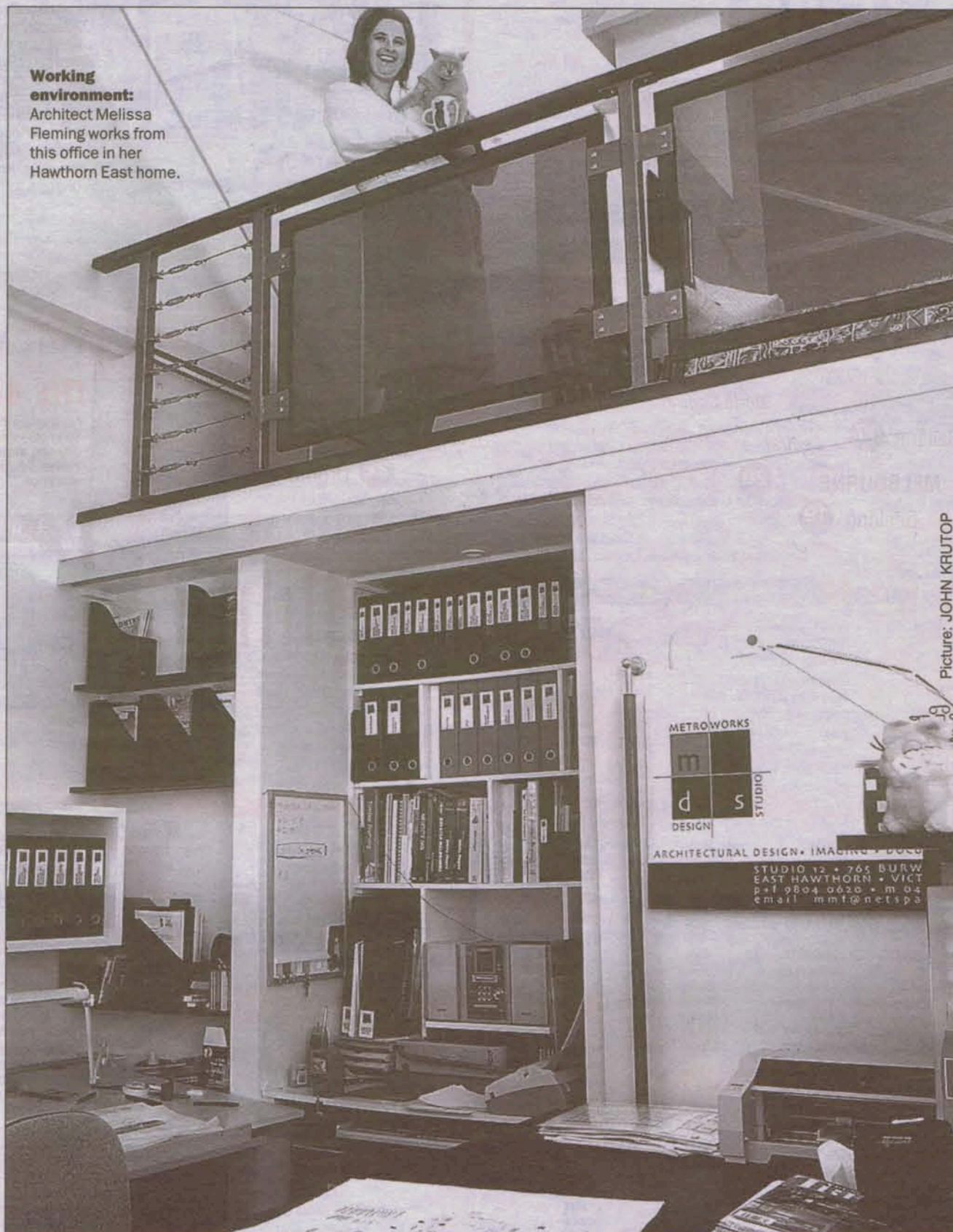


The Key



Working environment:
Architect Melissa Fleming works from this office in her Hawthorn East home.



Picture: JOHN KRUTOP

You work to live but many are now choosing to work where they live.

JANE HOWARD looks at a growing real estate trend.

HOME is where the heart is but for many it is also where their bread is buttered.

Home offices are enjoying a boom in popularity.

With the explosion in Internet use and the shift to consultancy work by many 45 to 55 year olds and young professional women wanting a better mix of career and home life, home offices are a cost-effective and convenient choice.

