



WHITE-KNUCKLE RIDE

It's been a nerve-wracking journey for a newbie Christchurch investor. But his bold plan has paid off, as **Joanna Mathers** discovers.

Uninsured. Earthquake damaged. Two phrases that would see most property investors heading for the hills. But Michael Calder from Christchurch isn't like most investors; and his property journey has not been for the faint of heart. His guts and determination have yielded some amazing results, and he's looking to repeat his winning formula again.

Four years ago, Calder was a day away from confirming an unconditional offer on his first home. A tidy renovated townhouse "with no further potential" it was the perfect home for a first-time buyer.

But the young real estate agent wasn't convinced. He'd been talking with friends and colleagues about the possibilities of property investment. How it was a great way to build wealth and secure a future. But with only \$30,000 savings combined, he couldn't see any way to facilitate such a move.

So, he started to think laterally. He'd been made aware of an old earthquake damaged bungalow in Richmond. The floor wasn't level: "If you put a marble on the floor it would roll to the other side of the room," he explains.

It also wasn't insured. But it had potential. He realised that if he

could somehow raise the money for releveling (something he'd need to do for insurance purposes) he may have a decent renovation project on his hands. But as it was, no banks would touch it.

The home was a rental and the owners had grown sick of wrangling over insurance payouts and decided to move to Wellington. Calder obtained quotes from builders around how much releveling would cost him - the estimates were between \$25-\$30,000. But this would instantly raise the value of the home (which would then be insurable) to around \$400,000.

He decided to take a risk.

"I obtained a 17% loan from a third



A wonky, earthquake damaged house (with no insurance) has proven to be a solid investment for Michael Calder.



RENOVATION



tier lender for \$200,000. With my \$30k savings, I bought the house at auction with no insurance for \$206,000 in 2017," he explains.

No insurance, in an earthquake prone area, and 17% interest. Luck could go either way. Time was of the essence, he needed the work to be conducted as quickly as possible for this not to become a monumental disaster.

"Every night after work I carefully took up the old tongue and groove floors and started getting the foundation ready to re-level. The builders came and did the releveling. Once that work was complete and signed off by engineers, I painstakingly stitched the rimu floors back in."

It was a "pretty lonely journey", he admits. He'd wake up in a cold sweat, worrying about earthquakes: racing from weekends of open homes to work on his reno.

But the bold strategy paid off. Within a few months (and \$7,000 interest) he was able to gain insurance for the property. And with the insurance signed off, he refinanced with a second tier lender (at a comparatively competitive 7%) before proceeding to gut the property, from front to back.

Working nights, weekends and any other free time he had, Calder proceeded to complete the renovation himself. It would be a long and hard job.

The 1940s bungalow had character in spades, but it was stuck in a time warp.

'I obtained a 17% loan from a third tier lender for \$200,000. With my \$30k savings, I bought the house at auction with no insurance for \$206,000 in 2017'
MICHAEL CALDER

The kitchen had forest green cabinetry and the house was strewn with green carpet. The configuration was standard for homes of this era: there was a segregated dining room and an internal foyer that led to the front door.

In order to open up the space, Calder had to remove the wall between the kitchen and dining room. The dated kitchen was replaced by a contemporary kitchen from Kitchen Express: grey offset by wooden features, it's now a great space for entertaining.

The tiled kitchen flows on to the new dining room. Calder kept the charming stained glass windows in this space, which has allowed it to retain its character, while being brought up to 21st century standards.



Completely refreshed and renovated, the home is now stylish and modern.



RENOVATION



The bathroom (which was “too ugly to take pictures of”) featured fake terracotta tiles, the shower was painted green. Calder refreshed the space with a bath, shower, vanity and tapware from Mitre 10.

The bedrooms were replastered and repainted. Calder did these jobs himself; he learned how to plaster by watching a YouTube video. “I had a builder check it over; he couldn’t believe that a professional hadn’t done it.”

The interior painting featured Resene Baltic Sea for feature walls and highlighting in other spaces of the house. This dark grey was a striking counterpoint to Resene Alabaster, a near white which was used for the remaining walls.

As Calder was replacing like for like, the consent process wasn’t arduous. He had a \$100,000 budget for the renovation (\$30,000 from the third tier lender and the remaining \$70,000 from the second tier lender). He completed the renovation in 2019, and was able to get a new mortgage from a main bank.

The home is now valued at \$650,000. Calder always wanted to buy and hold, and build up equity this way. It’s bringing in \$540 a week in rent.

While working on the build, he met the woman who was to become his wife. She was also interested in investing; the pair pulled equity from the bungalow to buy a two-bedroom townhouse in the CBD.

“We’ve also just bought a 300m² home next to the beach, which is where we are living. This is still with equity left in the old girl!”

At 30, Calder’s daring investment plans have paid off. He doesn’t know anyone else his age in such a good financial position. The process has been slow, arduous and often lonely, but he’s now in the position to start all over again.

Christchurch is no longer overrun with cheap, earthquake damaged renos waiting to be restored, however. He says that the houses now coming on the market are being sold by people “who have had 10 years fighting with insurance to get payouts and have just given up”.

But as a real estate agent, he’s in a good position to find something ideal. And once he does, he will start the process all over again. ■



GOING GREY

Because of its sheer neutrality, grey – which is after all a straight mix of black and white – is the sort of colour that suits almost any project, contemporary or traditional. Grey can be turned into any flavour or style simply by adding accent colours with kitchen accessories. Some current favourites to try are ochre, rust, peach, creamy white, stormy blue and soft green.

Silvery or dove greys, like Resene Half Concrete and Resene Athens Grey are elegant and soothing. These look superb with pale timbers, and fleecy whites, like Resene Merino, for a pared back Scandi look or made to sparkle with icy whites, like Resene Alabaster, and pewter or silver accessories.

Mid tone greys like Resene Silver Chalice or Resene Half Stack strike a more serious note and are a good gender-neutral mid-ground. They can be brightened with icy whites and warm accents of mustard, terracotta and red or kept cool and intriguing by using a tonal scheme with other greys or stormy blues or earthy greens.

Almost-charcoals like Resene Half Tuna and Resene Quarter Baltic Sea can create a smouldering masculinity or a sanctuary-like haven. This type of colour looks superb with either a luxe leaning with chandeliers and antique gold accents or can soothe the neat freak in all of us with a minimalist crispness.

A grey and white colour scheme worked wonders in this character home.

