Issue 120 June 2018

YOUR PROPERTY NETWORK

www.yourpropertynetwork.co.uk

PROFITS FROM THE GROUND UP

NEW BUILD DEVELOPMENTS

How to make the switch from investor to new build developer.

- **Avoid the pitfalls**
- **How to appraise sites**
- **Funding your development**
- **Mitigate the risks**

New build developers talk through their projects to give you a masterclass in new build development.

10 WAYS TO RAISE FUNDS FOR YOUR NEXT INVESTMENT

FROM DERELICT TO DESIRABLE *(via near disaster!)*

How one YPN reader rescued a property - and the project

PLUS STUDENT LETS VS YOUNG PROFESSIONALS

Which HMO model delivers the best profits with the least headaches!

WELCOME

to the June edition of YPN!

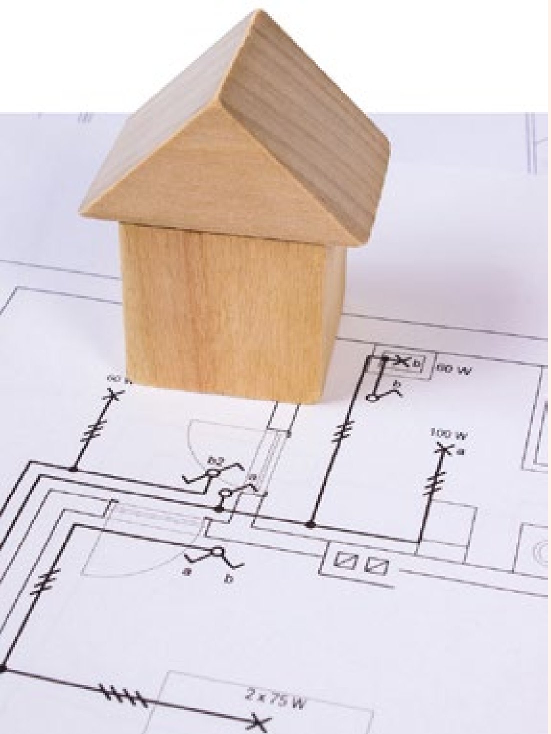
If you've done a few refurbs in your time, chances are the thought of doing a new build project has crossed your mind. That's certainly true for some of us here on the YPN team, so we wanted to put the questions that we had to some inspirational property people who have already made the step from investor to new build developer. What was the learning curve? How did they handle the transition? What are the challenges and pitfalls? How do you work out end values and site values? You'll find answers to these questions and more to help you get started with new build in this month's feature.

A few other challenging questions crop up this month too, with regular contributors looking into ways of raising funds for your next investment, whether it's worth investing out of area, and how to cope when your property business gets on top of you. Much as we love property, there are times when that can happen but good planning, reliable systems and a positive outlook can help you through the tough times to continue building a profitable property business.

Seeing it through for the long term is well worth it, and this is a theme we will be exploring next month when we will be celebrating our 10th birthday. Until then, enjoy reading this month's issue!

Jayne Owen

EDITOR



IN THIS MONTH'S ISSUE ...

Regular readers may spot that a couple of columnists are missing this month. Rest assured, **Mary Latham** and **Mark Lloyd** will be back with landlord and investing updates respectively next month.

Introducing THE YPN TEAM


Ant Lyons
Director and Co-Founder
ant@yourpropertynetwork.co.uk


Mike Kyte
Director and Co-Founder
mike@yourpropertynetwork.co.uk


Jayne Owen
Editor
jayne@yourpropertynetwork.co.uk


George Haines
IT Manager
george@yourpropertynetwork.co.uk


Simon Clements
Creative Manager
artwork@yourpropertynetwork.co.uk


Heather Messenger
Customer Care Manager
heather@yourpropertynetwork.co.uk


Heidi Moment
Senior Writer
heidi@yourpropertynetwork.co.uk


Raj Beri
Writer
raj@yourpropertynetwork.co.uk


Angharad Owen
Writer
angharad@yourpropertynetwork.co.uk


Danni Fisk
Advertising & Events Manager
danni@yourpropertynetwork.co.uk

You can contact the YPN team using the email addresses above or on

07807 236725

Come say hello...

@ypnmagazine

www.yourpropertynetwork.co.uk

THE YPN JARGON BUSTER

A list of the abbreviations and tech-talk used in this month's YPN – and more ...

ACV Asset of community value

ADR Alternative Dispute Resolution

AI Artificial intelligence

APHC Association of Plumbing and Heating Contractors

ARLA Association of Residential Letting Agents

Article 4 An Article 4 Direction removes permitted development rights within a specified area designated by the local authority. In many cities with areas at risk of 'studentification', there are restrictions on creating HMOs so you will have to apply for planing permission. Check with your local planning authority.

AST Assured Shorthold Tenancy

AT Assured tenancy

BCIS Building Cost Information Service – a part of RICS, providing cost and price information for the UK construction industry.

BCO British Council for Offices

BIM Building information modelling

BMV Below market value

BTL Buy-to-let

BTR Build-to-rent

BTS Buy-to-sell

CCA Consumer Credit Act

CDM Construction Design and Management

CIL Community Infrastructure Levy - **The Community Infrastructure Levy is a planning charge, introduced by the Planning Act 2008 as a tool for local authorities in England and Wales to help deliver infrastructure to support the development of their area. It came into force on 6 April 2010 through the Community Infrastructure Levy Regulations 2010. (Source: planningportal.co.uk)**

CIS Construction Industry Scheme – Under this, contractors deduct money from a subcontractor's payments and pass it to HMRC. These deductions count as advance payments towards the subcontractor's tax and NI. Contractors must register for the scheme. Subcontractors don't have to register, but deductions are taken from their payments at a higher rate if they're not registered.

CGT Capital gains tax

CML Council for Mortgage Lenders

CPD Continuing Professional Development

CPT Contractual periodic tenancy

CRM Customer relationship management (eg, CRM systems)

CTA Call to Action

DCLG Department for Communities and Local Government

DoT Deed or Declaration of Trust

EHO Environmental Health Officer

EIS Enterprise Investment Scheme

EPC Energy performance certificate

FCA Financial Conduct Authority

FHL Furnished holiday let

FLEEA cover Insurance cover for Fire, Lightening, Explosion, Earthquake and Aircraft impact, but no other perils. Some times issued for a property that has been empty for some time

FPC Financial Policy Committee

FRA Fire risk assessment

FSCS Financial Services Compensation Scheme

FTB First time buyer

GCH Gas central heating

GDPR General Data Protection Regulation

GDV Gross Development Value

HB Housing benefit

HHSRS Housing Health and Safety Rating System

HMO House of Multiple Occupation

HNWI High Net Worth Individual **a certified high net worth investor is an individual who has signed a statement confirming that he/she has a minimum income of £100,000, or net assets of £250,000 excluding primary residence (or money raised through loan a secured on that property) and certain other benefits. Signing the statement enables receipt of promotional communications exempt from the restriction on promotion on non-mainstream pooled investments. (Source: FCA)**

HP Hire Purchase

HSE Health and Safety Executive

ICR Interest Cover Ratio

IHT Inheritance tax

JCT (contract) Joint Contracts Tribunal – **produce standard forms of construction contract, guidance notes and other standard forms of documentation for use by the construction industry (Source: JCT)**

JV Joint venture

JVA Joint venture agreement

KPIs Key Performance Indicators

L8 ACOP Approved Code of Practice L8 – Legionella Control and Guidance

LACORS Local Authorities Coordinators of Regulatory Services

LHA Local Housing Authority

Libor London Inter-Bank Offered Rate

LLP Limited Liability Partnership

LTV Loan To Value

MCD Mortgage Credit Directive (European framework of rules of conduct for mortgage firms)

MVP Minimum viable product

NALS National Approved Letting Scheme

NICEIC National Inspection Council for Electrical Installation Contracting

NLA National Landlords Association

OIEO Offers in excess of

OMV Open market value

PBSA Purpose-built student accommodation

PD Permitted Development / Permitted Development rights – **you can perform certain types of work on a building without needing to apply for planning permission. Certain areas (such as Conservation Areas, National Parks, etc) have greater restrictions. Check with your local planning authority**.

PI insurance Professional Indemnity insurance

PLO Purchase lease option

PM Project manager

PRA Prudential Regulation Authority – **created as a part of the Bank of England by the Financial Services Act (2012), responsible for the prudential regulation and supervision of around 1,500 banks, building societies, credit unions, insurers and major investment firms. (Source: Bank of England)**

PRC Pre-cast reinforced concrete. Often used for residential construction in the post-WW2 period, but considered as non-standard construction and difficult to mortgage. Most lenders will not lend unless a structural repair has been carried out in accordance with approved PRC licence, supervised by an approved PRC inspector. Legal evidence of the repair is issued in the form of a PRC Certificate of Structural Completion. (Source: prchomes.co.uk)

PRS Private Rented Sector

R2R Rent-to-rent

REIT Real Estate Investment Trust

RGI Rent guarantee insurance

RLA Residential Landlords Association

ROI Return on Investment

RP Registered Proprietor, refer ring to the name on the title of a property Land Registry

RSJ Rolled-steel joist – steel beam

RTO Rent to Own

RX1 Form used to register an application to the Land Registry to place a restriction on the legal title of a property to protect the interests of a third party. The restriction will prevent certain types of transaction being registered against the property (eg, sale, transfer of ownership or mortgage)

S24 or Section 24 Section 24 of the Finance Act (No. 2) Act 2015 – restriction of relief for finance costs on residential properties to the basic rate of Income Tax, beingintroduced gradually from 6 April 2017. Also referred to as the Tenant Tax'.

SA Serviced Accommodation

SAP (assessment) Standard assessment procedure

SARB Sale and Rent Back

SDLT Stamp Duty Land Tax

SI Sophisticated Investor (Source: FCA)

Certified: individual who has a written certificate from a "firm" (as defined by the FCA) confirming he/she is sufficiently knowledgeable to understand the risks associated with engaging in investment activity.

Self-certified: individual who has signed a statement confirming that he/she can receive promotional communications from an FCA-authorised person, relating to non-mainstream pooled investments, and understand the risks of such investments. One of the following must also apply:

(a) **Member of a syndicate of business angels for at least six months;**

(b) **More than one investment in an unlisted company within the previous two years;**

(c) **Working in professional capacity in private equity sector or provision of finance for SMEs;**

(d) **Director of a company with annual turnover of at least £1m within the previous two years.**

SIP(s) Structural integrated panels

SME Small and Medium-sized Enterprises

SPT Statutory periodic tenancy

SPV Special Purpose Vehicle – a structure, usually a limited company, used when more than one person invests in a property. The legal status of the SPV protects the interests of each investor.

SSTC Sold Subject To Contract

TPO The Property Ombudsman

UKALA The UK Association of Letting Agents

USP Unique selling point

PROFITS FROM THE GROUND UP

MAKING THE SWITCH FROM INVESTOR TO NEW BUILD DEVELOPER

There's something seductive about the idea of doing a new build project. Surely one of the most creatively satisfying things you can do in life is to envision a new building, make it happen and ultimately – literally – leave your stamp on the landscape.

Not all new builds fall into the 'creative aspiration' category though. The larger corporate housebuilders, for example, have a keener interest in maximising accommodation units and profits on a site compared with an architect or a self-builder who will be more drawn to create something unique, but which might carry a higher build cost.

When it comes to development, there is a middle ground (if you'll pardon the pun) between the corporates and the individual home-builder, and this is where smaller and mid-size developers – people like us – come in. For investors and developers, it goes without saying that any property project must be profitable, but small and mid-sized new build projects can offer a level of creativity to the residential property market that the large-scale builders cannot.

Creating something from nothing, particularly when it comes to property, can bring huge rewards but there are some pitfalls to watch out for too. Novice developers can easily overlook some of the technical, legal or design details that experienced builders encounter every day. For example, on the first new build that the Other Half and I Jayne ever did many moons ago, we miscalculated the distance for laying in the services, which added a few thousand pounds to the build cost. We also learned a good few lessons about reading plans properly, where and where not was a good location to build a new property, and what the finished product was worth.

The knowledge gap between investor and new build developer is broad. It's a whole new industry, and one that involves money – usually lots of it. In many cases, lenders will want to see experience on the development team. That's not to say that the transition is impossible – far from it, as the contributors to this article will show – but it is worth either starting small or else working with someone who already has a few new build projects under their belt.

On the other hand, becoming a new build developer has some massive upsides. If you have already done a few refurbishments or conversions, one of the big advantages is the degree of stability on build cost once you're out of the ground. Once the build phase has started, you're far less likely to uncover any nasty surprises in the way that you might when working on, say, a Victorian house.

You also have opportunities to be creative in the deal itself – in the sense of potentially spotting something that others have missed, or in the way that you structure the deal. Land deals and building sites are more commercial in nature, and sellers are often willing to be more flexible and more open to negotiations involving subject to planning, exchange with delayed completion or an option. This can play a big part in de-risking the deal.

One of the most crucial aspects of new build is to understand the local market and the people that you are building for. Before you start, you must have an idea of the end value. That can be challenging if the property you are building is unique, so having good relationships with agents and a nose for what people are looking for in the area, along with understanding what the local planners favour will play a part in your due diligence.

In this feature, we wanted to find out how to tackle some of these issues –bridging the knowledge gap, barriers to entry, where to start in assessing end values, calculating build costs, what research to carry out and a whole load of other questions. The developers we have spoken to share with you what they have learned along the way, current trends, how they spotted the opportunity in a site, what went wrong, what went right … and plenty more. In addition, regular contributor and new build expert Richard Little outlines the basics of how to value a potential site.

If you're interested in building from scratch, start reading now!

Ant & Jayne

PERSISTENCE PAYS OFF

CONTEMPORARY, ENERGY EFFICIENT NEW BUILD DEVELOPMENTS

Jonathan Bootland

Interview & words: **Heidi Moment**

Jonathan Bootland's approach to new build incorporates great design, sourcing well and a lot of persistence. We caught up with Jonathan to find out all about it.

WHAT DID YOU DO BEFORE PROPERTY?

I trained as a marine engineering officer in the Navy, then I worked for the Department of Environment, Property Services Agency managing all Crown properties - Crown courts, Job Centres, HMRC and DSS buildings, and I later moved into Facilities Management, providing BT's Planned and Reactive Maintenance services.

In 2007 I was offered a redundancy package so I took the opportunity to go and work for myself. I started by building my own portfolio, starting with single lets. Then I moved onto HMOs, focusing heavily on increasing revenue, reducing overheads and injecting a little bit more capital into each property. Looking at longevity helps to make our assets a bit of a cash cow moving forward. I'm not saying we can exactly park them and leave them, because property is never truly passive, but spending more money at the front-end helps.

> "Property is never truly passive"

WHAT'S YOUR STRATEGY?

There are many innovative property strategies, but, if you boil them all down to one simplistic strategy, and I am a simple man, I believe if you buy a property in year one and you keep it for 10 years, you're going to make a significant return on investment. We've all been through a bit of a blip with the recession over the past 10 years, but as a island there will always be a limited supply of property. The trick, of course, is keeping that asset for the 10 years, so it potentially doubles in value. That's where property can deliver significant wealth.

Wherever we can, we try to keep every asset that we've refurbished and this works for us. Although we're currently working on what we like to call 'new building development' and for the first time we are selling some units.

We're really interested in this strategy as we're keen on the build process itself and building a product that you can stand back and be proud of. Then there are the profits, obviously! Unlike with refurbs, you're not pulling anything down, instead you're building from the ground up, so you don't have the potential cost of 'unforeseen' works. Plus you've potentially got 20% profit margin straight away, as you can claim your VAT back, which you can't generally do with refurbishments, unless you have a change of use. Although not all building products are zero rated, this is obviously a big attraction.

> "20% profit margin straight away – from zero VAT"

NEW BUILD DEVELOPMENT DEFINED

New build is when you build a separate residential domestic dwelling, whereas development tends to be an upscale where you are doing multiple units and may be commercial conversions to resi units. We're doing a bit of both, so we call it 'new build development'.

TELL US A BIT ABOUT YOUR CONTEMPORARY DESIGN

There's an old adage isn't there, that quality will always sell. Wherever reasonably practicable, we like to design something that's a little bit different. Our homes have a contemporary edge and use innovative creative materials that make the product stand out and are more energy efficient.

The vision is a mixture of my ideas and the architect's ideas. It's quite easy to get over excited and design something that's a little bit too radical and blows your chances of getting planning altogether. So it's about trying to put some of those ideas together with the architect, with a view to being as sympathetic to the surroundings as possible, therefore enhancing our chance of obtaining planning approval.

> "We have an eye for detail and make sure that the product not only looks good, but it's well-engineered too"

HOW DO YOU ASSESS A PLOT OF LAND?

Finding plots of land is never easy. The few that come onto the major portals get snapped up pretty quickly, or the prices are higher than we would want to pay. Going direct to vendor can be great, but it can also be quite laborious and time consuming.

