT LIVING** in the house, buy a property as close to your primary residence as possible. The more travel time between locations, the more you will stress out.
- **HAVE A FLEXIBLE SCHEDULE** — one that allows time to coordinate trades. When hiring, get referrals from people you know who are satisfied customers.
- **BE PREPARED** to roll up your sleeves. You can hire professionals, but you'll save money if you do at least some of the work yourself.
- **MEASURE EVERYTHING AT LEAST TWICE.** Better to do a little extra legwork than to come home with drapery rods that don't fit the space or a fridge you can't wedge into the kitchen. It happens.
- **TAKE ADVANTAGE** of your friends' talents. If they have an eye for design, solicit their ideas and opinions every step of the way. And be aware of trends. Go through magazines and visit suppliers to check out the latest products. Attend design shows in your area to see what's hot.
- **WOMEN CAN SOMETIMES** form strong emotional ties to a home. If you plan on renovating and selling your primary residence, remain detached. See it as the business proposition it is.
- **STICK TO YOUR BUDGET.** Enough said.

Despite the market implosion, there are opportunities out there for people who have money — and time — to invest.

good news for women eager to invest. “I see more buyers looking for an entry-level investment. I’m starting to get more calls from women over 40 contemplating this, who’ve been encouraged through the shows on television.”

Those home decor shows *are* wildly popular. Long-time HGTV host Peter Fallico, for example, has won a loyal following. He has hosted the programs *Home to Go* and *Home to Stay*, and now Fallico is putting his do-it-yourself decor tips to work on the new *Home to Flip*. The premise? The reno pro buys a fixer-upper, gives it a complete makeover, then puts it back on the market. The goal is, of course, to make a tidy profit in the process.

Despite the market implosion, Fallico still feels there are opportunities out there for people who have money — and time — to invest. In fact, a passionate renovator himself, he’s always on the lookout for investment properties. However, he is quick to offer a caveat: Treat the project as the investment it is, and be aware of the risk potential. “It’s like investing in anything,” he says. “If you put money in the stock market, what’s the advice you get? Research. Know what you’re getting involved in. Don’t go putting everything you have on the line.”

Penny Page and Leigh Higgins, both 39, know all about how steep the learning curve can be. These stepsisters turned first-time flippers were partici-

pants on the HGTV reality show *The Really Big Flip*. They were one of three teams who bought, renovated and resold a Toronto house while the cameras rolled and thousands of viewers tuned in to track their progress.

A Vancouver interior designer, Page says her biggest challenge was finding a network of tradespeople in Toronto. “Lining up a really good team was the initial hurdle,” she admits. For Higgins, who works in marketing for a film company in Toronto, it was more about the time involved. “I was working full-time, and my father, who has Alzheimer’s, lives with me. So I always felt that even though I might have put in a 10- to 12-hour day at the house, or a couple of hours after work, it was never enough.” Although family members happily pitched in, and the two women found they really enjoyed the project, it wasn’t all a bed of reno roses.

The venture was often frustrating, and although they did make a profit, the stepsisters admit their timing was not the best.

They bought the house in October 2007, took possession in January 2008, listed it in June, and were able to sell it the same month.

“The market did turn,” says Page. “It really slowed down when we went to sell, which was unfortunate, but we still came out ahead.” Despite the downturn, the women made \$61,000.

Back in Vancouver, Colleen Narang says she’s still pumped about her new investment. No doubt, the economy may see her hang on to her second property longer than she initially expected. But she’s still looking forward to cracking open the champagne when she eventually closes a sale. “Oh, definitely. This one’s going to take longer. There’s going to be a lot more work. But it’s going to be well worth it. There’ll be a *couple* of bottles of champagne!” **M**