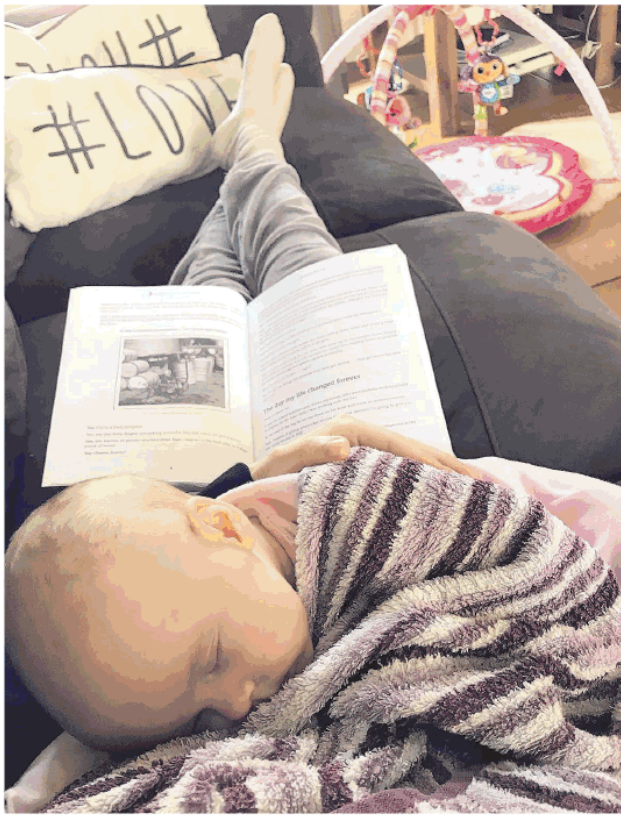


Shun unreal ideas about real estate



Barefoot shares some reader responses to the release of his new book.



parents' crimes. It's not their fault. Barefoot responds: You're in luck.

At the beginning of my new book I make what I call The Barefoot Pledge.

It was inspired by my old man. When I told him I was writing another book he said: "Just make sure you don't

The Barefoot Investor for Families: The Only Kids' Money Guide You'll Ever Need HarperCollins RRP \$29.95



become a w—ker. Look after the battlers, son."

So, for every 10 copies of the book that I sell, I'm pledging to donate one copy to a parent in hardship.

And having a parent in the clink would certainly be bloody hard, so I'm going to send you through some books.

Thanks for the hard work you do.

If there is one topic that is guaranteed to generate sensational headlines it is real estate.

One day we are told real estate is booming, the next day people like Steven Keen and Harry Dent are predicting falls by as much as 40 per cent.

When a boom is on we are even subjected to articles telling us how much the value of our home has gone up, often accompanied by comments that it's a tax-free gain and worth more than we are earning.

Of course, capital gain is not something that is happening, it is something that has happened. And the sad reality is that a big capital gain last year is a red flag that next year may be different. The principle is called regression to the mean.

The problem is that most media commentary focuses on that elusive animal they call the "property market". We may be told that Australian property is overheated, or it has fallen 5.6 per cent in the past year in Sydney, or that Perth values have fallen 12.6 per cent after peaking in 2014.

But the fact is, there is no such thing as a single property market — not for Australia, not even for a single capital city — there are myriad property markets all doing their own thing. How can you compare a townhouse in Cairns with a mansion in Point Piper? All over Australia

Noel Whittaker



some markets may be rising, other markets may be falling, and some may be flat.

Also, real estate figures are notoriously unreliable because they take no account of improvements by owners, which can be significant.

Headlines about booms can lure inexperienced buyers into traps, and doom-and-gloom scenarios can scare people from making a good decision to buy. So, if you are serious about investing in property, stop reading the headlines and set yourself a specific plan. The first task is to find out exactly what you can afford, which means talking to a lender or mortgage broker, and laying all your cards on the table.