Here's a few tips:

- **Always look at the back garden.** Look at the photos and do further desktop due diligence by looking at Google Earth and Street View, and take a ride or two to the property to try to understand the potential for development.
- **Look at the local authority planning portal to see if there's any planning history.** That usually gives you a good picture as to whether it's been looked at previously by somebody and they've not been able to get planning permission for some reason. If they've given up quickly you can turn that to your advantage, and with a bit of research and perseverance you might get it through with a different angle. That's where experience adds value.
- **Look at the titles.** Go to the land registry, pay £3, and download the actual titles. Sometimes there are restricted covenants on them. If you don't look at these documents, you're not aware of them and are exposed to risk. It's a good idea to pay for title searches on the adjoining properties too, as you may be able to buy part of their garden too, if they've got a lot of land.

> "Utilise the information available to paint a picture about a piece of land to decide if it's got value to you"

WHAT KIND OF RESTRICTED COVENANTS MIGHT YOU COME UP AGAINST?

When buying property or land, you can often come up against restricted covenants, which can make it difficult to do what you are planning. Restricted covenants (RC) can come in all shapes and sizes. Here's a few examples:

- Large developers will often stick RCs on their new builds preventing owners from building extensions/conservatories for the first 10 years
- Garages that can't be converted into 'habitable' spaces
- Houses that can only be used as family homes (so no HMO conversion)
- Agricultural Occupancy covenants - houses that can only be occupied by people who work in agriculture
- Development covenants - vendors or authorities preventing new build without compensation.

Removing RCs can be complex, but a 'can do' attitude and persistence will pay dividends. It starts by doing your own due diligence and then entering into a conversation with the RC owner. Sometimes we have had these removed from as little as £50 and others that have involved payment of many tens of thousands of pounds. It's all about evaluating the risk versus potential uplift. RCs can be scary, but can deliver great opportunity with the correct professional help. Even though we've negotiated removal of the RCs ourselves, we always use a lawyer to tidy up the finer details.

CASE STUDY
New Road, Middlestown

The Property: A two-bedroom 1890s period property that had not been touched since 1949.

Strategy: It had a large back garden which we saw development potential to build two houses.

Location: On the outskirts of Wakefield in a little village called Middlestown - a village literally in the middle of Huddersfield and Wakefield. A beautiful location overlooking the valley.

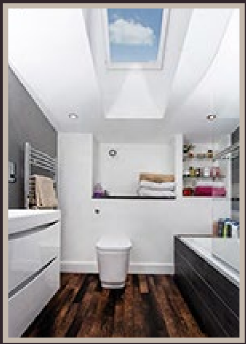
Planning: We purchased the one at the front and put in for planning to convert that into a stunning five-bed. At the same time we submitted planning permission for the rear garden. This was refused the first time and the second time, unfortunately, and the council asked us to withdraw the application. We really don't like withdrawing planning applications. Instead we prefer to negotiate with the planners, try to fully understand their concerns, and then address those concerns, if we can.

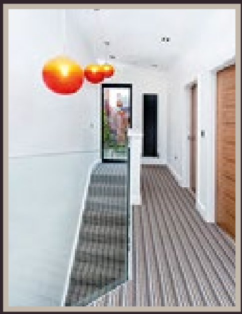
> "We always try to understand the planners' concerns so we can change the plans and get a 'Yes'"

The main concern with this one was the neighbours. There were a number of retired professionals around there who just didn't want to see change so they fiercely opposed it, going to great lengths to stop it. And it worked. We got refused at every stage, even at appeal. They even got a local councillor involved, which meant it had to go to Committee to be approved.

> "I'm pretty persistent - it took me four years to get the planning approved"

When you're developing you need to put risk money with a project. Sometimes, you're going to win and get planning approval. Other times, that's not going to happen. You don't invest tens of thousands of pounds of risk money straight away. It's a continuum of spending risk money. Sometimes you get so far and think, *"This is not worth it. It's just not going to happen"*. Other times you think, *"Yeah, I'm going to be able to do this"*.





The build: We wanted to use contemporary and sustainable building materials wherever possible. The main elements were:

TIMBER-FRAMED BUILD

We wanted to try something a little bit different so went with a timber frame. This eradicated the need for a bricky, which is a bonus as I always find them really difficult to work with. And the speed to market is a great advantage.

Timber framing allows creativity and moves away from the stereotypical square box with four windows and a door. We built a structure that consisted of three entities, each with its own mono-pitched roof. This design facilitated unusually large soffits and fascias that ultimately became a major feature of the house shell. Rather than construct these from painted plywood, we decided to source the market for innovative products that would enhance the unique design. This product came courtesy of Marley who had just brought out d Alutech, which is basically an aluminium board with a polyethylene core to give it rigidity. Marley will spray this whatever colour you want, using RAL colours*.

We went for RAL 7016 (anthracite grey) for the windows/doors & sills, as well as matching soffits and fascias.

The timber framing is all manufactured back in the factory and arrives on site in panels that are then screwed together. All panels have an exterior OSB board that are covered in a breathable waterproof membrane that helps protect the timber until a waterproof external skin such as render board or cladding is applied.

> "A complete water-tight shell shouldn't take longer than a couple of weeks to install"

PHENOLIC INSULATION

With the advent of the Government's Standard Assessment Procedure (SAP Report) and Building Regulations there is now a major focus on insulation to increase energy performance. To comply with these policies we had to install over £10K of

* RAL is a standard colour system

phenolic insulation (big square blocks of foil-backed insulation) in the walls, roof and floor - and this was at extremely competitive trade prices! Insulation to walls can be installed in the factory, as we chose to do, but insulation to floor and roof have to be installed during construction.

EXTERNAL CLADDING

In order to make the timber frame waterproof, an external skin is applied to the panelling. There are several methods of doing this, but we chose a 60/40 split between a cement render board and cedar cladding. The rendered board system was a StoVentec Rainscreen Cladding system consisting of screwed cement boarding with a mesh resin render finish.

The timber cladding was a red western cedar - a lightweight timber that has been kiln dried. As one of the world's most durable species, it has a natural resistance to moisture, decay and insect damage. It can be stained with a further preservative or can be left to go a natural silver-grey forming its own natural patina. It's great because it can last up to 100 years.

ENERGY EFFICIENCY LEGISLATION

In addition to the standard Building Regs that people are familiar with, new builds require an extra layer of legislation under the governments BRE derived Standard Assessment Procedure (aka the SAP Report). This is essential certification in order to obtain a Building Regs Certificate and to comply with your 10-year warranty provider.

It's always far better to get the SAP report done at the front end of the project, take advice and then procure what you need. Leaving your SAP report to the end can often result in tears, as products installed may not always meet the standards, leading to additional expenditure for rip out and replacement.

WATER SUSTAINABILITY

Part G is about water efficiency and sustainability and is often undertaken in parallel with the SAP report. In essence this is about minimising water consumption from your taps, WC, bath, shower etc. Every item that emits water is given a flow rate right down to your dishwasher and washer. Even the size of your bath has an impact on your score!

Specifying the wrong product can be costly to remove and replace, so it's important to ensure these calculations are undertaken upfront and then procure to the flow rate specified by your energy surveyor.

THE NUMBERS

Open market value:	**£125K (land value with DPP)**
Purchase price (incl. all costs):	**£0K (back garden to property purchased at the front)**
Total costs including all refurb, acquisition, and sales costs:	**£350 solicitors costs to split titles**
Refurb cost:	**£212K**
End value post refurb:	**£470K**
Monthly rental income:	**£1500**
Monthly bills:	**£0 (single let)**
Profit:	**£258K no capital gains tax as this has been our private principal residence.**

WHO IS YOUR TYPICAL BUYER FOR A SUSTAINABLE AND ECO-FRIENDLY HOUSE LIKE THIS?

We've not actually sold this one yet. It's going on the market within the next few weeks. We built that as our primary principal residence and we've been in there for the last couple of years. But, we've now moved on and it's currently being rented, so we are looking to sell. It'll be the first property we've actually sold.

You could argue that it's a bit of a speculative development, as contemporary architecture is not for everybody, so I suppose we're waiting for the right person to come along. As it's not a product that you can buy off the shelf, a time-poor, cash-rich buyer will find its uniqueness very appealing. They will also be attracted by the fact that it's all been done for them, so they can just walk in, unpack and live the dream, without having to faff about with planning and building work.

HOW HAVE YOU FOUND THE VALUATION PROCESS, GIVEN THAT YOUR PROPERTY IS A ONE OF A KIND?

Getting it valued has been a challenge, as there are no direct comparables in the area. We invited six local agents to the property, which sounds excessive, but was necessary to get some parity of price. Some of the agents have no ability to think outside the box and there's only been a handful of developments of that stature, making their job pretty difficult. So it's been key for us to use our due diligence to put our own value on it. The cheapest was £300K and the highest was over £500K. We're hoping for a sale price in the region of £470K.

CASE STUDY
Milnes Avenue

The Property: A three-bed semi, with a nice-sized garden. The house had been owned by a couple who were just coming into retirement, and didn't have any children. It was immaculate.

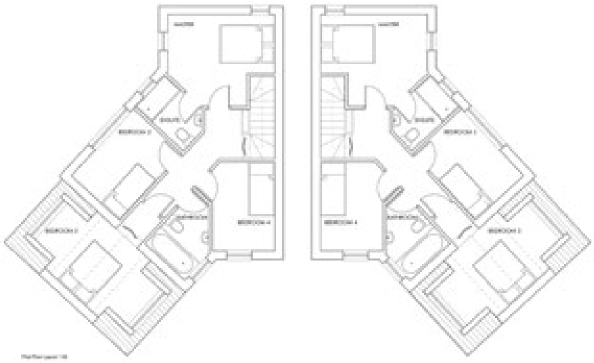
Strategy: The existing house is going to be a perfect single-let rental, with no capital injection required. We've got planning to build two four-bed detached on the land and are going to split the land into three separate titles.

Issues to overcome: We knew from initial due diligence prior to purchase that the property had a restricted covenant to prevent development of new units. Digging a little deeper it was apparent that there had been two three-bed semis on there previously and in 1979 there was some subsidence. The Coal Board, as it was then, decided to buy these two houses from the vendors and demolish them. They then sold the land cheap to the neighbouring house (the house we bought) on the proviso that it was only used as a garden. Our challenge was to try to get this covenant removed.

Knowing that there had been two three-bed semis on the land previously we knew that we had a good chance of obtaining planning approval. Our next step was to approach the Coal Authority and discuss the feasibility of removing the RC. Armed with the fact that the subsidence was back in 1979 and in all reality had since ceased, we entered into dialogue with the Coal Authority (CA). Initial discussions were difficult and the CA refused to correspond with us because we weren't the titled owner. They eventually agreed to talk to us once our solicitor and the vendor's solicitor had written to them to confirm that we were going through the conveyancing process and the vendors had sanctioned consent.

> “Development is a slow-burn business and you need to build your pipeline to ensure future sustainability”

On re-engaging, we agreed a fee of £600 for the CA to undertake a desktop due diligence on deep coal seams. The results were positive and the CA agreed to remove the RC 'in principle' subject to a geotechnical site survey to check for shallow seams. This is now planned for late May.



Sadly for us, The Coal Authority is also asking for 'a consideration' payment. The calculation of the consideration is a percentage of the uplift in value from current use to the value of the land with planning consent. The percentage is based on the risk of the development in relation to any mining legacy issues present. Any 'abnormal' costs required to mitigate mining related risks, for example, drilling, grouting, engineered foundations etc. are discounted from the consideration.

Unfortunately, we won't know what this actual payment is until we've finished. Looking at worst case scenario it's going to be around 30%, which is a huge chunk. We're currently trying to negotiate this, but it's a challenge. We can still make a reasonable profit if it's 30% but we'd like to get it down if we can. Here's where my persistence may pay off again!

Selling options: There are two options for the four-bed detached once they are built and finished.

The first option will be just to take a planning gain. We've got detailed planning permission (DPP) on this, rather than just outlined planning permission (OPP), which is more appealing to a buyer, as they could build right away from the plans. Whereas with OPP they'd have to go back through the planning process with the detail of the house they wanted to build in order to get detailed planning permission.

Crunching the numbers clearly shows a bigger profit to develop out, but there are other things that need to be considered. Time and money are obvious ones and both are inextricably linked. Sometimes it is better to develop out and other times to take the planning gain and re-invest that money on your next project. It all depends on your circumstances at the time. You can, of course, just sit on the planning gain for up to three years if your finances allow, in the hope that the market value may increase.

The more options and exit strategies you've got, the more informed you are and the more chance you have of multiplying your money. My gut feeling on this one is that we'll just sell it as a planning gain and utilise that money for another project. Although, you could speak to me next week and we might

Proposed Front Elevations (From Milne's Ave) 1:100

THE NUMBERS

Option 1 – to sell with planning gain to build 2 x Four-bed detached

Three-bed semi house purchase: **£204K**

Cost of land: **£0K**

Sale Price of land: **£75K per plot**

Professional/CA fees:

- **£1.6K CA legals**
- **£7K geotechnicals**
- **£4K planning/architects**
- **£37.5K CA estimated 'consideration'**
- **£1.8K estate agents**
- **£5K JV finance @8% on 25% deposit & 12 months for 3 bed semi & professional fees**
- **£56.9K total costs**
- **£93.1K estimated profit**

Option 2 – to develop it out

Three-bed semi house purchase: **£204K**

Cost of land: **£0K**

GDV of four-bed detached: **£270K per plot**

Costs:

- **£19K professional fees**
- **£8.7K development surveys**
- **£5.2K CIL**
- **£285K build costs**
- **£6.6K estate agents**
- **£37.5K CA 'consideration'**
- **£21K finance costs based on 8% for 12 months**
- **£168.5K estimated profit**

FUNDING

We've been immensely fortunate in many ways in that we've built up a large portfolio, and been able to refinance other properties to finance a lot of this ourselves. We've also worked with trusted Joint Venture partners and have leveraged SASS monies - utilising other people's pensions, and giving them a good rate of return.

BootlandProperty.Com
EXCELLENCE IN PROPERTY SOLUTIONS

CONTACT

LinkedIn: **Jonathan Bootland**

Mobile: **07825 505515**

Click here to listen to more from Jonathan

INNOVATIVE, UNIQUE AND AFFORDABLE

EXPLORING NEW WAYS OF WORKING AND BUILDING

Interview: **Raj Beri & Jayne Owen** / Words: **Raj Beri**

Some property investors decide on one or two strategies and stick with those. Others will inevitably transition across strategies or combine them.

Brett Plant had a short profile in YPN recently discussing his Serviced Accommodation business. In this more detailed interview, Brett, who is a property investor based in Nottingham, charts his journey from landlord investor to property developer to a house builder using newer building techniques. This interview also has valuable insights from Leigh, who has been Brett's builder for a number of years and is now his business partner.

YPN: Just to kick things off, could you tell readers how you got into property?

Brett: My property journey is about 20 years old. Back in 1998, I bought my first property; I had a job with a salary and had a mortgage. I started to rent out the three spare rooms in my terraced property to friends and soon realised that the income I was generating equalled my salary at the time. So, I then saved a bit more money and bought a nearby terraced house that had been split into two flats. By then, my property income was overtaking my salary. Towards the end of 1999, I quit my last "**real job**" and began to renovate properties to sell in Stoke-on-Trent, where I was based.

YPN: What led to your decision to quit the day job?

Brett: I guess it was the sense that I was my own man, with no boss and no capped earnings potential. Ironically, I did get a promotion a few weeks before I left! It was a couple of thousand pounds more per year but when I compared that to what I could do in the property market, it wasn't even close. In addition, I was very young and I didn't have any commitments or ties, so it was a good chance to step out of employment and take the risk. To be perfectly honest, I didn't really see it as a risk - I saw it as the sensible thing to do at the time.

YPN: Tell us more about the property flips you were doing.

Brett: I'm from Stafford so initially started to flip properties nearby. However, I switched to Stoke-on-Trent, where properties were quite a lot cheaper than Stafford. The strategy was just to flip; at that stage, I didn't want to keep anything for the longer-term. So, we did a lot of property refurbishments in Stoke-on-Trent.

My first commercial conversion was around 2001, quite a modest project where we converted a shop and split it into two flats. We did all the work ourselves, which was not the way to do it, but you learn along the way.

YPN: You relocated to Nottingham and changed strategy – how did that all come about?

Brett: At that time, I still had a couple of properties left to sell in Stoke-on-Trent, but because I didn't have a job, I had the freedom to relocate. I had met Beck, my partner, and moved to Nottingham.

I sold the properties in Stoke-on-Trent and started to invest in Nottingham. I continued to do flips, but at the same time started to buy to hold. I started to purchase in Nottingham in 2004 and have built up a steady income stream over the years by just adding single lets. I then moved onto small clusters of apartments and more recently larger blocks of apartments. At the moment I am adding to the rental portfolio but also selling off a few, so tidying up the portfolio.

YPN: As well as building your own portfolio, you also started to help other people build theirs.

Brett: I started to go to networking events and met other people doing the same thing as me. I partnered up with another investor and because people could see what we were doing, I was getting approached and being asked to help build BTL portfolios for others.

I also then partnered up with another person and we did this for a couple of very busy years, purchasing 26 properties a year. We did a lot of direct to vendor stuff, eg leafleting, but having a good relationship with agents worked very well for me. We were operating during the recession so there were an awful lot of repossessions, and this became our niche area. Most of the properties were in a poor state, so we could add value to them through refurbishment.

