

DESIGN ENHANCING LIFE



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Newsletter

THE TIME TO INVEST IN YOUR PROPERTY IS NOW

Take a moment to gaze into the crystal ball with me to see where the property market in Southeast Queensland is headed.

Currently there is a chronic undersupply of new housing in the Southeast corner. The rental market is more competitive than ever. Yet more and more people are moving to Brisbane and the Gold and Sunshine Coasts. High migration coupled with the government's attempts to restrict urban sprawl, will only lead to the housing crisis getting worse.

So where is this all heading? Higher property prices.

In fact, it's predicted that over the next decade, prices in Southeast Queensland will skyrocket, resulting in big returns for property owners, particularly those who have invested in their homes.

Interest rates are still quite low, making this a very attractive time to borrow for home improvements. Best of all, it will be

money well invested; an investment that will dramatically increase in value over the medium to long term.

But there is a catch.

As the property market grows, the homes that will attract the highest returns will be those that have been well designed and well built. Simply adding an extra room or two to your home with no thought of connectivity or liveability will not give you anywhere near the returns that a beautifully designed renovation will bring.

Homes that are designed with low cost sustainability in mind will no doubt be the most sought after. Electricity prices, gas prices and water rates will all continue to rise, particularly as a growing population places more pressure on these resources.

A home that is inexpensive to run will be high on everyone's shopping list. As will a home that caters for people's lifestyles, with a strong connection between the outside and interior of the home will certainly be highly desirable.

So now is obviously the time to invest in your property; whether that's a renovation, or selling and building a new home from scratch. It's not a time for letting a drafts person or the equivalent design your home. It's a time to invest in having **Dion Seminara Architecture** design a home that will capitalise on the upcoming property boom.

This is an opportunity that's too good to miss. You can see what the future holds. Call us today and let us help you take full advantage of your homes future potential.



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YOUR ARCHITECT'S TIPS WHEN INVESTING IN PROPERTY:

- Understand what you want from the property long term.
- Understand the planning rules, service issues, design issues the feasibility of it all before you buy.
- Understand how a great aspect can significantly enhance a property.
- Understand climate as you may be able to unlock this and add significant value.
- Understand space and you may be able to add more bedrooms or bathrooms for very low costs.
- Understand your market and the needs of that market particularly if your property is going to be a rental.



CONNECTION OR ISOLATION; THE IMPORTANCE OF BALANCE

You will often hear architects, including myself, talk about *'connection'* when discussing home designs. But what does it mean exactly, and how does it apply to your home design?

AREAS OF CONNECTION

When I discuss *'connection'*, I mean that various areas within your home should be linked in a pre-planned way. For example, in the old days houses were designed with lots of walls, doors and hallways. You passed through a door, along a hallway, then through another door and into the next room.

In these homes the kitchen was often separate from the main living area of the home. The person preparing the meal was removed from any conversations and activities that were taking place elsewhere within the home.

Over time the doorways became wider, the hallways became smaller and the entire inside of the home opened up allowing people to remain *'connected'* to other people within the home. This connection is very much desirable in modern home designs, to the point that hallways have almost been completely done away with. But has it gone too far? Do all areas of your home need to be connected?

REMOVED BY DESIGN

There are some areas of your home that are best to be removed from the main activity areas of the home. Bedrooms are a good example of this. You would hardly want to be sleeping right next to where someone is watching television for example. But there are other parts of the home that can also benefit from *'exclusion'*.

Whilst there are times when we want to feel included, there are also times when we want seclusion. Settling in with a good book or magazine is far more enjoyable away from the distraction of

conversations or televisions. A great home design will incorporate an area for the purposes of reading or peaceful reflection.

But it's not always about quite time. A home theatre for example, where you want to watch movies to the full potential of your surround sound system, is best to be removed from the rest of the home. That's not to say that it should be stuck in a separate building altogether, you still want easy access to refreshments after all, but the design of your home should mean that your movie watching does not impact adversely on the activities of other occupants.