Then, having worked out your price bracket, you need to research areas where you can buy a property you like for the price you're able to pay. Once you have established that you are in the running, take the time to research the market thoroughly so that you become an expert on the area.

You do this by going to open houses, befriending real estate agents and reading everything you can about your preferred location. When you come across a genuine

bargain, you will know you have struck a winner.

Always keep in mind that the secret of success in real estate is to buy well, and then add value. Buying well often means that the vendor has a strong need to sell. This could be for a variety of reasons, such as an interstate transfer, financial strife, marital breakup or simply because they have contracted for another home. This is why it is vital to find out the seller's motivation.

The best way to add value is by refurbishment, often referred to as buying the worst house in the best street. It's almost impossible to do this with a unit. But remember, you can achieve a free value add by simply picking an area with strong growth potential.

This should generate strong demand, which should push up the price.

I am not at all troubled by the usual negative comments about property. Australia's population is on track to reach 40 million within 35 years — this has to be positive for anybody who buys well-located, quality real estate today and hangs on to it for the long term.

Noel Whittaker is the author of Making Money Made Simple and other books on personal finance. His advice is general in nature and readers should seek their own professional advice before making any financial decisions.

ASK THE EXPERT

Send your questions to Noel Whittaker noelwhit@gmail.com or tweet @NoelWhittaker

Q I am wondering whether someone is entitled to a supplement or part supplement for rent if they own part of dwelling where they reside. They would still be paying an equivalent percentage of rent to another landlord.

A The Department of Human Services tells me rent assistance may be paid to a person who gets an income support payment or receives more than the base rate of Family Tax Benefit. However, when a person owns or part-owns their principal home, they are assessed as a homeowner and are not entitled to rent assistance if they pay rent to another part owner.

Respect a key concern in all great workplaces

EVER dreamt of the ideal workplace, where the job is challenging and rewarding and colleagues pull together to offer in-demand products or sought-after services?

These are the type of workplaces where careers blossom and the bottom line thrives.

Many organisations claim to be exceptional places to work, but the amazing work environment that you heard about when you were being recruited often does not live up to expectations.

Great workplaces don't just happen — they are made to happen by effort and commitment.

WORKPLACE MATTERS Gary Martin



In these great workplaces, leadership is key. From executives to mid-level managers and frontline supervisors, leaders demonstrate respect, credibility and fairness and in doing so build trust with employees.

They play a key role in making sure all employees are clear on the purpose of the organisation and in connecting everyone to that purpose, and they place emphasis on strong core

values based on integrity. But leadership does not stop there.

A great workplace highlights the importance of teamwork at the same time as encouraging individual achievements, creativity and innovation. Such a workplace empowers individuals by recognising that decisions need to be — and will be — made at all levels across the organisation and at a rapid pace.

The individuals who make decisions will receive regular constructive feedback on their efforts to help them enhance individual performance and that of the organisation.

The feedback embraces

areas for improvement, and gestures of appreciation and gratitude.

In great workplaces there is typically an atmosphere of open communication. Workplace leaders are visible and available to provide advice, at the same time as listening and responding to challenges and opportunities raised by those working at the coalface.

The workforce reflects the make-up of the community and takes advantage of the diverse perspectives brought to the organisation, and a relaxed and productive environment prevails. The greatness comes from the top down and the

bottom up — it has to be an all-inclusive commitment.

There is a commitment to excellence among employees who carry out their work without intimidation, discrimination or fear, but with a healthy dose of understanding, respect and compassion.

But wait — there's more.

A great workplace invests in its employees by providing regular opportunities to develop knowledge and skills so they can continue to be high performers and respond effectively to trends and changes in market conditions.

And recognising that employees have commitments

outside of the work environment, workers participate in flexible work arrangements, which helps to sustain a healthy work-life balance.

Above all, a great workplace consists of people who care for each other.

Employees show concern for the physical and mental health of their co-workers and they rally behind each other when an individual faces a personal challenge.

How does your workplace rate?

Professor Gary Martin is chief executive at the Australian Institute of Management WA