In real estate terms, home offices are considered an asset — another string to a vendor's bow come sales time.

Shayne Mooney, of Nelson Alexander, said home offices were highly sought after.

"The trend has increased in the last five years and embraces small computer companies, architects, accountants, designers, photographers, writers, as well as some professional people," he said.

"There is an increased number of triple-storey warehouse conversions, where they have a home office on the ground floor and people live above."

Mr Mooney said there was a strong demand for shopfronts that could be converted for home office use.

Developers were exploiting the trend, with more home offices in new residential dwellings, Mr Mooney said.

The need for prime locations for business meant those seeking shopfronts or well-located home offices did not mind buying on a main street.

Other buyers, who did not require access for visitors to their businesses, were seeking studios at the rear of properties for use as home offices.

Mr Mooney said new, three-bedroom, triple-level residences with office space in his Carlton-North Fitzroy domain cost more than \$750,000.

And shop-plus-residence properties in the same area sold for between \$700,000 and \$1-million plus.

Tim Fletcher, of Fletchers Real Estate, said the home office had flourished, but had recently lost some of its momentum in the eastern suburbs.

"I think some people tried it, thinking it would be a good idea, but there was a down side — they did not feel as if they were getting away from home," he said.

"They felt a bit cooped up."

Mr Fletcher urged potential home office users to check their taxation position carefully with their accountant.

Do your home work

"A lot of people do not realise that, as your home is your principal place of residence, if you use part of it as a home office, that proportion of the home may not be classed as a residence and may be liable for tax (capital gains)," he said.

"So the benefits of not paying commercial rents for an office may be outweighed by tax."

Mr Fletcher said that if the home office was not properly designed, it could also interfere with family life. The classic case was a masseur who used the family's dining room table for business.

Nonetheless, Mr Fletcher said a home office was not a negative for vendors.

"I think it is a positive," he said.

"We would market a home

office as a teens' retreat, a separate area for kids to get away from mum and dad, as in-laws' accommodation, or as a home office. It is flexible, so it would improve the value of the property," he said.

Archicentre, the building advisory service of the Royal Australian Institute of Architects, said there was a strong increase in the demand for design advice on renovations that included a home office.

Archicentre managing director Robert Caulfield said that, 10 years ago, renovations incorporating a home office accounted for about 5 per cent of Archicentre design concepts.

"Recently, this figure has jumped to around 25 per cent, reflecting the number of people starting a new career from home," he said.

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Home work earns top marks

The Internet was a key driver of the trend, he said.

From 1998 to 2002, the proportion of adult Australians using the Internet at home increased from 13 per cent to 43 per cent the latest Australian Bureau of Statistics (ABS) figures show.

Architect Melissa Fleming, 31, runs her business, Metroworks Design Studio, from a home office she designed more than three years ago.

She bought a warehouse shell in Maggie T's former fashion factory five years ago, and fitted out one of the shells as a home.

At that time, she worked for another architectural practice and had no need for a home office so the space was used as a second bedroom/pool room.

When she decided to go out on her own, the home office became a logical move.

"It was more cost-effective to work from home and much more convenient. I have not looked back," she said.

"I love it and I would recommend it. I enjoy my own company but if you did not have a lot of outside contact, others might find it difficult.

"That is not a problem for me as I have clients, suppliers, and builders calling so I actually enjoy the peace and quiet when I have it.

"But you need to be disciplined. I don't know how you could work in your pyjamas, you have to maintain a professional front."

Ms Fleming said she was always at her desk by 9am and worked through until 5 or 6pm.

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For those intending to build an office at home, Ms Fleming had some good advice.

"In terms of design, the most important thing is that you need to be able to close it (the office) off from the rest of the house," she said.

Good natural light and ventilation were important considerations for a home office and good security was vital.

Space was also an issue for as an architect Ms Fleming said she had to have stationery supplies but also granite, brick, and paver samples, on-site.

In real estate terms, Ms Fleming said she viewed the home office as a plus.

"I look at it as an asset. I know I look at other properties and think 'how could I work from here?', and it is difficult to find properties that are suitable," she said.