OUTDOOR TRANQUILITY

Of course it's not only the inside of the home that needs to be considered. I often tell my clients that the outside areas of their homes should seamlessly be connected to the interiors of their home, but only to a point. There are times where a quiet corner of the garden can become the most attractive aspect of your home.

A well planned outdoor area will often incorporate a secluded area within the garden that captures the warm winter sun, yet blocks out the hustle and bustle of the rest of the yard. This area can be the perfect place to relax on a garden bench or perhaps even a swing in a hammock. Your garden does not need to be massive, even small gardens can house a secluded corner.

So whilst connection is vitally important in great home designs, so too is planned exclusion. A beautifully designed home will give you the best of both worlds. If you would like to achieve this with your existing home, or perhaps a new home design, then contact us today and let us help you achieve the perfect balance.

OVERCAPITALISATION: IS IT REALLY A BIG DEAL?

If you have been to one of the numerous property investment seminars that have been doing the circuit over the past decade, chances are you have heard the term '*overcapitalisation*'. There is also a chance that you have been told that it's potentially a very bad thing. But is it really that bad? Is it really something that you should be worried about?

Well if you're developing a property with a view to selling it quickly for a profit then yes, overcapitalisation is a very bad thing. But if you're building a home to live in for a number of years, then chances are you need not concern yourself with whether or not you have overcapitalised.

To better understand this, stop and think for a moment about what overcapitalisation really means: It simply means that you have spent more money on your home than you would be likely to recuperate if you put your home on the market as soon as your property was completed.

But if you have no intention of selling your home in the near future, then chances are the extra you invest now will be offset by the growth in property prices over the coming years. And given the way the property market is poised to boom in Southeast Queensland, chances are it will not take many years before your property is worth significantly more than you have invested.

Of course there are limits and it's possible to spend more on a property than you could ever recuperate. But as long as your level of investment is within reason, then there is no reason to not create a home with everything you have ever wanted.

Of course if you are concerned then you should talk with your accountant and/or financial advisors, but chances are you have very little to worry about.

Many people have become so hung up about overcapitalisation that they go without many of the things they ideally wanted even though they have no intention of selling it in the next 10, 15 or 20 years. By that time the extra they could have spent to have those extra luxuries would have been more than offset by the growth in property prices.

Overcapitalisation is **ONLY** an issue if you intend to **SELL** your home. If you're not looking to sell in the next 5 to 10 years, then chances are it is not something that you should lose any sleep over.

To give you an example of this, clients of mine purchased a property in Coorparoo for a little over \$300,000 in 1999 and then invested a further \$300,000 in renovations. Certainly at the time the renovations were completed they had '*overcapitalised*'. But when they put the property on the market only 4 short years later, it sold for just under \$800,000. Not a bad return on investment in just 4 years.

The most interesting part of this example is that they invested in getting me to create a quality design for them. The beautiful design, coupled with the growth in property prices, meant that whilst they may have overcapitalised initially, it took very little time for the property to grow in worth well beyond their initial outlay.

So whilst you may have heard horror stories about the pitfalls of overcapitalisation, if you intend to live in your home for any length of time, chances are the extra you invest in creating your ideal home will have little bearing on you in the long term.

If you would like a quality new home or renovation design, or to talk more about overcapitalisation, then feel free to give us a call, and let us help put your mind at ease.

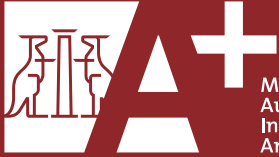
ADDED VALUE

As a client of **Dion Seminara Architecture** you don't just get great designs, you also receive loads of extra value services such as:

- Obtaining independent cost estimates to ensure your project stays within your budget.
- Visually demonstrating the look and feel of your project prior to construction.
- Providing staging options to help you manage your finances.
- Assessment of any council regulations/statutory controls that may affect your site.
- Creating highly detailed designs to ensure accurate building quotes.
- Unique lifestyle designs that perfectly suit the way you live and maximise your homes potential.

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