YPN: Around 2012, you made a conscious decision to focus on development. What led to that?

Brett: Actually, my first commercial conversion was back in 2001 but it was quite a modest one. I was keen to get into larger developments earlier than 2012, but just wanted to make sure we were well and truly on the other side of the recession. Development finance was very difficult to get, and mortgages were difficult to get for people buying the developments.

I felt more comfortable about getting into development during 2012, and partnered up with another person and also Leigh, who I've now worked with for five years. I started to see a slight change and relaxation in the way that banks and lenders were lending, so we managed to get the funding that was required. We kept the sites fairly low-risk by buying at the right sort of prices with plenty of margin.

Back then, I was also doing a lot of refurbishments for investors, so continued along that line and started developing blocks of apartments for investors. These investors were individuals, but we were also selling to pension funds as well. So it was still an investment product, but with a different type of purchaser. This strategy evolved and we've since done quite a lot of apartment blocks, which has in turn evolved to the type of project we are currently working on.

YPN: Your latest transition is towards innovative new homes using unique designs. Can you talk us through that?

Brett: That's how I see the gap in the market to a certain degree. But this isn't just for the larger family homes that we're building at the moment; we're also in the middle of developments that are still blocks of apartments.

The way I look at it is that people who are currently owners or even tenants may eventually want to start a family and move into the suburbs. However, they are faced with viewing properties from the major developers that all look very, very similar. I felt that there was very limited choice for people who wanted something different, who wanted to have a stylish home. Quite often, individually designed houses are very expensive compared to the rest of the market. Our challenge is to bring affordability to something that's unique, so you get the best of both.

The current project is higher-end than that, but what we've learned from it will help us going forward, to hopefully build this type of stylish property on a more affordable basis.

YPN: Could you give us more details of your current new build project?

Brett: I acquired the site from a fellow developer – I sold a larger site to them and they sold me this one in return. They had other things going on and this was a good size for us as a starting point for the kind of build we were planning.

The site itself is unusual. It's long and thin and surrounded on three sides by trees.

> "The area is very private but in an ideal location, within walking distance of a range of amenities"

> "Internally, all the properties are open plan with a central stairwell and spacious bedrooms upstairs"

You get a sense of being in the country but with the facilities of being in the city; the site lent itself to uniquely designed homes.

When we purchased it, the site had lapsed planning permission for three traditional homes. I thought we could do better so, as we had to get planning approved anyway, we changed the designs completely to what we have now. There was nothing like that on the market in Nottingham, but I had the idea in my mind as I'd been researching designs like this for some time.

Internally, all the properties are open plan with a central stairwell and spacious bedrooms upstairs. Because they have a flat roof, we've been able to build three stories, so the houses are generous in terms of usable space. The build is based on what buyers want: open space, light and airy rooms, lots of useable space and a unique contemporary design. The sales are progressing well for the three properties: the five-bedroom detached house has sold; one of the two semi-detached properties is under offer, and the other is undergoing viewings.

YPN: Let's bring Leigh into the conversation – tell us a bit about yourself.

Leigh: I went straight from school to college and became a qualified joiner and bricklayer. At 21, I decided to give it a go on my own. I built up a good local reputation in Newark and have successfully developed my business for the last 24 years.

We've had our ups and downs, especially with people going bankrupt and not being able to pay for work done. These days, we've changed the payment structure to ensure more security for the business. I did my first new build about 13 years ago and we have been doing three-four per year since then; we've got a team of 15 employed people on the books and also use regular subcontractors when required.

With respect to forming a partnership, there are pros and cons for both parties. Brett puts in the upfront work and we then put our heads together. If the project doesn't quite work, we move on and don't waste too much time. Having worked with Brett as a developer, it seemed logical to try and get a "piece of the pie" in a way that benefits both of us.

YPN: Problems can arise with builders, so what would be your best tips on finding a good builder?

Leigh: There are rogues out there just like in any industry, so recommendation (from others) is probably the one key thing, together with dealing with people who have been established for some time and so have a reputation to maintain. Seeing some of their sites/finished products is also a good idea.

YPN: What was your view of the current new build project?

Leigh: We've done a SIPs build, which was much quicker with respect to construction, with less noise and fewer restrictions.

In fact, it was the only way that we could have built out this site and made it efficient enough for the figures to stack up. Although a conventional build would have been much cheaper, the narrow layout of the site would have meant starting at the back of the plot and working to the front; that would have meant building and finishing one property at a time.

> "It was more expensive to do the SIPs build, but it was a quicker build, therefore less time to get it to market"

It was more expensive to do the SIPs build, but it was a quicker build, therefore less time to get it to market. It was a challenge but a nice one; it's a case of making things work and making the figures stack up. With respect to the design and build, it couldn't have gone much better.

YPN: For people new to development and construction, could you give us a summary of SIPs: what they are and how they benefit both the developer and the house owner?

Leigh: SIPs panels are an insulated board, which lock together like a jigsaw. In a conventional build you have block, then a void space full of insulation and finally brick. With SIPs, you can cloak them with whatever you want, because they independently stand up on their own. So it's structurally sound to go to three-five stories just using that panel itself. And as far as meeting the various standards for EPCs, the panels pass with flying colours.

Another benefit is that you can put a SIPs-panelled building together within a month compared to three-four months for an equivalent traditional build. It's a more expensive product, and specialised, but once it's in place, contractors can simultaneously work on the inside and the outside. Thermally, it's a very efficient build with no gaps, ie it's absolutely airtight, so no air test is required. This makes it efficient for the homeowner as it has an EPC rating of an A or B!

COSTS FOR WOODTHORPE ROAD, MAPPERLEY

Land Cost including amended planning and purchase costs	**£186,350**
Build Costs	**£602,000 (including contractor's profit margin)**
Extra Piling Costs	**£8000**
Borrowing Costs	**£67,400**
Legals and Sales Costs	**£13,900**
TOTAL COSTS	**£691,300**
GDV	**£1,100,000 (two properties sold at asking price. Final property has second viewings currently. We have not discounted)**

PROFIT

GDV	**£1,100,000**	Costs	**£691,300**
Land	**£186,350**	**PROFIT**	**£222,350**

In this case we have a **developer's profit of £222,350** plus a contract's profit on build costs.

SIPs are widely used in some parts of Europe but are only just touching base in the UK; we tend to be several years behind on that sort of thing but perhaps we are considering such products due to the shortage of blocks and bricks for the smaller developer.

YPN: Could you give us a guideline of the cost of SIPs versus traditional build?

Leigh: When I've done the comparison at completion, the overall costs are pretty much the same. Although the product is more expensive, you are saving significantly on labour costs and the costs associated with being on site (security, fencing, welfare, time lost due to bad weather), which helps to get the product to the sales market quicker. Using this type of product also allows us to move onto other projects faster. In fact, we're just about to start another SIPs project – this time, a substantial extension at an old people's home, so the last thing they want is a lot of dust and machinery. This is the direction that Brett and I are moving towards because it's becoming increasingly difficult to adhere to government guidelines using conventional methods.

YPN: Is there a minimum number of units or minimum square footage for this type of build to be cost effective?

Leigh: Not really, because with a SIPs build, you can more or less buy what you need. Anyone could order the product and physically put these panels together to construct something. With respect to time, you could squeeze four or five SIPs builds in an area where you'd probably only get one or two units using a conventional method. So, even if the margin per unit was less, you could potentially make more profit.

Brett: The project that we've been talking about has been finished to quite a high specification. I think that as we get more involved in this, we will be looking to make builds more economical, ie get some kind of financial and time advantage.

I believe there is room for improvement and also think that as the industry starts to embrace this type of build, the costs of SIPs panels will come down due to competition.

YPN: Brett, you are also involved in projects outside of new builds – what's the thinking behind that?

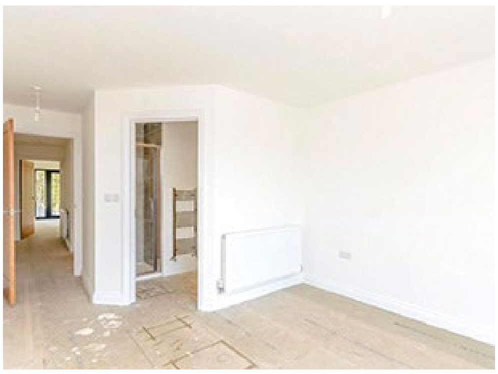
Brett: It is to keep things diverse. We have a site where we're hoping to undertake a commercial conversion of a Victorian manor house into five character apartments. The site also has potential for new build apartments as well, so it's a two-phase project and both phases need to happen for it to work for us financially. We've submitted for planning approval and Leigh will work on the project. The new build apartments will be of SIPs construction, and built to sell on. I'm also doing an HMO as an addition to my portfolio, which I will continue to grow. The focus is very much on Nottingham, an area that I know very well. The plan is to stick to brownfield and in-fill sites rather than larger new build developments.

YPN: With respect to undertaking projects, do you think you should become an expert in your locality or spread your net?

Brett: My personal view and experience is that if you stick to your own area, you get to know it at street level in terms of good and bad areas. You can get a handle on build costs, local trades costs and most importantly, local demand and resale costs. I might take on a project that's further afield but would undertake lengthy due diligence and research and speak to as many local agents and developers as possible to make sure I was on the right track.

YPN: What other sort of opportunities are you currently looking at? What's in the pipeline?

Brett: Locally, we have another block of six apartments; we've managed to secure the site and work up a scheme. We're in the planning phase now and



hoping for a decision in a couple of weeks. It'll be a small cluster of apartments, contemporary in design. The largest thing I'm looking at is an 18-house development, which would be linked to a Housing Association; we'll purchase the land, get planning permission, and package it up for the Housing Association.

YPN: I believe that your life partner has now also joined your business?

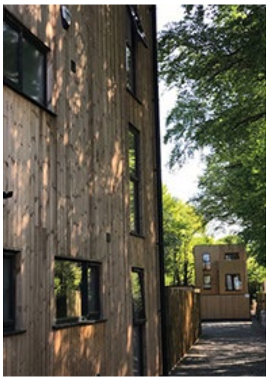
Brett: Three-and-a-half years ago we had our second child and my partner finished her teaching career to become a full-time mum. Rather than go back to teaching, she joined me in the property business and got involved in the serviced accommodation side of the business. We had a block of eight apartments that we were running as serviced accommodation, so she has become more hands-on with that. My role is to find the properties and get them ready for SA, but she takes on the operational aspects of the business.

YPN: You mentioned earlier challenges you had with builders going bankrupt. How did you cope with that and what have you done differently since then?

Brett: Leigh and myself have been working together well for five years, so it doesn't always go bad! But the two builders that I had previously overstretched themselves, so the contracts I had were worthless. In one case, the builder went bankrupt towards the end of the project, and I ended up using individual contractors to get it over the line. That made things difficult with having to chase certifications and warranties, because the company no longer existed.

What I've learnt from that experience is to research any new contractors thoroughly and get a history. Having said that, one of the contractors had a lot of history with Housing Associations, so it can still happen. The reason that Leigh and I work well together is because we're both quite open and we're heading in the same direction. So it's a longer-term relationship rather than a one-off project.

In addition, it's the desire to feel that you've got someone reliable to work with, someone who can share the challenges. It's worth a lot to know that you've got a contractor lined up for the upcoming projects, which allows for confident forecasting for the next few years. The reality of having a partner is that you can prop each other up sometimes and get through it. I think Leigh wanted to get more into the development side of the business, rather than just pure construction.



> “My aim is to grow the number and size of the sites”

YPN: Looking to the future, what are the objectives of the business?

Brett: My aim is to grow the number and size of the sites. Ideally, I want to deliver unique homes with a bit of character to a larger market and perhaps to the affordable sector in conjunction with Housing Associations. A lot of developers head towards the more expensive and larger properties and that's left a vacuum for affordable homes. I'm keen to address that. I think the void can be filled with the way modern building methods are evolving. We've got modular, we've got the SIPs build we have just done, so there are various things to bring build costs down and speed up delivery. We're also doing some work in the care sector and bringing in these new building techniques, so they can be applied across many sectors.

YPN: If you could offer one piece of advice to an investor starting out today, what would that be?

Brett:

- **Don't switch between becoming a developer and becoming a landlord - choose one and stick with it. If you want cashflow, start with building a portfolio and stick with that until you get what you need.**
- **Work on cashflow first before getting into development. In development, there are profits to be made but there are often delays with the planning and inevitable holdups on site. Having cashflow in the background is imperative.**
- **With developments, I would encourage people to be cautious and start with something modest. Understand as many of the pitfalls as you can on maybe a single-build and then start to get more and more adventurous as time goes on.**
- **Also, stick with more traditional builds to start with because contractors will be more familiar with the techniques.**
- **De-risk as much as possible and be patient.**
- **Try and pick sites that actually work. You can spend a lot of time looking for the right site, so have your parameters and stick to them, and the right site will come along.**

YPN: What's has inspired you along the way – any particular books or people?

Brett: I've constantly tried to look for businesses that also give a certain level of lifestyle and flexibility. A pivotal book for me was *"The Four-Hour Work Week."* Although it's based on an internet business, there are a lot of principles in the book about outsourcing, and focusing on the most important tasks first, which I found useful. I'm not inspired by any one person, but people that come into your life at various stages to offer something new and something different are all inspiring and helpful! I read a lot of personal development and business books but there's no one in particular that jumps out.

CONTACT

Web: **www.oxygenprojects.co.uk**

Email: **admin@weareoxygen.co.uk**

Click here to listen to more from Brett

WE ARE RELAUNCHING OUR PODCAST!

YPN

Your Property Podcast is hosted by Ant Lyons and Angharad Owen.

There will be a new episode **EACH MONTH** supporting one of our articles in the magazine.

We will interview:

- **Investors**
- **Developers**
- **Experts**
- **And more!**

And we strive to be as nosey as we possibly can 😉

www.yourpropertynetwork.co.uk/podcast

Your Property Podcast will be available to download from iTunes, the Podcast app (iOS) or Soundcloud.

MAKING A STRATEGIC TRANSITION INTO DEVELOPMENT

YOUR PROPERTY PODCAST INTERVIEW

FROM R2R TO PROPERTY DEVELOPER – IT'S ALL ABOUT THE BUSINESS

Karl Spencer, along with his two business partners Kenny and Ben, own property development company Broadwing Homes. Karl first appeared in YPN a few years ago, back when he was building a rent-to-rent multi-let empire. Since then, his strategy has evolved into development, and we wanted to find out how he has handled the shift of strategy and the changes that come with such a major property transition.

TELL US ABOUT YOUR CURRENT STRATEGY

In a nutshell we buy a plot of land, build houses on it and then sell them on.

On the land, we build anything between four and 14 units. We felt this was right in the middle – our developments are too big for the small developers but too small for the big ones. We aim to build three/four-bedroom houses to cater towards the family market.

We are also now looking into much larger schemes, due to our increasing network and investors' appetite.

BROADWING
WHERE PARTNERSHIP REALLY MATTERS

Two of us are based in Peterborough and Ben is in Greenwich. We have varied knowledge and leverage in those locations, so we have developments in both places along with a few in a middle.

Broadwing Homes is undertaking multiple projects – this year we're set to do six to eight developments, which will be about 50 - 80 units in total. We also currently have an offer in on a plot where we hope to build 26 apartments, and that will be our biggest by far. But there are a lot of dots to join up before anything comes of it.

Karl's business partners, Kenny and Ben

On the other hand we have Land Resi, which is a separate arm to what we do. I hate to use the word 'sourcing', because what we do is more comprehensive than that, more like a consultancy – essentially a consultancy firm that finds land and readies it for development, either on a subject to planning basis or non-conditional depending on risk profiles. We then sell it on as a package. It works for us as we all understand the start-to-finish

Karl Spencer

process and find that the two companies feed into each other.

WHY DID YOU MAKE THE DECISION TO MOVE INTO DEVELOPMENT?

There were two main reasons: **(a)** interest; and **(b)** I was noticing diminishing return on our R2Rs. My previous business partner and I went our separate ways, and the SA and HMO market was becoming more and more competitive. It was difficult to outplay to competition. If there's an easy point of entry or a lower cost of entry, then more people can do it.

I read a great book called *Zero to One* by Peter Thiel. It really hit the nail on the head for me. He was the co-founder of PayPal, along with Elon Musk. In his book, he says that it's important to start a business in an area that has the least amount of competition. It has the greatest value and you get paid more for your efforts, but there's also greater risk and it can take longer to succeed.

The book taught me to think long term, and not to only think of an opportunity to make money for the next six months. I was also doing some life coaching at the time, and I felt that it would give me a good foundation to move forward with what I wanted.

HOW DID YOU GO ABOUT BRIDGING THE KNOWLEDGE GAP?

When we were doing R2R, we were finding the properties ourselves, developing the relationships with landlords, then filling the HMOs, sorting out bills, etc. Alongside, we were building portfolios for others too and being paid a fee to convert the properties. One business was feeding the other, and it was a kind of natural evolution.

