

# SOMETHING FROM NOTHING

Ten years ago, **Sarah Coupland** was wallowing in debt and living in her parents' garage. She now owns more than 20 units and has become Cobourg, Ontario's go-to property management expert



**A**fter completing university in 2004, Sarah Coupland found herself in the same position as a lot of recent grads: peering out at the world from under the shadow of Mount Debt. Her fast-paced, commission-based sales job coordinating reservations for the upscale Ste. Anne's Spa in Grafton, Ontario, provided a robust income, but in order to get out of the red, Coupland had no choice but to move back into her parents' home in Cobourg.

"I had planned to live there for six months

"I wasn't going to go out and date somebody so I could buy a house," she laughs, "so I went for the tenant option and started looking for income properties."

### A little help

Coupland searched for an income property that fit her budget, eventually deciding on a duplex in Cobourg that would set her back \$142,000. "It was the biggest dump," she says.

Like many young investors trying to get a toe on the slippery first rung of the property

More help would come in the form of Coupland's future husband, Jamie Lowry, who came on the scene two months before she took possession of the duplex. "I said, 'Well, if you want to keep dating me, bring your work boots and a hammer,'" Coupland says. "And he did."

The trio spent two months renovating the half of the duplex that would be tenanted and quickly rented it out. It took another four months of hard work before the side Coupland planned to live in was completed. But the trio's efforts paid off. Coupland had built up \$120,000 in forced appreciation.

"I went, 'Wow. This is kind of awesome. I need to do this again.'"

### Hemmed in by success

In 2009, Coupland and Lowry were living together and looking for another chance to successfully leverage their buy-fix-refinance strategy. They found and renovated another duplex, the forced appreciation of which allowed them to buy their first single-family home in 2010.

---

**"I thought, why didn't I do this sooner? You're not at all held back by your own limitations when you start working with JV partners"**

---

until I got on my feet," she says. "It ended up being three years."

While her student loans and daunting credit card balance were factors, Coupland's extended stay in her parents' garage had more to do with her future plans than her past spending.

"I decided that I did not want to be a tenant," she says. "I did not want to pay somebody else's mortgage. I wanted to save up and have my own house."

But with her debts devouring a significant portion of her income, financing wasn't going to be easy. Coupland met with a mortgage agent who could secure her a loan at 5%, but she would need to either find a tenanted, income-producing property or combine her savings with those of a domestic partner.

ladder, Coupland turned to her parents for assistance. A down payment was just out of reach, so her father offered to pay for it with his credit card. Coupland agreed to a cash-back mortgage, and after receiving 4% back on closing, she paid off her dad and turned her attention to building value into the property and increasing its rentability.

"We basically had to gut the whole place," she says.

Coupland's father, who had previously converted his garage into the bachelor apartment she lived in, was eager to put his experience to work for his daughter. "My dad's pretty handy," she says. "I'm really handy now, but I was just learning then. He taught me how to drywall, how to tile, how to do plumbing."

## 5 INVESTING TIPS

- 1 Use partners.** You can grow much faster when you aren't held back by your own limitations.
- 2 Delegate and outsource.** Build a team you can trust and use them.
- 3 Surround yourself with others who are doing what you want to do.** You can learn from what others are doing and stay motivated in your real estate business. (I never miss Durham REI for these reasons.)
- 4 Embrace continuous learning.** This allows you to be adaptable and better able to take advantage of opportunities.
- 5 Involve your family.** Give your kids the best education in investing!



Coupland's four-plex on Walton Street in Cobourg



Before



After

The rehabbed exterior of Coupland's duplex on Matthew Street in Cobourg



Coupland's current reno project on William Street in Cobourg



Coupland's six-plex, purchased in May 2016



Coupland's daughter, Quinn: property manager in training

"It was going to be a flip," Coupland says, "but after renovating two duplexes – and we renovated the kitchen and the bathroom on the house – we were done." But the work put into the house, as well as four years of appreciation, was enough to significantly increase its value. In 2013, Coupland and Lowry refinanced it and purchased their first four-plex.

While the new property allowed them to enjoy a new level of cash flow, it was purchased turnkey, which ended up limiting their ability to expand their portfolio.

"When you buy a turnkey property, you have no way to pull your money out," Coupland says. "We had no money left to invest in anything. We had good cash flow, but we had no cash in our pocket. Going forward to buy additional properties after that was very difficult."

