

Property Secrets **unlocked**

Paul Giezekamp lives, breathes and sleeps property, and wealth creation is his mantra. With a personal portfolio of 18 properties worth over \$8m, he makes investing in bricks and mortar look easy. Giezekamp knows he has developed a sure-fire strategy to grow any property investor's wealth position beyond their wildest dreams – and he wants to show you how it's done

Paul Giezekamp

Married to Kathrine with two children, Annalise, 4 and Cleo, 1. Together, Paul and Katherine own over \$8m worth of property. Of their 18 properties, 15 are houses and three are units.

At 19, driving a decaying Datsun 200B and living in a garage in Greenacre, NSW, Giezekamp was motivated to change his life.

“I thought: I need to make money, and the way I’m going to do that is to work four jobs,” recalls Giezekamp. “One of my jobs was working with Callaghers Estate Agents in Annandale on Saturdays, doing open houses.

“At this job, I noticed the property investors coming to these open homes were driving nice cars. I thought that there’s got to be something to this property game.”

Another job was as a security guard. In his early twenties, Giezekamp saw the opportunity to purchase his employer’s security business.

“I was sick of working long hours and paying too much tax, so I bought the security business.”

Over the next eight years, Giezekamp turned the company from a one-man operation into a leader in the pub and club security industry, with 120 staff. Even so, he was still not satisfied. “I was making really good money and I had good cash flow, but I wasn’t passionate about security like I was with property.”

During this time, Giezekamp says there were experienced property investors around him, advising on how to invest in property, but he chose not to take their advice. He then went out to do what most first-time property

investors do – and learnt by trial and error.

“The thing about trial and error is that it costs you two things – time and money. Time looking at the wrong deals and money lost on lemons.”

Giezekamp continued with trial and error property investing until his thirties. “Looking back, I wish I’d listened more to the experienced property investors as it would have saved me 11 years of frustration.”

Learning the hard way

When Giezekamp recognised that he needed some guidance, he set about finding a property coach.

“I really don’t believe anyone can be as successful as they want to be, if they don’t have a coach. Even the greatest sportspeople like Tiger Woods and Roger Federer, who are number one in their chosen sport, have coaches to help them fine-tune what they’re doing,” Giezekamp says.

His first property coach advised him to buy units in outer Sydney. After acting on this advice, Giezekamp discovered that the coach had no property investments himself and was bankrupt. As could be expected, the advice he received wasn’t world-class.

Giezekamp flicked the coach and moved on, finding another mentor whom he qualified upfront. “My next coach had 30 properties within his





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family,” Giezekamp says. “I started working with him and, eventually, I became his ‘right-hand man’, meeting with his clients and doing property investor ‘snapshots’.”

Snapshots, he explains, involve assessing an individual’s financial and investment position; what they have now, what they want to achieve, how much equity/savings they have and what their options are.

“When you do snapshots over 5,000 times you start to get pretty good at them,” Giezekamp explains. “I noticed that I was using a system that my second property coach wasn’t using.

I tried it, and it worked. So I tried it again, and it worked again. This was in boom time, but then the property prices dropped dramatically. I tried it again then – and it still worked. I realised then that my system worked in both boom and bust situations.”

Magic formula

By the year 2004, Giezekamp had formally developed his property investment formula and created a new business, Property Secrets, to offer the system to other investors.

“This is when I started talking to friends and family about it, and they

started doing it successfully too. Then friends of friends started doing it, and it got bigger and bigger. Twelve months ago, the business got so big we reached a point where we had to move to larger premises in Leichhardt.

“Today, when my clients use the Property Secrets system, they don’t have to go through any costly trial and error,” says Giezekamp. “Our system reduces risk, accelerates financial wealth and independence through sound property investment.”

Property Secrets buys investment properties for its clients in the outer suburbs of major Australian capital cities, for example Sydney suburbs like Liverpool, Blacktown and Penrith. This is where it finds bargain houses for \$300,000 and under. Property Secrets never owns any clients’ property, but connects the buyers to the properties via the licensed selling agent.

