

Retirement is a dirty word

BY PAUL DYKES

GOOD PROPERTY MANAGEMENT ALLOWS CHRIS AND GWEN O'LEARY TO TAKE TO THE ROAD ON THEIR BELOVED HONDA GOLD WING.

Selling up their property portfolio and retiring somewhere is not on the agenda for veteran property investors Gwen and Chris O'Leary. The Te Puke-based couple work hard to keep their property portfolio in good order and have no intention of easing back on the throttle – other than when touring on their 1800cc Honda trike. "Retirement! We don't believe in it," the pair exclaim almost in unison when the suggestion is made to them. "We haven't finished yet," adds Chris. "I looked at 12 properties on Sunday. You've got to be out there to see what's available."

"We are desperate for a 'do up'," Gwen says, with equal enthusiasm. "It takes us about six weeks to do up a house. We both get a buzz out of it."

Chris suggests that it is a good sign if someone finds property investment to be boring. It means there are no issues to worry about, and that is how they like it. "There's a book we read called 'Avoid Retirement and Stay Alive' [by David Bogan and Keith Davies] and it's well worth a read," says Chris. "We are both great book readers. We are big on the motivational stuff," adds Gwen.

The couple have properties throughout the Bay of Plenty, including Whakatane, Te Puke, Rotorua, Pukehina, Papamoa and Tauranga. They manage them all themselves, and undertake most of the maintenance, Chris stopping short at attempting plumbing and electrical work. "Virtually all of our purchases have been 'do ups'. I do all the building work and Gwen does all the painting. You soon develop a professional approach. You get into a routine. We have one colour scheme throughout, one curtain scheme and one carpet scheme."

They look for bargains during the sales at The Warehouse, Briscoes and Spotlight. "We always buy full-length curtains because they can go anywhere," explains Gwen. "We make the kitchens and bathrooms look fantastic. We always tile them – we don't use linoleum any more. It's a little more expensive and time consuming, but much longer lasting."

Chris is always looking for new properties, while Gwen handles all the accounting using Rent Master. "It usually takes less than an hour a day for both of us," she

says. "We get a lot of free time. We have a good set up, and good tenants."

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That's when the Honda starts working its way into their thoughts, and before long they are off for four or five days, or perhaps a couple of weeks. They have been all over New Zealand, top to bottom, side to side. It would not be hard to imagine Chris as the biker, with Gwen reluctantly tagging along for the ride, but the passion is enthusiastically shared.

"We got the Honda in August 2009, and it's the best thing we ever did," says Gwen. "It has changed our lives 100%. I won't go away unless it's on the trike." Together they have ridden from Bluff to Cape Reinga in a group, a 6500km trip that took three weeks. "We have just been down the West Coast and around to Dunedin to see our son, and we have been around the North Island. People think we are nuts!" "We love it," says Chris.

Buying the Honda was a bit of a mission in itself. Chris had always talked about rewarding his property investment efforts by buying a Porsche. "For about six years up to buying the Honda I had this Porsche fixation," says Chris. "I had also thought of riding a Honda Gold Wing, but I was not sure I could manage such a big bike. Then one day a yellow Honda Gold Wing three-wheeler went past me and that was that."

Chris says the Porsche idea was more of a symbol than a lifestyle statement, and he had always put buying property ahead of his desire for a flash car. "The houses doubled in value – the Porsche wouldn't have."

"He came home and said he was going to buy a Honda trike," recalls Gwen,



CHRIS AND GWEN WITH THEIR JEDI SCOOTER

"and I said fine because I didn't think he would do it – he had been talking about the Porsche so long." But within a month Chris had arranged for a Gold Wing to be converted to three wheels using a kit brought in from the US and the 600kg motorcycle entered their lives. They had always planned to tour the US in a motorhome, as they had already done in Australia, but now when they go Stateside it will be with the trike. For such a trip, they would place their properties with professional property managers until their return.

While some couples struggle to align their risk appetites when it comes to investment property, the O'Learys are clearly pulling in the same direction. They have made a business out of their 'do up' philosophy, not being scared to take on businesses and properties through the years because they knew they could rely on their own skills and commitment.

Chris left school in Palmerston North and became a valuer in Wellington, specialising in urban real estate. Gwen had arrived in Auckland aged 4 from Lancashire. When Chris eventually transferred to Auckland, there was Gwen waiting for him, and they spent the next six years overseas.

They managed a classy pub in Dulwich, London, for two years before taking housestaff and butler positions at the South African embassy in Switzerland for another two years. "We came home via the trans-Siberian railway, then all the way down the coast of Asia, through China, Japan and Taiwan," says Chris. "We came back to Auckland broke," recalls Gwen, "having spent all our money on the trip home."

They started out with a lunch bar in Panmure – a good cashflow business (one of Chris' property investment criteria). Next was a virtually bankrupted delicatessen in Howick, which they eventually sold to move into the confectionary distribution business. They bought their first house in 1985 in Howick, and before long the family arrived – two sons Darran (now aged 26) and Shane (22).

"We sold the distribution business to buy into manufacturing outdoor furniture,"



CHRIS AND GWEN O'LEARY

says Chris. "It was bankrupt when we bought it, but we became the biggest tubular PVC furniture maker in Australasia. We supplied The Warehouse for four years." They sold that business to buy a kiwifruit orchard in Te Puke. "It was an established orchard, but run down. We bought it as a 'do up' because opportunities exist where there are problems." That was sold in 2002, and the couple were pondering their next move when Chris read a book on property investing by Dolf De Roos – probably *Making Money in Residential Real Estate* – and found it very motivational. "That's when I came back into using my real estate skills. In 2003 we became property investors."

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The couple joined the TPIA and remain staunch members, Chris having served on the committee for several years and as northern region rep on the national federation. "The TPIA has been very helpful," says Gwen. "It is interesting to see how other people do things, to get other people's perspectives on how they go about it."

They still own the first rental they bought, and have had the same tenant there for the past eight years. "We have learnt what to look for in a tenant. We use TINZ and always do a credit check – this has saved us at times from getting the wrong person.

"Our criteria have changed. We won't buy flats unless we can own them all. We won't buy down a multi-shared driveway. There are areas we won't go into," says Chris. "I do most of the inspections myself but if I'm not happy I get a builder or electrician in. My two most recent efforts fell over after a building inspection.

"We've got an accountant, a lawyer and one good bank officer out of four. Not all bank managers understand property investment – especially residential investors."

If they were to start out over again, Chris and Gwen think they would be less pedantic about the criteria they use to buy property. "It always had to meet my criteria and my cashflow returns, otherwise you're speculating," says Chris.

Their advice for younger investors is simple: "Don't delay". Allow yourself enough time to run your property portfolio professionally – it's a business. And a tip: find an electrician and plumber you can absolutely rely on in each area. ●