117 SPALDING ROAD DEEPING ST JAMES PETERBOROUGH

Type of property:	Land with planning permission for 6 dwellings
Purchase price / Acquisition cost:	£450,000
Open market value:	£600,000
Purchase/Acquisition costs, inc legals, etc:	£510,000
For LO and R2R, monthly payments agreed:	Was secured using an option subject to planning
Funding method(s) (eg, cash purchase, mortgage, JV, etc):	Private Investors plus development finance
Deposit paid:	10% £45,000
Amount of funding:	£1.8 million
Borrowing rate(s):	8%
Monthly mortgage/funding payment:	Back loaded, all interest paid at the end of the project
Total money in:	£300,000
Personal money in:	Zero

PLOT 1

First Floor

Ground Floor

As we were basically finding sites for other people, it was all in somebody else's name. Although we weren't gaining any form of equity from the property or had no real control over it, the experience was a good way of understanding how to convert an HMO without any risk to ourselves.

I followed the same model into development. My first viewing was a property in Peterborough. It was a three-storey building with an office on the first two floors and an apartment on the top. I thought I could convert it into flats, but had no idea of square footage, values, costs, minimum sizes, etc.

The agent was telling me it could be converted into flats on PD, but it was a conservation area and I needed floor planning. I had no idea what I was doing yet had a feeling there was something there. I went onto Facebook to ask others what they would do … and most said they wouldn't touch it.

However, I met Martin at the Excel Property Investor Show – who I've gone on to do more projects with and we have become great friends – and suggested we do it together. In the end, we converted it into nine apartments. My R2R business was supporting me financially while I was working on the conversion.

He bought the building for £415,000 and sold it for £1.1m to one buyer who wanted the entire block. As he was the owner, Martin funded the entire deal and I had a 30% profit share.

HOW DID YOU GO ABOUT MANAGING A BUILD TEAM?

I completely lucked out with our builders.

I've never had any problems with our builder, Phil. He's currently doing a six-house build project with us and will be moving on to a ten-house project once this is finished.

Phil had worked with us on previous HMO conversions, and he always delivered on budget, is very trustworthy and brings in good trades. From our perspective, developments were the same thing as HMOs but on a slightly larger scale. He has learned and grown with the developments as well. It's tempting to go with a more established building company as they've already made mistakes and learned from them, but they also charge you for the privilege. For us, it was more about who the person was rather than his experience.

> "I swear by fixed term, fixed price contracts with penalties if they go over"

HOW DO YOU CONTROL BUDGET AND PREVENT OVERSPEND?

You have the cost per square foot and value per square foot. Assuming there's nothing precarious to be dealt with, everything needs to be ticked off by the lending company before you even start to spend money. But you won't always know that when purchasing the land.

> "Between the three of us in our team, we have enough experience that any possible nightmare can be sorted out easily"

THE PLOTS PLOT 1 ~ FIVE BEDROOMS PLOT 2 ~ FOUR BEDROOMS (TWO EN-SUITES) PLOT 3 ~ FIVE BEDROOMS PLOT 4 ~ FOUR BEDROOMS (TWO EN-SUITES) PLOT 5 ~ FIVE BEDROOMS PLOT 6 ~ FIVE BEDROOMS

WHAT WAS YOUR FIRST DEVELOPMENT AND HOW DID YOU FIND IT?

I found it just before we finished the flat conversion. When this conversion was winding down, I was looking at about 10-15 potential developments a week. I was just booking in the viewings – I didn't even know what I was looking for.

I found that residential estate agents didn't fully understand land value, and so came across some great opportunities. Some estate agents are great with people, good communicators, etc, but simply aren't interested in the long-haul of commercials. They just want a quick commission.

The development was in a beautiful stone-built village with listed buildings. We went to view it, and (again!) everyone I spoke to said they wouldn't touch it. But I thought we could create something great, and agreed on a JV with the landowners. Obviously, it wasn't just my decision; I needed to speak to the experts to find out what their thoughts were.

WHAT ARE YOU LOOKING FOR WHEN YOU'RE ASSESSING A DEAL?

We have a seven '7W' formula, where we have seven wins. Everyone needs to be winning in all scenarios as we all want the best deal. For example, we – as the buyers – need to win with the purchase of the deal and the landowner needs to win with the sale. We sometimes offer a JV or PLO, but you won't know if it works if you don't put the question out there.

Our 7W Formula is:

Win: Land Owner
Win: Broadwing/Land Resi
Win: Investors
Win: Lenders
Win: Architects
Win: Building Contractors
Win: Agents

> "It's difficult to assess what a project is going to be worth at the end, because often we're creating something that doesn't already exist"

COST OF WORKS

Duration of project:	12 months
Planning costs:	£40,000
Planning duration:	4 months
Total costs:	**£2 million**

We just want to make sure that the numbers aren't lying, which is difficult when building something new. Banks won't or are more hesitant to lend if there's no comparable evidence. We have to make sure we're creating something the banks will want to get behind, just to tick that box.

Those are the fundamentals, and then we move on to the non-tangibles. What is the area like? What are the neighbours like? How does the street feel? And so on.

HOW DO YOU MANAGE AND MITIGATE RISKS?

First and foremost, there are three of us that look at these projects, and then we run everything past our architect. So there are four pairs of eyes looking over any one project. My role is to always think exit first – where is our out? Is it going to be sellable? Who is our customer? I then speak to agents and ask for their opinion, which is taken into account.

Kenny is a dentist but has also been a landlord for years. He looks at the cash flow, how the business operates, and at our goals and agendas. His job is to assess every deal from a pure numbers perspective.

Ben is a director for leading international construction contractor and he's a lawyer by trade. He is always looking for red flags. He scrutinises the deal for any issues or problems we may come across. Then he sorts out who we need to contact to fix them.

When the three of us have done our due diligence, our architect looks at a site and weighs up what can go there and whether planning will be an issue. We often use a small development policy, which can be used in most parts of the country. That means we can build up to ten units over 10,000 square foot. It allows us to get around the affordable housing issue. He determines what the houses will look like, how many bedrooms will be in each, etc.

If we're looking at larger developments, then we have to assess the Section 106 and affordable element more closely.

We fell into these roles naturally and it means that each deal is covered from every angle.

HOW DO YOU DEAL WITH RAISING ENOUGH MONEY FOR PROJECTS?

I have come to realise that more and more people are coming into the development industry, and many want to start small. I've been at this for three years now, and although that's nothing in development, have learned that it's about who is in your team. Collectively we have years of experience.

Having experience means there's great leverage, which leads on to having various ways of funding a project. For example, if someone wanted to provide all the funds, and that person was an existing developer, we may suggest forming an alliance on the project.

Creating an alliance does mean we make less money, but we also have less risk. We grow with education and knowledge from the partnership.

IS DEVELOPMENT WHAT YOU THOUGHT IT WAS GOING TO BE?

No! But let me just say that the decision for going into development was not only a strategy decision but also because I love working with people. Through development I bring people together. I'm also communicating, sharing, learning and making a difference. I know loads of people say that, but it really is what gets me up and out in the morning.

VALUATION & INCOME

Post-works valuation:	£3.2 million
IF SOLD …	
Sale Price	Average of £500,000 per dwelling
Profit:	£500,000

Nonetheless, everything takes longer and costs more than I imagined, so an unprecedented amount of patience is necessary. It's not just the planning, surveys, issues, land owners, and other general problems, but there are investors, lawyers, legal costs, contracts, structures, and the business itself. The list goes on. That was the part I wasn't prepared for. But you must fall in love with those elements – because if you don't, you won't succeed at all.

Development is not about how much money you're making, as that will always follow. You've got to want to create a long term, sustainable business. I wanted a 15-year-old business with staff and resources that allowed me to not have to be involved in it every day for it to be able to make money. Perhaps even to sell it on to a bigger building firm. I just wanted to have all those options.

IS THERE A CERTAIN MINDSET THAT SHOULD BE ADOPTED FOR SOMEONE WANTING TO GO INTO DEVELOPMENT?

Yes. It's OK to understand your value. Sometimes when you start off, it's easy to use phrases such as *"I'm not there yet"* and *"I'm not that experienced but I want to get into developing"*. Using those phrases opens you up to being taken advantage of. You're almost saying that you want to play at development.

My life coach helped me deal with getting out of that mindset. I needed to learn to think bigger, and to understand where I could fit in. By acknowledging that I hadn't done much in development before, but that I was good at communicating and understanding people, it allowed others to see my value in the business.

WHAT ADVICE WOULD YOU OFFER TO SOMEONE WHO WANTED TO START OUT?

My first bit of advice would be to ask yourself if you want to be in development for a vocation or as an investment tool. If you do want to transition your passion for property into a career then you've got to go all in.

> "Development is not something you can practice on or try out"

You have to fully understand it because there are so many components and there is always something new to get your head around.

If you want it to be a vocation, don't be distracted by any other strategy. I am not 'in property', I am a property developer. You need to be able to know the difference between the two.

HOW DO YOU JUGGLE THE WORK/LIFE BALANCE?

I have a beautiful wife, and two young girls who are five and eight months (at time of writing). There's a lot of daddy time required.

Trying to build something that you're passionate about is difficult. It's easier when you have a job, as you go to work and come home. There's a clear line to distinguish the two. But as an entrepreneur, the line can get very blurred.

You'll be really excited but most of the time your partner won't be nearly as excited as you. It did cause a lot of frustration and I don't think I'm alone in that. It's important to talk about these things.

When we were starting out, I couldn't give certainty on how much money was going to come in and when. But the one thing I could give certainty on was that I would be home by six, which was a big comfort to my family.

WHAT'S NEXT?

Growth. This year we've taken on some cool resources for Land Resi to help push it out to the market, we want to get our current developments up and built for Broadwing and secure further sites. Those are going to be our focus for the next 12 to 24 months.

It's only by getting these resources into the business that we're going to have some stability and be able to grow.

This article is marking the **RELAUNCH** of our podcast! It can be downloaded **NOW** on iTunes and android. Just search for **Your Property Podcast** to hear the full interview.

www.yourpropertynetwork.co.uk/podcast

GET IN TOUCH

Website: **www.broadwinghomes.co.uk**
www.landresi.co.uk
(Site not yet live)
Phone: **07772 960475**
Email: **karl@broadwinghomes.co.uk**

VALUING DEVELOPMENT SITES

By **Richard Little**

Richard Little is a second-generation property developer, Chairman of Your Land Partner and co-founder of the Property Developers Academy and Developers Club UK.

The family has worked with hundreds of landowners since the 1960s to help them realise maximum value for their land and buildings. This has mainly been achieved by investing family funds, thus negating any financial risk for the landowners. They have developed more than 3,000 residential units with landowners, other developers and contractors.

There are several reasons for valuing a site, eg asset backed borrowing, separation agreements and so on, but for this article we will focus on valuing a site for a potential development project. As such, valuations can vary tremendously depending on the quality of information, profit expectation, cost delivery and experience of the developer. If you've ever heard anyone say *"that's never worth that much"* or *"it can't be built for that"*, it could be a reflection of the person making the statement rather than the reality.

Valuing a site can cost £'000s. What we find is that most look for the quick way to do it so they can make an offer and seal the deal asap without much cost or (if I'm being honest) much effort. Once the full methodology is clear and the sensitivity of the variables understood, then high level numbers can be used with effect. The only way to achieve this is to commission a number of Full Development Appraisals (FDAs) or learn how to do them yourself.

Valuing land where it is cleared brownfield (previously developed), greenfield or a redevelopment where all or most of the existing buildings are to be demolished, is done in one of two ways. Either by comparison or residually – more about the methods later.

Valuing the re-use of existing buildings is similar. However, here we are specifically talking about valuation for new build. This will apply for any scheme from a single dwelling to large residential schemes, even a New Town.

To establish a value, we consider the facts and the development potential. In theory, valuing is simple; the issues arise because there are many variables. Consequently, no two valuations are likely to be the same. We are regularly sent valuations as part of a site appraisal, often back-of-a-fag-packet calculations; invariably the values don't meet the landowner's expectation, or they do because end values/costs are overestimated/underestimated. The latter occurs when the buyer is motivated and/or lacking in knowledge. Certainly, when land is offered on the open market or via an intermediary, eg a land agent or promoter, expectation is always high.

THIRD / THIRD / THIRD (OR NOT)

Rather than get in to some of the theory and principles used by industry professionals, let's look at how we developers do it:

1/3 1/3 1/3 – simple!

That's:

- **1/3 of Gross Developed Value (GDV) = land value**
- **1/3 of GDV = build costs**
- **1/3 of GDV = profit**

Sorry … but it's **not** that simple, not how we really do it these days.

Before we look at what we really do, it's worth exploring this aged principle a little more because some still use it. Whilst many will say this is nonsense, it doesn't work like it used to, in some cases it does still apply. For example:

- **In higher value locations, land values may even exceed 1/3 of GDV**
- **Including developer contributions, which are in effect a land tax, in the land value will get closer to a 1/3 of GDV in many locations**
- **Also, including the cost of finance in the profit can also bring it close to 1/3 of GDV**

What we can conclude from this, is that it depends on what is included. We see potential purchasers arguing with agents/landowners that the land is not worth the often quoted 1/3, but much better to frame a discussion around what may be included in that 1/3.

COMPARISON VS RESIDUAL

Let's get back to how we value any site that comes across our desk. Typically, we may use a combination of both:

Comparison: where we compare sale prices of land for comparable development, eg area, scale, type, end value

Residual: LV = GDV – AC – P (where LV = land value; GDV = gross developed value; AC = all costs; and P = profit)

Finding comparables is not always easy although some 'experts' use a value per plot/unit as a general guide. This depends upon the nature of the development being considered and the complexity of any issues.

Many valuers will simply use a percentage of GDV when providing a site valuation. This percentage will depend on local market factors. However, this method is fundamentally flawed. Recently we had a re-valuation to factor in the achieved planning uplift – it came back at approx 20% of GDV. Using the residual method, the value is approx £450,000 - less than half the official valuation. This is one reason why so many sites offered for sale are massively overpriced. We have another project where the expected valuation post-planning consent will also be approx 20% of GDV, and the residual closer to 12%-15%. These are different size projects (10 units and 20 units) more than 200 miles apart. Even for quick high level valuations, we do not use the comparison method in isolation.

A developer's valuation should consider project-specific elements – demand, scheme design, planning, deal structure, legals, funding, build, exits and of course, cost. This should help you see that, far from being purely a numbers exercise, the valuation is a combination of many variables that need consideration prior to the number bit.

SITE-SPECIFIC FACTS

The first step is to establish the site-specific facts, including:

- **Extent of the site – width (frontage) and depth, gross and developable areas**
- **Shape of the site and topography**
- **History of previous and risk of future flooding**
- **Sizes of any existing buildings, including heights of adjoining properties**
- **Matters that may result in excessive abnormal costs (such as constrained site conditions, and poor or limited access)**
- **Party wall, boundary and rights of light issues**
- **Geotechnical (ground) conditions**
- **Evidence of or potential for contamination**
- **Availability and capacity of infrastructure (such as roads, public transport, mains drainage, water, gas, electricity and telephony)**
- **Evidence of head or occupational interests in the property, whether actual or implied by law, eg tenants, freeholder**
- **Physical evidence of the existence of rights of way, easements, encumbrances, overhead power lines, open water courses, mineral workings, tunnels, filling, tipping, etc**
- **Archaeological features: these may be evident, or there may be a high possibility due to the location**
- **Current planning permission: this may be outline or full and may include conditions or reserved matters; where permission is time limited it is necessary to establish if it is still valid and, if close to expiry, a similar permission would be granted again**
- **Any legally binding agreements that have been or are to be documented in order to secure the grant of planning permission, eg S106, unilateral undertakings**
- **Any special controls that may apply to the site or buildings included, eg conservation area designation, green belt, tree preservation orders, listed buildings, etc**
- **Any requirements to protect or enhance environmentally sensitive features such as SSSIs or water courses, and to comply with the relevant environmental protection legislation**
- **Any requirements for views, sight lines or buffer zones**

The above list includes many points and issues that can apply on sites; however, it is not exhaustive.

DEVELOPMENT POTENTIAL

Assessing development potential will also include sites that already have planning consent where alternative schemes may be possible and/or more desirable. At this point we look at the benefits and possibility of enlarging the site by acquiring adjacent buildings or land.

Consider what may be possible, taking into account published national and local planning policies and also, where appropriate, emerging consultative policies.

> “Balancing what is possible with what may be desirable is one of the essential abilities of a property developer”

Working with project consultants, such as planning consultants and architects, we will consider a minimum of two schemes for each site.

Density

On larger sites of one-two acres and above (shape dependent), we don't need to consider scheme layouts like we do on the smaller sites. We take the site area and, using density guides generally published in the appropriate local plan or associated documents, simply multiply the two.

Densities will vary dependent on site location. For example in Telford, Shropshire, a site close to the town centre has an acceptable density of 75 dwellings per hectare, so on a site of 0.5 hectares (1.2 acres) we would look at developing 37/38 dwellings. Dwelling size obviously affects achievable densities – to achieve 75 per hectare it is likely that one- and two-bed apartments would be necessary. Away from Telford town centre, acceptable densities fall to 35-40 dwellings per hectare, reflecting the types and sizes of dwellings, eg a mix of two- to four-bed houses and one- to two-bed apartments. Most Local Planning Authorities (LPAs) provide density guides. Some also provide scheme design guides providing key information such as parking and amenity (garden) requirements.