During a conversation with her lawyer, Coupland explained her financing difficulties.

Well aware of the success she and Lowry had been having with their properties, he was able to connect her with an associate who agreed to help finance future deals.

The experience opened Coupland's eyes to the powerful combination of investor savvy and other people's money. Funds from her lawyer helped her purchase a second single-family home in 2015, and highly profitable joint-venture partnerships allowed her to buy two more multi-family units – a six-plex and a 12-plex – in 2016.

"I thought, why didn't I do this sooner?" she says. "You're not at all held back by your own limitations when you start working with JV partners."

### **New priorities, new opportunities**

In 2012, prior to the purchase of their first multi-unit building, Coupland and Lowry were preparing for the birth of their daughter,

## SARAH COUPLAND'S PORTFOLIO

Location	Property type	Purchase date	Purchase price	Monthly rent	Current value
Mathew Street	Duplex	Aug. 2007	\$142,000	\$2,300	\$375,000
Division Street	Duplex	Jan. 2009	\$178,000	\$2,250	\$360,000
Nickerson Drive	Single-family home	Aug. 2010	\$179,000	Sold in 2015	\$260,000
Walton Street	Four-plex	June 2013	\$275,000	\$3,100	\$475,000
Abbott Blvd.	Single-family home	Jan. 2015	\$185,000	Primary residence	\$550,000
James Street	Six-plex	May 2016	\$620,000	\$4,938	\$700,000
King Street	12-plex	Nov. 2016	\$585,000	\$10,623	\$750,000
Centennial Drive	Single-family home	Dec. 2016	\$260,000	Flipping	\$450,000
William Street	Triplex	Jan. 2017	\$290,000	\$3,600*	\$500,000

\*after renovations

Quinn. At a meeting of her local Landlords Association, Coupland was approached by investor (and frequent *CREW* contributor) Michael Dominguez, who noticed her condition and was curious about what she would be doing for work once the baby arrived. He proposed that she start managing his six-plex in Cobourg.

"I thought, 'Sure, a baby doesn't take any

She now manages almost 200 units in a rapidly intensifying Cobourg market that has already forced her and her husband to alter their plans. Coupland's investment goals for 2016 were to flip three properties and buy a multi-unit building, something made impossible by Cobourg's rapidly rising detached home prices.

"I could not wrap my head around the

"Multi-units have not been hit by the price increases that single-family homes have. And you have economies of scale and more cash flow. They just make more sense for us"

time at all," Coupland laughs.

Her proficiency in managing her own properties had prepared Coupland well for her new position. She was soon being contacted by other investors looking to enlist her services. The demand came at an opportune time for Coupland, whose daughter was experiencing health problems serious enough to force Coupland to leave her job as a financial advisor at CIBC. Opening her own property management company, TAG Property Management, allowed Coupland to manage her properties, replace lost income and care for baby Quinn.

increase in values," she says. "They were going for well over asking, no conditions – very similar to the Durham market. And as a flipper, it's a bit concerning to me because I don't know what the after-renovation value's going to be. Am I buying it for too high now? What am I going to be able to sell it for?"

Hence Coupland's concentrated shift to larger multi-unit properties.

"Multi-units have not been hit by the price increases that single-family homes have," she says. "And you have economies of scale and more cash flow. They just make more sense for us."

## SARAH COUPLAND'S INVESTOR LESSONS



**Small markets can still provide great opportunity.** We only invest in and around the small town where we live and have been very successful.



**Diversify your strategy.** Be open to and knowledgeable about different types of investments. This is especially important in a small market, where you need to be ready for whatever opportunities come up.



**Treat your properties like a business.** Give great service to your tenants and focus on your bottom line.



**Balance investing with your life.** Make sure that you're keeping your reason for investing at the forefront of your actions.



**You don't need to know it all to be a successful real estate investor.** If you can analyze the deal, and the deal is good, you will learn the specifics of what you need as you go. Jump in and learn what you need to learn along the way. The biggest impact on your success is actually taking action.

Coupland's dual roles as property manager and investor have begun to intersect in lucrative ways; she privately purchased a 12-plex for only \$585,000 that was almost fully renovated before she acquired it. As her expertise and reputation continue to grow, one can only assume the number of jaw-dropping deals she pulls off – and the returns they generate – will too. ■