“Occasionally, we come across clients that want to buy for themselves. When we compare what they purchase for, to what we have, we’re always cheaper. Also, these people don’t have the *Property Secrets 25-point purchase formula*, so they’ll be buying using trial and error. While I understand why people want to do this themselves, it doesn’t make sense if they’re buying poorly, either by price or product.”

Property Secrets then suggests to clients to follow the system and invest in a full renovation at a cost of around \$30,000.

“We’ve done the thousand-dollar renos in the past, and you end up with tenants calling you two months later with complaints. We strive to create low-maintenance investments for our clients, so we like to gut the property completely and do a proper renovation.”

Property Secrets’ way to succeed

When Giezekamp started investing in property, he had to ‘cherry pick’ the services from outside sources: finance from one company, purchases through another. While the years clicked on, Giezekamp created his own divisions, due to his frustration over the ‘incompetence’ of numerous external companies. The result was Property Secrets – a property investment company that does everything.

Giezekamp believes all six factors below are the reasons why his company – and his clients – are so successful.

1 Coaching
This includes free seminars once a month, free one-on-one snapshots and free educational property trips.

2 Financing
Mortgage brokering vs mortgage planning. Mortgage brokers normally look at one loan at a time. As mortgage planners, Property Secrets assesses its clients’ situation, looks at what they’re trying to achieve and then plans the investment strategy. “We do this so they can readily borrow for the second, third or more investment property,” he says.

3 Buying
Giezekamp believes that if you buy well, you propel yourself immediately into the next investment property. Buy a lemon and you’re stuck from day one. “We have licensed buyers’ agents on staff. Their job is to source great deals for our clients based on the Property Secrets 25-point purchase formula.”

4 Renovating
Property Secrets introduces its clients to an experienced licensed builder who has renovated hundreds of properties for the company in the past. A renovation price and contract conditions are agreed to by all parties before renovations commence, and then this is lodged with the HIA. This contract includes set prices. Any variation must be lodged with the HIA. Due to the volume of business Property Secrets refers to the builder, its clients typically get huge trade and supplier discounts on the renovation costs.

5 Managing
Giezekamp says that his company has negotiated property management fees down to 5%, GST inclusive. “Most individual property investors could pay up to 9% plus GST for property management fees. The reason why we get 5% is due to the ‘volume’ of properties given to select real estate agents. “Due to our properties being renovated to a high level, this attracts quality, long-term tenants.”

6 Protecting
Property Secrets believes that every property investor has a different asset situation. “We want all of our clients’ assets to be 100% protected



Property Secrets’ top 20 investor traps

1. Buying off the plan
2. House and land packages
3. Builders/developers
4. Wraps (buy-to-own schemes)
5. Units/high-rise apartments
6. Auctions – emotional buying
7. Property clubs
8. Mezzanine/bridging finance
9. Too good to be true investments
10. Rural areas
11. Holiday letting
12. Time share investments
13. Rental guarantees
14. Cross-collateralisation
15. Development finance companies
16. Second mortgage finance
17. Joint property venture agreements
18. Non-licensed builders
19. Overseas investments
20. Hybrid trust structures

for the absolute worst-case scenarios. Our team ensures this happens via the Property Secrets ‘Property Protection Package,’” Giezekamp explains.

The future

Property Secrets and its clients own hundreds of renovated properties in locations across Western Sydney. Giezekamp agrees that the areas they’ve invested in aren’t highly desirable at the moment, but says he has big plans for these districts.

“The plan is to help our investors build brand new properties on their sites by 2011,” he says.

“This will attract massive tax benefits, capital growth as well as completely rejuvenate these locations,” he continues.

With this strategy, volume is power. Giezekamp has already spoken to a number of master builders who’ve quoted prices to build these new properties, but instantly dropped the construction price by over \$50,000 for each property if the volume of builds are there. “The plan is to have 5,000 properties by 2011 in these areas,” he says

Property Secrets and its clients are currently buying up properties in Sydney, Melbourne and Adelaide.

By the end of this year, they’ll be Australia-wide. ■