Demand

Demand is a key consideration for every potential scheme. Local agents help us with a current market assessment, which will include projected values, competition and market size. Competition analysis is vital – what actual or potential developments might become available at the same time? Much of this information can be gleaned from local planning portals (eg, consented schemes).

> “Good demand is crucial for all developments”

Good demand is crucial for all developments. However, if you are considering a scheme of eight four-bedroom dwellings in a village or 40 one- and two-bed apartments in a town, then more emphasis must be given to the potential demand as those numbers (with or without competition) could lead to oversupply. Conversely, if you are considering a scheme of eight four-bedroom dwellings in a town and 40 one- and two-bed apartments in a city, demand may not be a concern.

Deal structure

Once we have an idea of potential scheme designs/densities, we consider how the deal may be structured. Is there a possibility of a small initial payment for the site with further payments as units are completed, and/or on project completion? Would the vendors be interested in taking units instead of cash? If the site is bigger, can the purchase be phased, a common deal structure used by the volume developers? If purchased at full value, would the vendors invest some or all of the cash in the project? The possibilities for deal structures are endless. Our golden rule is to keep it simple. The fewer the partners (moving parts), the easier the project will run and exit.

What legal issues might there be? Close examination of the title is another key thing that many miss. Are there any restrictive covenants that can either be removed, insured or may stop the project? Are there any wayleaves or easements that may restrict scheme design and densities?

Deal structures can get very complicated, certainly once the lawyers get them on their desks. Consideration must be given at the valuation stage as legal restrictions and disputes can be extremely costly, and on occasion not possible, to resolve. We looked at a site two years ago where three of the dwellings were 95% complete and two more 20% built. No legal access was in place/possible, so the site value was £0.

FUNDING

Essential to any project is the availability, cost and terms of any funding. This is an area where many developers, experienced and new, underestimate the costs and availability. At the site value stage it is quite likely that we won't know where the funds may come from, or the likely cost, as the project might be six to 18 months away.

We look at the likelihood of funds being provided by the site owner as described above, but of course circumstances change so until the deal is signed we consider other options.

Development finance is available at sub 6% pa – however, not to many newer developers. Costs of application, exit, valuations, management and surety bonds also must be accounted for. How much cash/equity are you likely to have? Will further equity be required? Will mezzanine finance be required? Amounts of mainstream development funding available will depend on many factors – national/regional/local market strength, experience of developer and professional team, experience of contractor, size and type of project,

BUILD COSTS

How will the build be procured and managed? Will we be appointing a main contractor or will we be the main contractor? The difference in build costs can be significant, often 20% with the potential for 8%-12% savings.

Factors that will affect the build costs and timeframe include:

- **Pre-construction, eg how long to discharge planning conditions**
- **Tender period**
- **Negotiations with adjoining owners**
- **Environmental restrictions, such as bird nesting seasons, topography, eg sloping sites cost more to develop**
- **Ground conditions, eg foundations may need to be deeper and engineer-designed in a mining area**
- **Contamination, eg fuel storage tanks will need removing and adjacent top and subsoil may also need removing and foundations engineer-designed**
- **Demolition – this can be income!**
- **Site prep, eg archaeological surveys/digs**
- **Local restrictions, eg available site storage, parking**
- **Design, eg buildability – ease of build**
- **Type of construction, eg traditional masonry, pre-fabricated, modular**
- **Principal construction period**
- **Post-construction, eg holding costs, security**

NUMBER-CRUNCHING

Once we have considered all the above, we can put the relevant numbers in to a spreadsheet containing the following sections:

- **GDV – incl each unit as a separate value, freehold, leasehold, energy tariffs**
- **Fees – incl planning, surveys, reports, regs, warranties**
- **Developer contributions – incl S106, CIL, Mayoral CIL, S278**
- **Build costs – incl remediation, roads, externals**
- **Sales – internal, external and legals**
- **Finance – incl entry and exit fees**
- **Contingency – costs and time**
- **Profit - % of cost or GDV**
- **Site value – incl SDLT and legals**

There are no absolute costs or values known at this point, so we use a two-column approach indicating a range for each cost and value. Where we have a big value range, eg GDV £1.75m to £2.03m, or foundation costs £115k to £300k (due to unknown ground conditions), we will generally reflect these in any initial offer/discussions and then look to qualify them should we get the right feedback from the vendor(s) and/or their agents.

If you don't currently produce an appraisal with at least two columns of values, please start doing so. The ranges allow for more credible discussions with the vendors/agents. Sharing and explaining (concisely) the reasons for any value ranges makes it much easier to agree acquisitions based on conditions.

Remember that the site value is what it's worth to you. However, always be mindful that should you need to raise funding, your appraisal and subsequent site valuation will be scrutinised by others. The weakness of residual valuations is the quality of the information and numbers used.

The inability to understand and/or carry out a FDA leads to unsubstantiated site values being 'calculated'. This in turn leads to lost opportunities and sometimes purchases that don't end well.

EXITS

What possible exits are there? If building to hold, then funding needs to be considered. If building to sell, consideration needs to be given to the possibility of holding cost and/or refinancing any non-sold units. What's the possibility of forward selling part or all the units? If there are onsite affordables, what Registered Social Landlords (RSLs) might be interested? Is it desirable/possible to hold the affordables ourselves?

QUICK REF

Richard's guide to valuing a site

1. **Use a combination of comparison and residual methods of valuation**
2. **Pinpoint all the physical, legal and geographic facts that pertain to this particular site, including its history**
3. **Assess the development potential:**
   - What is the most suitable scheme?
   - What are the national and local guidelines?
   - What is there demand for in this location?
4. **What deal can you negotiate with the vendor?**
5. **As part of negotiating the deal, work out how you would fund the site and the development**
6. **Calculate the build costs**
7. **Decide your exit strategy – have at least two options**
8. **Crunch the numbers gathered from all these steps to get to a value range for the site**

YPN SAYS

With homebuilding a priority for the government and councils, this is a great time to consider development as a strategy for going forward. For the well-informed and well-prepared, there are good profits in new builds, and the strategy also offers diversification for property people who want to limit exposure to all the changes that are affecting landlords.

New build is exciting, and the scope is wide-ranging. There's room for developers at all levels, from small and select to innovative, affordable multi-unit buildings. We hope this feature has given you some pointers on where to start with new build. It's certainly given us some inspiration – we'll see you on the building site!

NO WHINGE NO FEE!

Bit of a weird one this month – but I know I'm not the only investor / developer to have experienced this situation.

This week we received an email out of the blue from the father of someone who had purchased one of our flats in a smaller development around 18 months ago.

He explained that the macerator toilet that had been put in wasn't working and that as the developers we should pay for it.

It's over two years ago since we finished the works on that project and I can't for the life of me remember **WHY** we needed to put a macerator in – only that we had to, to make it work. The only thing I know about macerator toilets is that generally they are fine until you start flushing any items other than toilet roll down them.

I explained to the guy (over the phone) that I was sorry they'd had problems, but that we hadn't owned the building for almost two years. He was adamant that there had been continued problems throughout this time but if that had been the case I'm pretty sure he would have piped up before.

Then he did the thing that really p*sses me off – he started threatening legal action. How he *"had a case"* and would *"see me in court"*. To be honest, if in the first six months of ownership they had reported a problem, we would have definitely paid to put it right. But it's not like this was a new build with a ten-year NHBC guarantee – it was a light refurb project. Whatever happened to *"bought as seen"*?

The cost of fixing the toilet isn't really a big deal – a few hundred quid – but I was concerned about what sort of precedent it would set if we paid, and pointed this out to him. What next? Am I expected to pay when a kitchen cupboard door falls off four years from now or when the laminate starts to lift as they've been spilling liquids on it for the best part of a decade. His response? *"I wouldn't do that – not unless it was something major wrong with the building."* Whoa!!!! I don't even own the freehold of the building – if there's a problem, it's definitely not my problem. We genuinely try to do the very best with our projects and for our customers but surely a line needs to be drawn somewhere. All this threat of legal action – is this really who we are becoming as a nation?

Last week I was listening to the radio and repeatedly heard adverts for no win no fee solicitors who would take on your case if you thought you had been mis-sold a SIPP (self invested personal pension). I really don't know where this will end. We are a nation of freebie hunters holding out our hands and pretending we have been done over to make a few quid. It would be easy to blame the parasitic ambulance chaser lawyers, but they are only fulfilling a need.

I keep reading adverts from lawyers where if you got a bit of a dodgy tummy whilst on holiday you are probably entitled to a bit of compo!

I can't help but think this all started with PPI claims – it became easy money to say that we had been mis-sold something when the truth is we probably didn't bother to ask the questions at the time.

It feels like we are slipping ever more into a litigious society – and I for one detest it!

Ant Lyons

Founder • Your Property Network

YOUR PROPERTY PROJECT

Interview: Ant Lyons and Angharad Owen Words: Angharad Owen

Sometimes, wasting time carrying out research on Facebook is a worthwhile exercise! Why? Because occasionally you find a real gem. We got in touch with Emma Stubbings after finding her project on a Facebook post. It had gained a lot of interest and it's not hard to see why!

PROPERTY HISTORY

Emma is based in Cambridge but invests in Liverpool. Her strategy involves targeting properties that need a lot of work and refurbishment. Although she has been doing refurb projects for a number of years, she felt this was the biggest one to date.

She found the property for sale online. It appeared that the seller was in a delicate situation. The house had been a family home for 25 years, and when the husband passed away, the wife needed to sell it for financial reasons. It had been where their children had grown up, and she was very attached to it.

But it was in such a bad state that it seemed nigh on impossible for anyone to live there … the owners only occupied a couple of small rooms on the top floor.

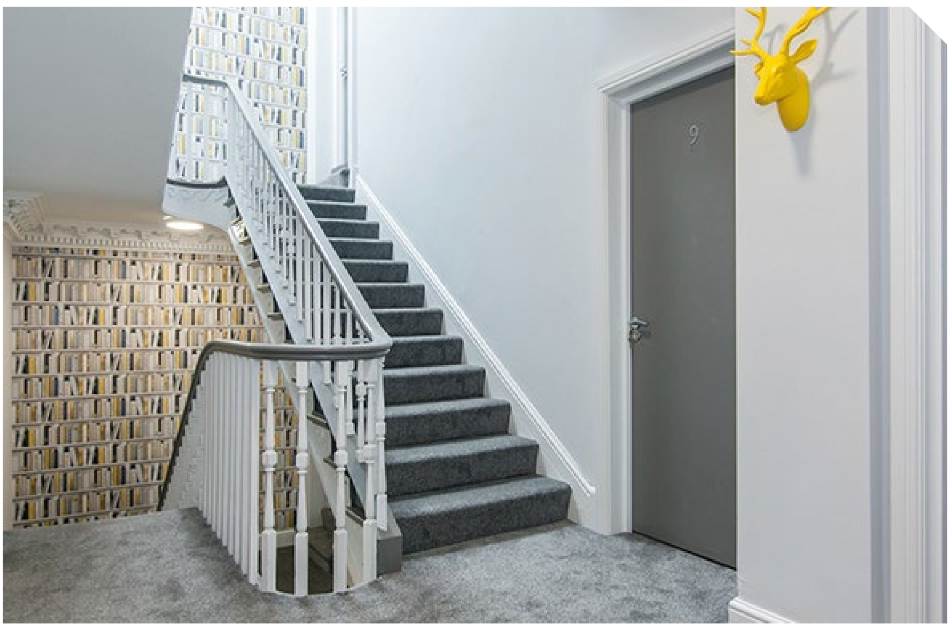
The building had suffered from fire damage from fostered children, the roof leaked, the garden was derelict and the back bay of the property had completely collapsed.

In the past, the vendors had tried to do a JV with a builder to convert the property into flats, with the hope to sell them on but keep one for themselves. They started work, ripped out a lot of the doors and features, and then ran out of money.

It was a popular property, with many people interested in buying it. It was the only house on the street that had not been converted into flats, so it wasn't hard for developers to see the opportunity the building held. Emma met with the vendor to find out about her situation and what she wanted to do.

Emma explained that she was willing for the vendor to continue living in the house until she had found another place to move into in the area. They drew up contracts to exchange when the vendor was ready.

It took over a year to get to the point of exchange from the initial conversations.



PLANNING AND BUILDING

> "Due to the state of the building, it was unmortgageable"

Emma teamed up with her sister (who is also involved in property) to form a JV. They bought it for cash as they knew the planning procedure was going to be a lengthy process. Using bridging finance or angel investors would have been far too expensive; purchasing for cash allowed them to have full control of the property and would minimise any risk.

Emma and her sister structured the JV as a long-term hold. They each own half of the property, and her sister helped with managing the project. Although they both have experience in refurbishment and HMOs, this was the first time they'd done something together.

Partnering or going into business with a family member may cause some to squirm and cringe, but it has brought these two sisters closer together. Emma lives four and a half hours away in Cambridge, and has spent the past five years travelling up and down the country, working on projects by herself. Working with her sister meant she had some company on this project and they made it fun. They'd deal with builders during the day and go out for nice dinners in the evenings.

They bought the house completely unconditionally. If they had suggested the sale be conditional to gaining planning consent, they may not have got the property as there was so much interest in it.

Emma owns other properties in the area, so she had a good idea of what she wanted to do with the house to generate a good return. It's located in a good rental neighbourhood. And as there had previously been a planning application to convert the house into apartments, she was confident she'd be able to get planning again. *"I think knowing the council, and knowing who you're dealing with, helps a lot when you're negotiating unconditionally."*

She decided to split it into flats, with each flat being a mini HMO. It had a massive basement with a good ceiling height. They planned to create 20 bedrooms split over five flats. Her husband – a planning consultant – thought they wouldn't have too many problems with the planning application. They were confident that they could achieve what they wanted with the building.

At this point, Emma started talking to a few builders and walking them around the site to explain what they wanted to do. All the rough estimates came in between £300,000-£350,000, so she was happy to move forward.

The process went smoothly, with only the usual planning delays.

AVERTING A DISASTER

However, it's not until you start taking a property apart that you begin to understand what may be waiting for you. When builders began working on converting the basement, it became apparent that the foundations of the property were very shallow. They had to re-cost in accordance to what they had planning for. **All quotes were £400,000 more than what was originally anticipated.** That drove the total development cost up to well over £700,000.

That was a panic point. Their priority was now to look at the building and see what could be done to make the project work. New costs had been added into the quotes, and they were looking at where could they potentially save money.

Taking out the basement and continuing to separate it into flats would not allow them to create enough rooms to make the deal work financially. Instead, they decided to keep it as one HMO, as that would be the cheapest way to do the build. They submitted their new planning application, which led to another massive delay.

SEFTON PARK LIVERPOOL

Type of property:	Detached. Built in 1800s
History:	The house was in a really bad state, holes in roof everywhere, fire damage, damp, rotten beams, mould, no central heating, holes in walls of house, collapsed back bay. All windows smashed or fire damaged, unsafe electrics, cowboy builders had started work on the property 10 years ago and run out of money so internal doors ripped out, holes in internal walls, features ripped out. Pigeons, living inside. Overgrown neglected garden. Planning enforcement on the building as external pillars on over were missing.
Strategy:	Original strategy was to convert the building to flats, however after three quotes costs were prohibitive and decided to turn it into a high end co-living house for professionals.
Purchase price	£400,000
Purchase/Acquisition costs, inc legals, etc:	Stamp duty £10,000 Legals £1,000
Funding method(s) (eg, cash purchase, mortgage, JV, etc):	Cash, JV with my sister.
Total money in:	£411,000
Personal money in:	£411,000

FINDING A BUILDER

While the new planning application was being processed, Emma began talking to builders to find one she could work with. It's only when you begin to form a relationship with someone that you can really figure out who you can work with.

There was a particular building company that Emma had built a relationship with over the course of a year. She had heard good things about them from other developers and had been to look at projects they had worked on. They had experience of working on large HMOs and flat conversions. She took them to see her previous projects so they could see the look and finish Emma and her sister wanted to achieve on this property. They were the most flexible cost-wise and in terms of what they wanted to achieve going forwards. *"I think when you do a project this size, you need a building company with a decent-sized team that are used to delivering projects of this scale."*

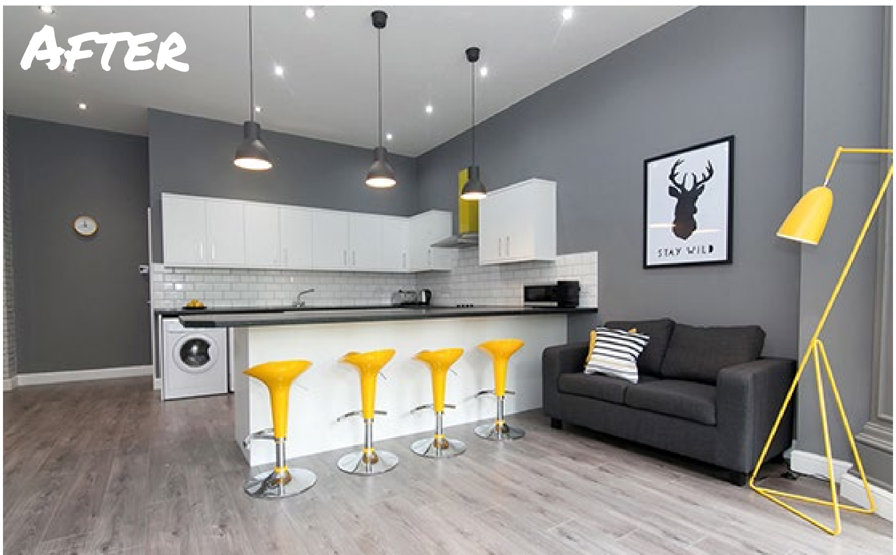
BUDGETING

When the build started, Emma and her team created a very detailed quote that included everything that needed doing. She gave the tradespeople drawings to show exactly what she wanted in terms of every single socket, wire, etc in the building. It's important to know that everything is going to work – if you're going to be doing 15 bathrooms, you need to make sure that the systems you're designing are robust and you don't have any surprises.

