

Press Release

Publication: The Sunday Times
Date: 24th February 2008
Heading: Divide and Conquer

Growing up as the youngest of seven children, David Lynch says despite his father's involvement in the real estate industry he had absolutely no desire to follow in his footsteps.

Today, however, David is the principal and licensee of Peard West Coast, and over his 19-year career has sold more than 700 properties and achieved more than \$50 million in sales for a prominent real estate group in WA.

"When I was 24 I was between jobs and an opportunity came up for me to be slotted in to the Simpson Davies real estate team," he says.

Having a passion for people, David found once he immersed himself in the industry he had an instant affinity with it. "The minute I got into it, I loved it," he says.

Since buying his first property at 22, David has branched out, expanding his property portfolio to include commercial real estate.

My best buy: My best buy is where we currently live in Pearse St, Cottesloe. We bought it five years ago. At the time I had been watching the Cottesloe market closely. A character house on a subdividable block on the corner of Curtin Ave came up for auction. We were walking past and had a look through and decided we wanted to buy it. We bought it for \$750,000 with a friend of ours. My wife and I paid \$310,000 for our half and my friend paid the rest. Since subdividing the block my wife and I live in the character home and my friend lives on the other block.

Our house alone is today worth about \$1.4 million. My investment has quadrupled in value. The reason we bought it was because the property is in such a great position. It's 300m from the golf course and 700m to the beach, close to work and the train line.

My worst buy: About nine years ago I bought a house-and land package in Karratha. I bought it because it had a 10-year Government Employees Housing Authority lease and it was positively geared. Unfortunately, due to circumstances at the time, I had to sell it two years later. Today that property has tripled in value. It was a bad decision – I wish I had held on to it.

The best advice I ever got: My father told me to always hold on to real estate, build equity and then buy the next property. He also told me to always try and buy subdividable land.

The best advice I can give: Always try to buy in the best location you can afford. Spend a little bit extra on the piece of land because the land value is going to go up, not the value of the house. Also, if you can afford it, buy near the river or close to the ocean.

With investment properties, try to buy anything that can be further developed or improved. Subdividable land is always great value, too. If you want cash flow, then places in the North-West like Karratha are good because they will often have secured rents because the mining industry will always need accommodation for their workers up there.

What's next? As the director of Peard West Coast we are looking to grow and acquire more offices. Personally, I have bought into commercial real estate in Subi. I like the look of commercial property that's underdeveloped. It's all really good and due to the mining sector it's always in high demand. We have one of the lowest vacancy rates for commercial properties in the world. I'm looking to be involved in a syndicate buying into the busier areas like the roads heading out to the airport, the CBD and Osborne Park. It's a fantastic area to invest in because there's a lot of growth and high demand.