



Investor Spotlight:

Harry Charalambous

Produced by **Alex Cooper**



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Making his first property investment at 18 years of age as an apprentice electrician, director of Plan Assist Property Team Harry Charalambous now helps his clients accelerate their investments by combining capital growth with a strategy to manufacture equity. And it has clearly paid off within his own portfolio as well, investing in over \$20 million worth of commercial property.



How He Got Here

Charalambous' business education all started with his parents, who owned fish and chip shops in Sydney. He applied his parents' knowledge as business owners to create his own electrical business, which naturally developed his understanding of property investing.

"By the age of 19 I was running my own electrical business and I had that business till I was 35," he says. "That gave me a really good grounding on property, on renovating and how that worked."

"I think at the time I had a grand total saving of about \$20 000," Charalambous explains. "So I went out to see what I could do with that money - \$20 000 was a lot of money in 1984. I bought a fairly typical three bedroom, single fronted home in Auburn on a standard block for the area and purchased that for \$59 000. I used my \$20 000 to make up a 20% deposit, plus some stamp duties, plus some legal fees."



This property was eventually sold for \$142 000 and profits were used to purchase more properties. After leaving the electrical business in 2003, he became more involved with investing in property through a program geared towards investors. Everything developed organically from there as he met his business partner and set up Plan Assist in 2005.

Harry's Portfolio

Charalambous has continued to add to his own portfolio over the years, currently holding around 12 in total. By focusing on commercial property he has had more opportunities such as improved rental returns and the freedom to renovate and make changes. But the moment when everything fell into place was when he created a formula for success where sites are subdivisible or there is potential for a multi-house dwelling.

Here's an example: Charalambous was searching for a property to subdivide when he spoke to an owner during an open house in St Ives (see table below). On discovering the owner wished to stay in the area in a smaller home, he suggested that if he built two houses on the block, she could keep one. He took out a 12 month property option for this, giving him time to do a DA and gather approval for the two new dwellings. But why would someone who wishes to sell their home agree to wait 12 months before moving?

“Her home was on the market for \$895 000, so we offered to pay her \$900 000,” Charalambous says. “Because we wanted a 12 month option, we paid her a 2% option fee [as well].”

THE NUMBERS HARRY CHARALAMBOUS							
LOCATION	DESCRIPTION	PURCHASE DATE	PURCHASE PRICE	PURCHASE COSTS	RENOVATION COSTS	CURRENT VALUE/SOLD FOR	RENT PER WEEK
Turrumurra, NSW	2 houses	2006 and 2012 (under option)	\$727,500 & \$1,000,000	\$50,000	DA by others	\$6,500,000	
Brisbane, Qld	2 houses	2011 (under option)	\$915,000	\$0	\$60,000 DA	\$1,300,000	
Turrumurra, NSW	4 shops	2006	\$4,370,000	\$250,000	\$255,000	\$6,500,000	\$7,700
Bowral, NSW	Land subdivision	Join Venture	\$230,000	\$0	\$30,000 DA	\$660,000 (after subdivision)	
Turrumurra, NSW	Dual occupancy	2008	\$910,000	\$40,000	\$1,020,000 (construction costs)	\$2,680,000	
Hunter Valley, NSW	Land	2002	\$594,000	\$30,000	\$90,000 DA and boundary adjustment	\$1,180,000	
Wahroonga, NSW	4 houses	Joint venture	\$0	\$0	\$1,600,000 (building of 4 houses)	\$2,300,000	
Pymble, NSW	Principal place of residence	2002	\$600,000	\$30,000	\$645,000 (building and renovation costs)	\$1,940,000	
Turrumurra, NSW	Knockdown property	2011	\$1,200,000	\$53,000		\$1,150,000	
St Ives, NSW	2 houses	2006 (under option)	\$900,000	\$40,000	\$900,000 (building of 2 houses)	\$2,300,000	
Total			\$11,446,500*			\$26,485,000*	
*Most of Harry's projects are joint ventures or held under an 'option' where profits are shared							

Turning a property option into a joint venture proved successful, with the owner keeping one house (worth \$1.15 million) and Charalambous retaining the other (worth \$1.1 million). The latter house sold for \$1.8 million, creating a substantial profit and a win-win strategy which he has repeated consistently - including a location in Wahroonga where he built four houses and split the profit.

"I don't ever buy the land - in fact I'm never the owner of the property, I just build the dwellings. The owner keeps one, we sell one and we take our profit," he says.

In creating value through property option and joint venture projects, Charalambous' ultimate goal comes down to simply adding more value to the properties.

Find out more:

Click on the link below to learn more about Harry Charalambous' property investing journey, featured on the Property Investory website.

<http://propertyinvestory.com/episodes/joint-ventures-harry-charalambous/>

Also if you own property and want to share your story, please send an email to hello@propertyinvestory.com