She has learned from her previous projects and gained knowledge of what works best in an HMO.

In one of her first HMOs, all the bathrooms had electric showers. It wasn't until the end of the project that they realised the building didn't have enough electric supply … dealing with utility companies to increase supply within a certain amount of time can lead to both massive overspends and delays.

It's normal to get some unexpected issues when taking on a building of this nature. If the builders did encounter anything unforeseen, Emma made sure they put it in writing with the exact cost. It was then a case of tracking of every single cost as they came across it to ensure they were on budget each month.



COST OF WORKS

Duration of project:	Once started the build took eight months, negotiated purchase three years prior
Architects fees:	£3,900
Planning costs:	£5,332
Planning duration:	Two applications, one for flats, one for HMO, 11 months
Asbestos survey:	£510
Tree survey and report:	£480
Any other surveys/ professional costs:	Building Regs £3,750, Structural Survey £1,200
Damp course:	£2,400
Site prep and demolition:	Inc skips £8,640
Brickwork, rebuild bay	£8,120
Studding, false ceilings, fire boarding	£20,769.90
Structural works:	£8,443.21
Remove asbestos:	£1,644
Doors:	£12,100
Windows:	£19,901.97
Roof:	£19,627
Plumbing:	£19,976
Electrics:	£18,700
Flooring:	£8,450
Decoration:	£11,492
Kitchen – units, taps, worktops, etc:	£9,400
Ensuites	£36,000
Plastering:	£17,319
TV & WiFi:	£4,005
Externals:	Guard rails £2,700, tree pruning £3,000, £21,460 – bike and bin storage, planting, new drive, new lawn, BBQ area, patios, furniture
Blinds / curtains:	£2,300
Furniture:	£13,700
Total costs:	Build **£270,148.08**

DESIGN

Sometimes you look at pictures of the inside of a building and you think to yourself, 'that person has got it exactly right'. There are others that don't quite work and you just can't put your finger on why not. Emma's design choices work.

Emma knew they were going to make their money in the end design. Good design equals greater rents and therefore less voids. Tenants don't tend to care about the structure of a building, it's about what they see cosmetically. Emma needed to ensure that they had enough money at the end of the project to purchase the kind of furniture and design elements they wanted, because ultimately, that's what counts.

> "The Liverpool HMO market is very competitive and there is a lot of supply."

She loves design, it's her favourite part of any project. When she buys a property, she has a vision of what it will look like at the end. The world of HMOs has become more competitive as standards have improved, so it's important to keep ahead of the competition.

The Liverpool HMO market is very buoyant and there is a lot of supply. To minimise voids Emma needed to make sure they had a standout property that people would want to live in.

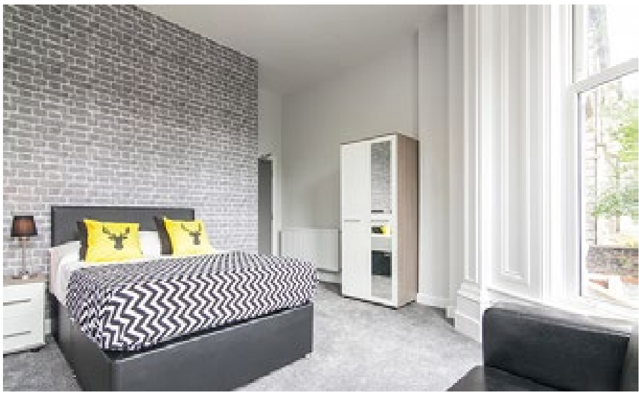
All the bedrooms are big enough to have en-suites, and the larger ones also have tea stations with a mini fridge and food-making area. There's a knack in knowing what is possible within a budget.

In her previous experience of running HMOs, smaller houses tend to get less voids. As they were no longer separating this property into separate flats, Emma thought it would be important for tenants to feel a sense of separation. So they designed each floor like a mini house, with every floor having five bedrooms and a large kitchen and living area. It has created a sense of personal space for the tenants, even though it's still one house.

As can be seen in the pictures, there is a strong colour scheme of grey and yellow. In each project she tends to pick two key colours to work with and then makes sure everything fits within the colour scheme. She wanted to keep the house light, and when using grey, it's important to have a vivid colour to go alongside it.

Through design, she has tried to make the house as social as possible, as an HMO can be a lonely place when tenants don't mix and just sit in their bedrooms. She thought that by creating large, inviting, communal spaces and having a barbeque/patio area outside, it would encourage socialising within the house.

Emma's management company shares these values and they try to choose tenants who will get on well together. They organise social events to encourage mixing and socialising, not only between tenants but between houses. Tenants who are friends with their housemates will stay in the houses for longer.



FINANCIALS

They bought the building for £400,000, and like any developer, Emma does all her numbers upfront. The key things for her are cash flow and ROI. If she's planning on holding on to it, how much money will she need to leave in the deal?

Due to her past projects in this area of Liverpool, Emma gained knowledge of how HMOs are valued and what kind of multipliers are used. As this was such a big project, she got a valuation on the property prior to putting in any planning submission.

She wanted to make sure that the end valuation was going to be what she thought it would be, and it was exactly what she had predicted.

She starts the valuation process by looking at each room and what rent she will achieve for it. This is the gross rent, which is the number the valuers – in this area of Liverpool – work from. They then take off bills and 20% to cover management, voids, etc. The net rent – and depending on the area, the yield – is calculated with a multiplier which gives you the end valuation of the building. Emma's building is unique in the sense that it has 15 car parking spaces, a massive garden and is a detached property.

Valuers should attribute some value to that too.

Many of the HMOs that Emma has bought to date have had very little external space. A lot of external space comes with an added cost of maintenance. When they purchased this property, the garden was overgrown and the trees hadn't been pruned for years. The cost of a landscaper needed to be factored in.

In terms of refinance, Emma and her sister are currently trying to pull out as much money as they can so they can continue to do other projects. After refinancing, they will be looking at around £4,000 per month cash flow, which is about 77% ROI.

TENANTS

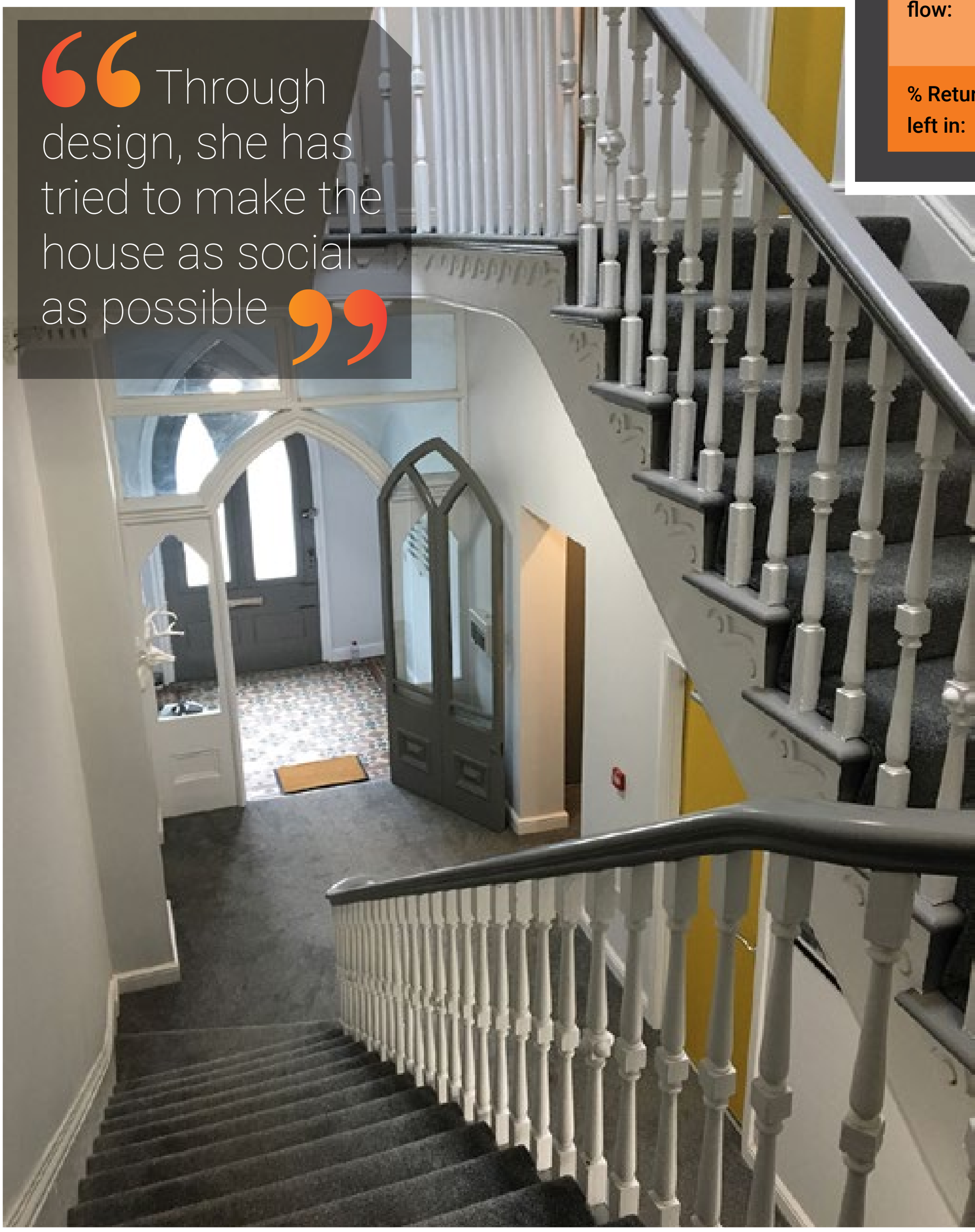
Liverpool has a large young professional population as it has a high retention rate of students staying on to work in the city. Her tenants are, on average, between the ages of 23 and 30. As they've been in university, they're used to living in shared houses, and usually like the idea of having one rent payment that includes all bills.

There is a slight premium on her rooms, but if the rents climb too high she's in danger of being in the same price range as a one-bed flat.

As the rooms in this property are different sizes, the rents vary in accordance to the size, allowing the house to be suitable for any budget. The smallest is around £433 per month, and the largest is £550. The rooms were rented within a two-week period.

VALUATION & INCOME

Post-works valuation:	£850,000
IF SOLD …	
Profit:	£168,851.92
IF RETAINED …	
Re-mortgage amount:	Currently looking at refinance £637,500
Money back out:	£637,500
Money left in:	£58,820
Monthly income:	£7,210.99
Bills included?	Yes
Monthly costs:	£1,521
Net monthly cash flow:	£5,689.99, after refinance anticipating £3,789.99
% Return on money left in:	77%



"Through design, she has tried to make the house as social as possible"

MOVING FORWARD

The property has a huge garden and Emma and her sister are considering a development in the future, but nothing is written in stone (yet …!).

Emma's business, Ikon Property, focuses on providing design-led high quality accommodation for students and young professionals. She is currently looking to increase the number of flats and rooms by converting commercial buildings, purchasing portfolios and run-down HMOs.

Emma is also partnering with developers to JV on larger projects, which is great from both a learning and cash perspective. One of the projects she is working on is a development to build a 35-unit student accommodation block in East Anglia. *"I think when you do something like this, it whets your appetite for doing bigger projects."*

Her business currently operates in Manchester, Liverpool and Cambridge and she is looking to venture into other cities across the country. It's just case of finding the right buildings and adapting her strategy depending on what can be found.

GET IN TOUCH

Facebook: **@ikonproperty**
LinkedIn: **Emma Stubbings**
Email: **emmastubbings@ikonproperty.co.uk**

CLICK HERE TO LISTEN TO THE FULL INTERVIEW

If you have an interesting or unusual project that you'd like to be featured in Your Property Projects, then drop me an email at **angharad@yourpropertynetwork.co.uk**

BOOST YOUR PROFITS AND YOUR PROPERTIES WITH INTERIOR DESIGN

Interview: **Jayne Owen & Angharad Owen** / Words: **Angharad Owen**

As property investors, there has become more and more of a trend – nay, a necessity – to have an awareness of the interiors of our properties. For those doing SAs, HMOs and BTLs, how you dress, furnish and finish your property for your tenants and/or guests has never been more important. Long gone are the days where we can slap on magnolia, put in second hand furniture and rent it out.

We caught up with **Hugo Chadd**, director of interior design company Homewings, to talk about current trends and the importance of interior design in today's market. Over to Hugo...

WHO ARE HOMEWINGS?

Homewings was born out of a frustration: historically, interior design has been an elite industry with only those in the top 1% being able to afford the luxury of having someone decorate and organise the inside of their home.

We wanted to make professional interior design accessible to everyone, because you don't have to be well off to have interior design needs. In fact, there's a huge element of well-being that comes with having spaces in your home that work well for you. It's not about buying expensive decor — it's about making a difference in your day-to-day life.

This is why Homewings was established — the desire to offer the finest design service at an affordable flat fee per room, with the added convenience of working flexibly through a state-of-the art online platform.

Two years on, and over 3,000 consumer projects completed, we have now launched our Turnkey Design and Furnishing Solutions specifically for the property professional. From large developers to small HMO portfolios, we are helping property professionals across the UK through thoughtful, cost-effective interior services.

"We wanted to make professional interior design accessible to everyone"

HOW DOES INTERIOR DESIGN BENEFIT INVESTORS?

Photos of gorgeous interiors are abundant online, so it's becoming harder for accommodation providers to stand out from the growing crowd of stylish properties for both short and long term stays.

The rental market has become a lot more competitive and there's a lot of pressure to build new houses and apartments. On top of that, young professionals are demanding that landlords take note of their wants and needs. It has resulted in landlords moving away from standard magnolia walls and offering unique and bespoke property to the market.

Development projects

Interior design and staging has played an important part in large scale development projects for a long time, and the concept of the 'show house' readily comes to mind. Staging began to extend into non-new builds and small developments a few years ago as sellers began to realise the impact that a clean, tidy and stylish interior could have on buyers and potentially in getting the property sold quicker.

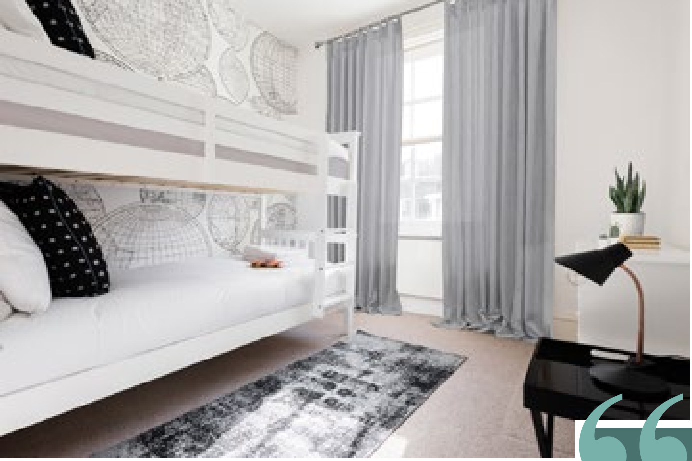
Recently, we have started working with some developers to create show homes and also to provide customisable furniture packages for their homebuyers to purchase. This is a great product for developers to offer their customers.

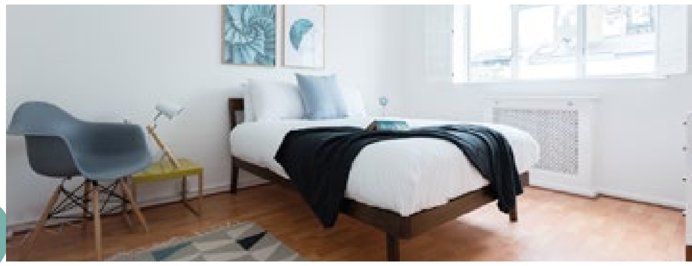
Rental properties

Gradually, interior styling is extending into furnished rental properties and serviced accommodation units. It's not that long ago that holiday lets were furnished with a mishmash of the owners' old furniture and there are still a few student lets around with rickety wardrobes and flimsy bed frames. These are now left at the bottom of the pile of available properties when compared with fresher, more up-to-date offerings.

Generally speaking, investors tend not to need the same level of communication on interior design as a homeowner who is living in the property. Instead they are readying it for a target market. To help with that, we have put together furniture packages customised for those target markets, which include delivery, installation and the ensuing tidy-up.