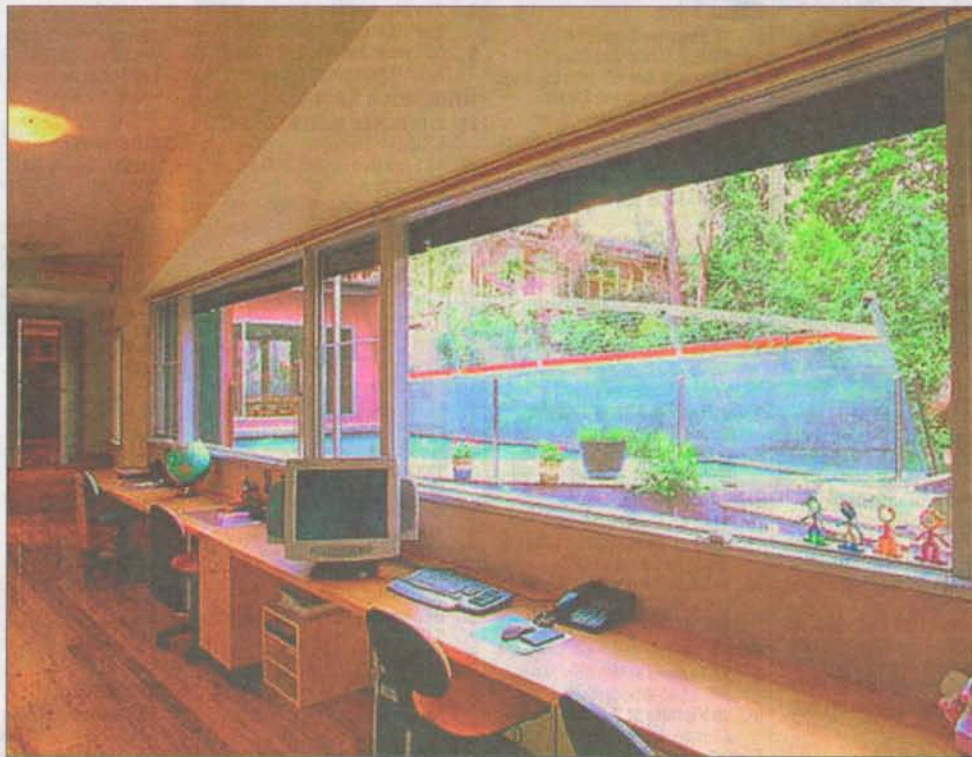
Ms Fleming said the home office seemed to promote an equitable feeling for clients.

"I am pleased to be able to show clients what I have done here," she said.

Dennis Manz, of Manz Architecture, deals in a diverse range of work from residential to retirement villages, and cinemas to shopping centres.

He works from a home office in East Ivanhoe and has also designed home offices. He stressed the need to separate work from household activity.

"You do want to provide a confidence that most clients would expect and a focus that most would want to receive on



Home base: Setting up a home office requires detailed planning.

their work, away from dogs barking, cats, children, and other distractions," he said.

"Having said that, it is fantastic and I love it. I can start early and then have breakfast and walk my nipper to school."

But Mr Manz stressed that home workers had to be very disciplined and able to close the door on home to work solidly.

While storage was a big issue in the past, it was now more important that the office was as IT savvy as possible, with all the wireless networking, powerful databases, and Internet connections needed to make it user-friendly.

"It is worth the investment to make sure you are as IT-literate and capable as pos-

sible," he said. "These days, it is not so much an ergonomic, as an electronic exercise."

Archicentre chief Mr Caulfield said the home office trend was the perfect solution for many as it removed many of the overheads of starting a new business, and allowed one to develop a network without immediate financial pressures. He urged those

buying a home with the intention of setting up a home-based business to check with the local council on planning requirements and an accountant for taxation implications.

He said people intending to set up an office needed to consider several factors that could influence the success of the office, such as:

CAN there be a separate entry for clients to the office area?

CAN you separate business operations from home life?

LOCATION and visibility from the street — an important point for some businesses.

PROVISION of sophisticated communications, including dial-up or broadband cable facilities for Internet access or wireless access.

IS the chosen area of adequate size for the type of work you will carry out?

IS there adequate light and ventilation?

HAVE you chosen the quietest area to work?

HAVE you checked with the local council regarding planning laws in relation to your future business activities?

DO you have adequate parking for the people who may visit your home office and will your business activity disturb neighbours?

BEFORE you set up your home office, check with your accountant on any tax implications that result from tax claims on running costs.

ENSURE that you have appropriate insurance.