Unlike the DIY approach to design and décor, which can be subjective and





> There's so much more to getting a room to 'work' than choosing the colour of the sofa

personal, data and market research backs up what we say and do. For example, the products our designers recommend to landlords are grounded in what their target tenants are currently buying. If an investor has an idea about who they want their tenants to be, we have a good idea about what sort of style those tenants would like to see in the property.

Thinking strategically about how your tenant or guest will want the property to be furnished doesn't necessarily mean it will cost more. It just means being a bit more thoughtful about the small details to get who you want in your house.

Serviced accommodation and holiday lets

Many of our clients are serviced accommodation and holiday let investors, as they are aware that guests want a property to feel like a home away from home – or even better than their home.

What differentiates a holiday let from a hotel room? This is a question that investors are starting to ask themselves. From research and experience, we have found that extra details such as prints, cushions and accessories beyond the key furniture pieces make a difference. Pool tables and table tennis, where there is enough space, don't cost the earth but can add so much value to guests.

Visual presentation

Good quality visual presentation is crucial to be able to stand out from the competition. Always invest in good photography and styling.

CURRENT TRENDS

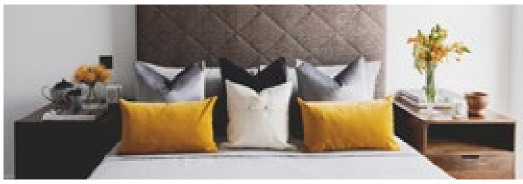
Each year, we produce a trend report, and we have made this available for YPN readers (**https://bit.ly/2rJOj5f**). This can help you understand what your potential tenants are looking for at the regional and demographic levels. We gathered the data through quizzes, analysing Pinterest and studying purchasing habits.

The current trend is a clean look with lots of whites and greys, however it's important for landlords and investors to think about who their customer is and what they're influenced by. By looking at Pinterest and magazines, it's clear there's a big play into the modern, Scandinavian, minimal feel.

Good design is about creating a space that works for your client – whoever that may be. It needs to be functional, and therefore tick all the boxes in terms of how you perceive your customer will use the room. It needs to be distinctive. People expect something different to what they've seen before. It doesn't need to cost the earth and it's very simple to implement.

It's important that you're not only styling for your client but also styling in a way that's in line with your strategy. If you're dressing a one-bed apartment to let, you don't need as much furniture as for a serviced let. In a single let, you can give your tenant the freedom to decorate the property in a way that they like, whereas in the SA, it's much more about first impressions and the experiences your guest has within that property.

There's so much more to getting a room to 'work' than choosing the colour of the sofa.



It's important to create an atmosphere. For example, I'm working on a SA project at the moment where we have placed a houseplant in the corner. It needs to be watered every now and then, so we encourage guests to do it by leaving a note saying: *"Please water me."* It seems to be going down well with the guests.

Prints on the walls and cushions are another way of creating atmosphere. They don't need to be too generic because people want to see interesting things. Having more than enough seating for your tenants/guests can create a relaxing atmosphere where people can relax and enjoy themselves. And people who enjoy themselves are far more likely to spread the word, stay longer and visit again.

We're happy to chat and help in any way with your specific needs.

Download the trend report here:
https://bit.ly/2rJOj5f

GET IN TOUCH

hugo@homewings.co.uk

Click here to Listen to more from Hugo

ANDREW FEATHERSTONE'S KEY QUESTIONS TO ASK *Your estate agent*

WHEN YOU'RE WANTING TO SELL A PROPERTY THAT YOU'VE REFURBISHED

Written by **Heidi Moment**

With many agents on the high street to choose from as well as several online agents, investors are spoilt for choice when it comes to selecting an agent to sell their property. Here are some key questions to help you to choose the right one for you.

START BY…

You want to speak to someone who should know something about values of property in the area. Research your local high street agents and get two or three round to value your property on the spot, and follow up with a visit in their office.

Go into their office - try to establish what they are like and to get a feel of their philosophy and how conscientious and energetic they are.

ALWAYS:

- look up a few local agents to get a feel for all the agents in the area
- go into their office to see them and see how they work
- try to speak to the manager of the agency rather than just a junior. You'll get much better answers. If you go on a Saturday, you might get somebody who is not as clued-up as the team during the rest of the week.

You want a proactive agent – someone who goes out and actively sells the property rather than just putting it on a list or a website and waiting for people.

“What type of properties do you sell, and in which areas?”

Ideally, you want them to be experienced at selling your type of property on a regular basis. There’s no point getting an agent who specialises in large houses, estates and farms if you’re selling a one-bedroom flat. Look at their website and in their shop window to get a feel for them beforehand.

Then ask them, ***“What sort of properties do you have for sale? Are they family homes? Are they commercial properties? HMOs? One-bed flats? Two-bed flats? Country properties? Town properties?”***

It’ll be interesting to hear what they think they sell and if this matches with what you found out whilst doing your research.

“Who are your typical customers?”

It is likely they will service a wide range of people, but finding out more about who they deal with the most will help you to know if they are the right agent for you.

They may say they deal a lot with landlords and investment buyers, in which case you can ask, ***“Well, what are those landlords looking for at the moment? What type of properties are they looking for? Small flats, big flats, houses? What yields are they looking for?”***

Investment buyers are looking for a return on their investment, so they’re very interested in the rental yields they’ll be able to receive in relation to what their investment’s going to be. If the agent really does deal with these types of buyers they should understand the process and have all the facts and figures to hand. They’ll also know automatically how much property would rent for.

> “Ask questions before telling them about your house, so they don’t tailor their answers to you”

“What’s the market like?”

To begin with always try and ask open questions to get them to talk about themselves without giving too many specifics about your property. So rather than saying, ***“I’ve got a one-bed flat for this blah, blah, blah,”*** say something like, ***“What’s the market like for selling flats at the moment?”*** And they might then give you lots of information, ***“Well, one-beds are selling better than two-beds at the moment, and this particular area is selling better than that area.”*** So you’ll get a lot of information before you actually tell them anything about yours.

> “Estate agents are salespeople, so get them to back up what they tell you with experience and fact”

REMEMBER: Estate agents are paid on commission, so towards the end of the month or quarter, when their bonus is coming up, they might be much keener to talk to you than at other times.

LOCAL VERSUS NATIONAL

Nothing beats local knowledge when it comes to selling your house. It might be okay for a national agency to put it on the portals such as Rightmove and Zoopla, as your potential buyers will see it, but the national agencies won’t have anywhere near enough local knowledge to do what you need them to do.

In your area, one end of the street might be completely different to the other. A local agent would know this whereas a national agent wouldn’t.

The key things that you’re paying for are:

- **The expertise of how they manage the viewings**
- **The quality of the viewings person they send to show people around and their knowledge**
- **How they manage the process to actually get an offer and transform that offer into exchange of contracts and then completion**

“You want the agent who has local knowledge and has the right processes in place to complete the sale”

“Where do you advertise?”

Rightmove is the biggest one, so that’s where most of your market will search rather than the smaller ones, and if they put it on Zoopla too then that’s a bonus.

It’s also important to be in the shop window to catch people who might not be searching online, or those who are not actively searching, but it might catch their eye.

There’s still a role for advertising in local newspapers, because local people flick through the properties in newspapers just to see what’s on the market, whereas they might not be doing lots of online searches.

"If I gave you the instruction, how would you go about selling my property? What would your marketing strategy be?"

This is effectively their pitch about how they're going to sell your property, and justify their fee. Ask the question and then just shut up and listen. They'll talk you through the process of how they would envisage selling the property, what sort of promotions they'd do if any, and how quickly they could get it online. Listen carefully and ask questions about anything you're not sure about.

"What information will you give me?"

It's really interesting to have a weekly report detailing enquiries, viewings and what stage those viewers are at. It's good to know you are up-to-date on what's happening. It also keeps the agent on their toes and if nothing's happening and you've got no viewings, you can both discuss if you need to review your price or marketing strategy. If the agent doesn't offer this you should insist on it.

MYSTERY SHOP YOUR AGENT

Occasionally during the process go online and check your advert is still looking good and that there are no spelling mistakes. Also, do a mystery shop. Call the agent and ask for more information and set up a viewing. This will show you how knowledgeable the person on the call is and how efficient they are. It will also help you see what information you get back.

"Can you show me what you've sold recently in the immediate area?"

This should open up an interesting two-way conversation. The agent will tell you what they have sold and the values. You will have done your own research in the area so will be armed with your own key comparables so you can begin to challenge what they say and get them to justify what they've sold. If they give you valuations you think are wrong, you can ask, ***"How have you arrived at those valuations?"*** You will come out of this one knowing whether they know what they're talking about or not.

"How much is my property worth?"

This is probably the most important question you will ask the agent, and you want their answer to be based on fact and knowledge, not a figure plucked out of the air.

Be prepared for them to overvalue it in order to get your business. This tends to happen a lot. This also gives them scope to suggest a price reduction when it doesn't sell quickly.

Recently, I tried to sell a flat in Weymouth, and my research told me I couldn't achieve more than £105,000. An agent told me he could sell it for £140,000. I knew this was too high so I challenged him. The conversation went a bit like this:

Me: ***"Well, what have you sold lately in that area of that description?"***

Agent: ***"hmmm"***

Me: ***"What flats have you sold recently?"***

Agent: ***"Oh, we haven't sold any flats."***

Me: ***"So how do you know? You're telling me it's worth 140 just to get my business, and you don't know what you're talking about."***

To find out the actual value of your property – put them on the spot and ask them, What price would I have to market this at in order to get an offer within 2 weeks? Their answer to this will be pretty close to the real value of your property!

"What are your recent statistics?"

Agents are very good at glossing over the details and telling you everything's wonderful, so it's good to ask them to quantify things:

- **"How many weeks before you expect to get an acceptable offer?"**
- **"How long, really, does the sales process normally take?"**
- **"What's the difference between what the property actually sells for compared with the asking price?"**

A good agent will know the answers to these and be content to discuss them with you.

"Do you have a list of buyers who are looking for this sort of property?"

A good estate agent will have some people in mind for your property when they come to meet you. Many agents will tell you they have a list of potential buyers looking for your exact house. Whether you believe this is up to you. Ask for more details and ask to see the list. You don't have to see it, of course, but at least it puts them on the spot and makes them back up whatever claims they make with some evidence.

"Tell us about your fall-through rate?"

This is really important, because a lot of property sales fall through for some reason, from legal problems, an issue with the survey, or maybe the buyer can't get a mortgage. There are so many reasons a sale can fall through and you really don't want that at the last minute. A good estate agent will make sure once they've agreed a sale and you've accepted an offer that the transaction actually happens. They should be able to give you a percentage if they know what they're talking about.

"Tell me about your team"

Different people in the office will be responsible for different parts of the process. Here are some of them:

- **People who go out and value the properties and get them on the market**
- **Those who do the viewings and show potential buyers around**
- **Those who negotiate the final price; and**
- **(most importantly) Those whose sole job is to manage the chain, chasing things like surveys, mortgage offers, solicitors and helping to obtain information in order to speed the process up. This is key and some agents do this much better than others.**

"Talk me through your fee structure"

Always leave the discussion about fees right to the end. Once you've got a feel for what they do you'll be able to judge whether you think it's worthwhile or not. Typically agents charge a percentage of the purchase price, usually plus VAT, so it can range from 0.5% of the purchase price, up to 2% or 2.5% plus VAT. Some have a minimum charge.

A good agent will include the brochure, photography and layout plans in the price and there should be nothing to pay up front.

Always negotiate a bit on the fee. They'll probably all drop a little from what they quote you. But don't try to cut it too much as if it's too small a percentage they've got no real incentive to market it for you.

"How long will I be tied in with you?"

You will be tied in for a certain amount of time, ranging from 8 to 12 weeks, or even 16 weeks with some. This is fair to the agent as they need a bit of time to invest the necessary time and money into marketing it for you, but make them aware that if they don't succeed, then you will at some point move your business somewhere else.

Click here to listen to more from Andrew

"Who is actually going to conduct the viewings on that property?"

If it's a part-time Saturday boy or girl who just opens up and lets people look around, then they're not the right people to sell your property. So just check that the enthusiastic person you meet is the one who shows the potential buyers around, rather than someone who's not interested or knowledgeable.

SPEAK TO THE AGENTS PRIOR TO BUYING A PROPERTY

Speak to the agent throughout the refurb process. As they are talking to sellers all the time, they will have a good handle on what a buyer is looking for as well as what is irrelevant. So they will help you to spend your refurb money correctly rather than spend it on the wrong type of things.

From an agent's point of view, if you buy through them, then refurbish the property under their advice, and sell through them, they get two sales out of you and two sets of fees, which they'll love. This could be the start of a great relationship and they will hopefully come to you with other deals as well.

QUESTIONS TO ASK YOURSELF:

Choose the agent you get on with best, and the one you're most confident will sell your house. Ask yourself:

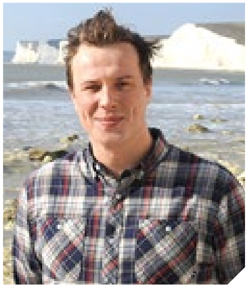
- **Do I have faith in them?**
- **Would I like to work with them?**
- **Do I trust them to manage the sale of my property?**

CONTACT DETAILS

andrew@featherstoneproperty.com
www.featherstoneproperty.co.uk

For free video guides for beginners and to shadow projects visit **www.andrewfeatherstone.co.uk**

BUYING AT AUCTION



PART 2 DUE DILIGENCE

By **Max Scott**

In the second of this short series, investor Max draws on his experience of buying at auctions to give us an overview of what to expect, the types of properties you can find, and what problems to look out for when considering an auction purchase ...

In Part 1 of this article, I outlined a summary of the current property auction market in the UK and covered a few points about sourcing properties using this method, including the types of lots that are popular and the difference between guide and reserve prices. This month, we'll look at the due diligence that you should carry out before buying.

Due diligence is probably the most important part of any purchase. However, it is far, far more important when buying at auction, for several reasons:

1. **Commitment** – you are 100% legally committed from the moment the hammer goes down. Critically, this means all of a property's due diligence must be done before you bid, compared to 'on the market' properties when most of the due diligence starts after you offer.
2. **Problem properties** – often properties with 'problems' are sold at auction. Being aware of these before you buy can be a great way of adding value, but you need to know what you are getting into. Problems could include structural issues, tenant or tenancy issues, title issues, Japanese knotweed or dry/wet rot, amongst other things.

VIEWING

DUE DILIGENCE STARTS HERE

Due diligence starts on the viewing. Whether you plan on getting a survey or not, it's essential you don't miss anything obvious.

Doing an early viewing is important. Often there are only three weeks from catalogue release to the auction date. If you go to one of the last viewings you'll put yourself under enormous time pressure and will be more likely to make a costly mistake. Going to an early viewing on the other hand gives you time to do your due diligence, but also enables you to go on another viewing with your builder or even to book a survey should you choose to. (Auctioneers can be un-accommodating in conducting a viewing outside their predetermined times.)

When doing the viewing I like to take the following items with me:

- **A viewing sheet – it's easy to miss things if you go round with a blank note pad, so I have a table of important check points so that I don't forget anything important. (Contact me if you'd like a copy of the one I use.)**
- **Damp meter – these are cheap and useful (... and at the very least you can tut a lot so those without one think it's damp!).**
- **Torch – just in case. The electrics are often turned off.**
- **Laser measure – I like to know the size of a property. It's a very important part in determining its value, and EPCs (what I refer to for an initial check of size) are pretty inaccurate. For a potential HMO it's even more important as the size of each room can have a major impact on the number of bedrooms in the conversion.**

For auction sales, there can be lots of people on a viewing compared with a property on the open market where it's likely to be just you. It's a good opportunity to be friendly, to talk to people, to find out why they like the lot and also to pay attention to what they are paying attention to. But of course, don't trust what they say. Ask the auctioneer about the property's story, why it's in the catalogue and what their thoughts are – build rapport and be clever with your questions, and you may just find out some useful information.

If you can't see or access part of the building, be suspicious! Once the hammer goes down you have exchanged, no matter what is behind the locked door that the auctioneer 'forgot' the key for or couldn't open as they 'couldn't get hold of the tenant'. The auctioneer's reason may well be genuine but if a tenant has maliciously wrecked the place, there is no comeback. As outlined in the Sackville Road case study in Part 1, I previously bought a block of five flats where I couldn't access one flat beforehand; however, I had already factored in a moderate refurb on this flat, and looked carefully at my profit margin and the risk/reward ratio.

SURVEY - OR NOT?

Should you get a survey? Obviously the advice is yes. However, you need to look at the cost of a survey (and the timeframes for getting the report back) vs your chance of being the winning bidder. If you need a £500 survey and your chance of success is 1 in 10, you could waste a lot of money without owning a property at the end of it. Another reason why auctions are for the more experienced investors.

LEGAL PACK

Should you send this to your solicitor? The advice, like with a survey, is of course yes. However, when I buy I try again to look at the cost of a solicitor reviewing it vs my chance of being the successful bidder and the risk:reward ratio. As I'm quite experienced now, I tend to only send my solicitor specific documents that I have a concern over or don't understand, for them to review.

Some key points to look out for:

1. Insurance

This will either stipulate the buyer or the seller is to insure the lot from exchange. If it's the buyer, then it's very important that your broker has been prepared with details of the property. Otherwise you risk exchanging without time for your broker to arrange insurance, which is very risky.

2. Special conditions

a. Can say anything and it forms part of the contract.

b. **Completion date** – normally 28 days but can be anything and I have seen as little as seven days.

c. **Extras** – often you will have to reimburse the seller for searches and even pay their legal costs. We once had to pay 1%+VAT towards a seller's 'legal fee' on a £1m+ purchase (£12,600!) – but we were very aware of this and factored it in to our bid.

If anything is missing from the legal pack, the seller's solicitors are normally listed. You can call or email them if you need something. If your purchase is conditional or based on something, then you should get the seller's solicitor to provide an undertaking, which is a legal term for a promise.

The best example of an undertaking that I can show is on a flat with a short lease, where the owners have owned the flat for two years or more. If you buy it as it is, you would have to wait two years until you have the right to extend the lease. However, you can get the seller's solicitor to provide an undertaking that between exchange and completion they will serve the required Section 42 notice requesting a lease extension, and assign it to you.

The **Addendum** is last minute additions or changes they tell you about on the day. Get to the auction in plenty of time to review this as you may need to speak to your solicitor before bidding.

TENANTED PROPERTIES

There are many benefits to buying a tenanted property, not least of which is that you have rent coming in from day one.

Even when there are problem tenants, it can present an opportunity to buy at a good price and solve the issues, but you have to know what you are doing.

As of 1st October 2015 (see note 1), thanks to the Deregulation Act 2015 and The Assured Shorthold Tenancy Notices and Prescribed Requirements (England) Regulations 2015, you need to have far more in place to legally be able to serve a S21. You need to prove that you/the landlord at the beginning of the tenancy served: EPC certificate, How to Rent guide, Gas Safety certificate, etc, etc, so make sure all the right documentation is included – or assume it's not in place.

ARREARS

One of the most astounding things for me about buying at auction is that it is typically in the auctioneer's terms and conditions as standard that the buyer has to pay the seller any outstanding arrears on tenancy agreements. This might be all well and good (or not depending on your perspective) … but as far as I am aware they don't even have to tell you there are any.

Sackville Road, the case study I referred to last month, had no arrears detailed in the legal pack but I suspected there were plenty as the building was very poorly managed and not in a great state at all. In fact, arrears stood at about £5.5k. You need to ask the seller's solicitor, or at least the auctioneer, what the arrears are and get it in writing. In the end we negotiated buying this lot pre-auction and agreed to pay a maximum of £3.5k towards the arrears.

PREPARING YOUR FINANCE

You exchange when the hammer goes down.

Typically, you complete 28 days later but it can be any amount of time stipulated in the contract. From memory, the shortest I've seen is seven days and the longest is six weeks. This is a very short period of time, far too short for any mortgage company I know of – even bridging lenders can struggle with these timeframes.

Cash … would be the first choice if you are lucky enough to be in the position of having cash funds at your disposal. You are in complete control and will save on interest costs and fees.

Private finance … would be my second choice, depending on the terms available to you. We have been very fortunate in the private facility we had, and this is how we have paid for most of our auction purchases. However, you do need to make sure your investor is 100% committed, you cannot risk them pulling out as it's your name on the contract and your neck on the line.

Bridging … would be the last on my list of options but it's not something that I have experience in using. My personal view is that the interest rate is expensive, there are fees from every angle, timings are tight and you may need to get a survey beforehand, thus incurring costs before you know if you are the winning bidder.

It's also worth noting that the six-month rule (where relevant) applies to auction purchases as with any other, even if you initially buy in cash. However, there is some flexibility in this rule and I have refinanced much quicker with Kent Reliance, Shawbrook and Lloyds.

IF YOU FAIL TO COMPLETE

Failing to complete is simply not an option. If you don't complete on the completion day you will be served a notice to complete. This gives you around 12 days to complete and is your last chance.

If you miss the new extended deadline, you'll immediately lose all the fees you've paid, and also the deposit.

It gets worse. You are then liable for any loss the seller incurs as a result of your failure to complete (such as interest) and, most importantly, if the property then re-sells in the next auction at a lower price, which is inevitable, you will owe the difference less the 10% you have already paid.

I was at an auction last year when one such property came up. The auctioneer was outrageous and told the room how it had already sold at the last auction at £200k, but the buyer had failed to complete. *"I am selling this cheap today, ladies and gentlemen, as the person who was supposed to buy it is going to pay the difference! Let's start the bidding at £125,000, that's almost half price!"* He basically put people off, drove the price down, and it ended up selling for £143k. The original buyer lost their 10% deposit of £20k and would have been sued for the difference of £37k, a total loss of £57k before any fees were taken into account.

So make sure you have the money to complete!

Notes: 1 https://nearlylegal.co.uk/2015/09/1-october-2015-section-21-day/

CASE STUDY

Bedford Row, Worthing

Purchase date:	**April 2017**
Purchase type:	**Auction**
Value added by:	**Buying at good price for quick sale, refurbishment, lease extension**
Purchase price:	**£75,000**
SDLT and legals:	**£5,250**
Lease extension:	**£13,750**
Refurbishment:	**£22,000**
Total spend:	**£116,000**
Valuation:	**£175,000**
Value added / capital profit:	**£59,000**

PROJECT OVERVIEW

This property was overpriced and failed to sell at two auctions. We purchased it after the second failed sale, as the seller really needed to sell.

We extended the lease, which had 68 years remaining. At this point the property was revalued at £175,000.

Rather than doing a straightforward refurb, we wanted to also improve the layout, which involved getting listed building consent.

Once complete, the property will rent for £750 pm / £9,000 pa, a 7.7% yield.

NEXT MONTH …

We'll run through what happens and what you need to do on the day of the auction.

Click here to download and listen to our interview with Max

Max Scott is a successful and experienced property investor based in Brighton. He runs Star Property, a large property investment business, as well as Zest Property Investments, his own investment business.

max@zestpropertyinvestments.co.uk
max@star-property.co.uk

STAR PROPERTY PROPERTY INVESTMENTS   ZEST Property Investments

NO. 5 *An introduction to*

UPDATING A BATHROOM

Interview & Words: **Heidi Moment**

Everyone likes a clean, smart bathroom that's ready to use straight away. But is it always necessary to rip it all out and replace it with a completely new one, or can you work with what you've got?

Read on to find out ...

When would you need to improve the bathroom?

You'll definitely want to think about updating your bathroom if it hasn't been updated for a long time, is completely the wrong style, with a pink or avocado suite, some old-fashioned tiling and ancient plumbing, or the previous owner was elderly or disabled and removed the bath in favour of a wet room.

> "People want to wash in a room that is clean, modern and fresh"

Design your bathroom for your target market

Whether you are selling or buying, be clear who your market is and know what they expect, then deliver it. Each market may have a slightly different requirement. Do some research and discuss it with your local agent to get more of a steer.

Some tips:

- **If you are renting to younger professionals or students, they will be happy with showers**
- **White-collar workers often prefer baths for a soak after a long day**
- **A family will expect a bath, particularly for bathing younger children.**

What might you look out for?

MAKE THE MOST OF THE SPACE

It's rare you'll be able to make the bathroom bigger, unless the toilet is separate, in which case you could take down the wall between the two to open up the space. Some bathrooms have got storage cupboards, containing the boiler or cylinder. If desired you could relocate these to open up the bathroom a little bit more.

If refurbishing a property to flip, then a separate stand-alone shower cubicle adds good value into the bathroom, if you have space.

TILES

What does the tiling look like? Is it dated? Or does it look like the kind of thing you would expect in a modern bathroom? The current style of tiling is larger tiles, generally in lighter colours including marble effects. Look for end of range sales to keep the price down but make sure you buy enough!

Beware of old tiles in '20s and '30s houses, which are fixed with a sand and cement render used as a mortar. You can spot these tiles because they stick off the wall nearly an inch or so, and have often got a quadrant tile on the top to finish them all off. They are ridiculously hard to get off the wall – it's a really slow, laborious job and you will invariably wreck the wall behind!

looking like it's going to change any time soon, so if your property has a coloured suite, you probably want to replace it with white. If you have a white suite that's in good condition, then cleaning it up can often do wonders, but be careful with modern baths made from plastic or resin - they don't clean up quite so well.

> "Always ditch the avocado suite"

You can pick up a new toilet and basin for less than a hundred pounds, so sometimes it's just as easy to whip out the old dirty one and put in a new one than try and clean it up. It all depends on your budget.

FLOORING

The days of carpet in bathrooms have long gone, so if the property has carpet this definitely has to go. Laminate flooring really isn't suitable for bathrooms – it is man-made fibreboard, so if the showerhead sprays on the floor a few times or you have a little leak you'll ruin the floor. Which leaves two real options – vinyl or tiles.

The budget option is vinyl, and I would tend to recommend vinyl sheet rather than vinyl tiles, as it hasn't got any gaps, so won't let water through.

> "Cushioned vinyls are much nicer to walk on with bare feet"

Tiles give a more luxurious feel, but are more expensive - ceramic tiles are the cheaper end of the market and porcelain or limestone if you're doing a better quality property. Tiles also tend to be cold underfoot, so you may want to consider an underfloor heating mat to take the chill off.

BITS & BOBS THAT MAKE A LOT OF DIFFERENCE

Don't feel you have to replace everything. Use what you've got and add some special finishing touches.

Putting modern taps on the existing bath and basin could be all you need to make it look fresher. Relatively economical quick fixes such as redoing the sealer around the bath and the grout on existing tiles can massively improve the bathroom with little cost and time.

A new blind, a nice cabinet or a large mirror, are all things that add to the appeal of the bathroom. You might find there's an old-fashioned shaver socket. Rather than remove it you could use the electric point to put up a cabinet with a mirror light. Or keep the shaver socket but put it within the cabinet.

> “Big mirrors make small bathrooms feel so much bigger. Adding an illuminated mirror is a nice touch that doesn't break the bank”

Shower curtains look tired and dated. At the very least you need a brand new curtain, although if you're looking to create a high-quality bathroom you'll need a shower screen.

You often don't have to replace the whole shower, just buy a brand new hose and a nice new showerhead for £20-25 or so. Suddenly, because it's all bright, shiny and clean, everything else looks that much better.

Although they look great, rainfall showers aren't practical unless you've got good water pressure. Ask your plumber for advice on this. An 8cm diameter showerhead is probably sufficient for most things that property investors are doing.

LIGHTING

The key to lighting is for it to be bright, bright, bright! People want to see what they are doing clearly in the bathroom. There are a lot of really nice lights out there for bathrooms. For £15-20 you can get a modern ceiling light that will make a big difference. Or if your budget will stretch a bit further you could get some with directional spotlights for £30-£50.

If you're replacing the light in your bathroom, you need to make sure you're buying the right IP rating (which is all about water penetration). You need different IP rated lights for different parts of the bathroom, for example the light above a shower needs to be more water tight than one over the sink so check with the supplier or your electrician.

Who do you need to help you with this?

It depends on your own skills, but in most cases you're going to need:

- **A plumber – to do any alterations to the bath, basin, shower or toilet**
- **An electrician – for any lighting or fitting illuminating mirrors etc**
- **A tiler – tilers are specialists and are generally one of the slightly more expensive tradesmen to employ. Or your plumber may do tiling too**
- **Handyman – most other bits and bobs can be done by your handyman for minimal cost.**

How much does it cost?

Bath, basin, and toilet supplied and fitted – under £1,000.

You may need to pay extra for shower doors or taps, but it shouldn't add on too much.

> “Always look for deals from merchants”

Be careful with shower screens. Stay away from cheap, thin, plastic ones, they flex a lot when opened and are not really tenant-proof. A good shower screen, with a chunky frame, will be around £200.

A new stand-alone shower and cubicle will cost from £600, whereas adding a shower over the bath should be less than £400.

Safety aspects to consider

Always use an approved electrician and, if necessary, a Gas Safe plumber to do your specialist works.

What issues might you come up against and how might you overcome them?

One of the common challenges in bathrooms is mould, from condensation, caused by a lack of ventilation or insulation. Mould's not overly difficult to clean off and there are a lot of products out there that work well. To stop the mould coming back, you need to think about improving the ventilation, with an extractor fan. You can also get anti-mould paint that keeps the mould from attaching itself to the walls and keeps walls cleaner for longer (really useful in rental properties).

Avoid reconfiguring the layout if you can help it. If you are replacing the suite then the most economical way to do it is to put everything back in the same place. You also run the risk of finding problems and adding costs if you start moving things around, especially if you have to move the soil pipe.

Any other tips for us?

P BATHS

P-baths are great. They give you a little more space when having a shower over the bath, they come with nice curved screens to fit around them and for less than £100 extra you'll add a real wow to your bathroom.

HUMIDSTATS

Humidistats pick up excessive humidity in the air and turn the fan on automatically. Perfect for an HMO that's getting a lot of use and excessive condensation or a bathroom with no window. For a cost of £50 or less you are looking after your property for the long term.

CONTACT

Contact Martin with any questions you have regarding refurbishments.

martin@refurbishmentmasterclass.co.uk
www.refurbishmentmasterclass.co.uk for full details of our services
Tel: **07934 271371**

GET IN TOUCH FOR:

- Training courses and mentoring for property investors managing their own refurbishments
- Project support for developers stepping up to larger projects
- Full project management

TECHNOLOGY IN THE NEW BUILD PROPERTY MARKET

By **Luke Skelton** and **Jahangir Khan**

With reference to this month's feature on new build projects, we thought it might be interesting to look at how technology is playing a pivotal role in pioneering changes in the property industry, in particular the new build sector.

Advancements in machine learning and deep learning, blockchain, artificial intelligence (AI) and cloud computing, to name a few, have all proved useful applications in this sector. New methods of communication and management and revolutionary technology will make business faster, smoother, transparent and more efficient.

Applications can be used in: sales, customer service, bookkeeping and other management-related tasks, predicting market behaviour, trade, live tracking and monitoring of the market, and construction through using automated systems.

Here are a few notable innovations currently in use in the sector, along with their future scope.

BLOCKCHAIN
PREDICTED AS THE NEXT BIG THING IN TECHNOLOGY

"The Blockchain cannot be described just as a revolution. It is a tsunami-like phenomenon, slowly advancing and gradually enveloping everything along its way by the force of its progression." – William Mougayar

Blockchain is one of the innovations associated with and gained its popularity due to the cryptocurrency sector, mainly Bitcoin. It is an electronic ledger, which is transparent and secure at the same time.

It is completely digitised and thus easy to store, edit and monitor. It is decentralised, without a fixed central database. It follows a mechanism where the information is stored in all systems that are a part of the chain, in a shared manner. Any alteration to the stored data will be traceable. Therefore, it cannot be erased or tampered with without detection. It is also transparent as it allows access to anyone with the proper credentials to monitor the activity.

In the new build sector

As a secure electronic ledger, Blockchain has many applications in this sector.

Transactions. Its ability to act as a shared database and filing cabinet makes it an ideal platform to conduct and store transactions, contracts and any form of information.

Contracts. It provides the option for speedy, secure contracts. Once both parties agree on a deal, they can sign a digitally issued agreement and store it on the network. This can be retrieved by either party, and stays there for as long as it is needed. It cannot be tampered with in any manner without both sides getting to know about it. Thus the trading process is digitised and made more secure. Digital contracts render the overall sector more transparent and scam-free.

Time. The property market is beleaguered by the amount of time it can take to complete a deal. Delays drastically reduce the speed of a transaction. The introduction of Blockchain can improve the process tremendously as firms and clients no longer have to worry about not being informed about their deals. The technology enables both parties to monitor the sale as it happens in real time, which makes the entire process transparent and fast.

©Bigstock.com/LuckyStep48

MACHINE LEARNING, DEEP LEARNING AND REVOLUTIONISING THE PROPERTY MARKET

"Artificial intelligence would be the ultimate version of Google. The ultimate search engine that would understand everything on the web. It would understand exactly what you wanted, and it would give you the right thing. We're nowhere near doing that now. However, we can get incrementally closer to that, and that is basically what we work on." – Larry Page

That's the vision of one of the biggest tech companies in the world. That's the interest, enthusiasm and investment which these revolutionary technologies have been able to command, and it is all set to impact every industry directly or indirectly.

Machine learning, deep learning, and AI have the same underlying mission even though their definitions differ. They are all fields of technology that aim to make machines more autonomous and intelligent.

They are concerned with providing intelligent and rational decision-making capabilities. The difference lies in the way they go about this.

In the new build sector

The applications are enormous and ground-breaking.

Big Data and Predictive Analysis

Foreseeing the future

"Data is becoming the new raw material of business." – Craig Mundie

The property market has a lot of data to tackle and numbers to crunch. These numbers are not just the bills of sold property, but they also contain clues to market behaviour and prospects. So, analysing this data is crucial to the success of the sector. Moreover, data analysis is one of the applications of machine learning.

Handling big data is an established application of Machine Learning and deep learning in any sector where it is applied. The speed with which computers analyse, compare and interpret data is incomparable to any human being. They can comb through hundreds and thousands of numbers and graphs instantly and connect the dots that we may fail to see.

Predictive analysis is another principal use of machine learning. The system can use the history of the market, previous studies, instances and current numbers and analyse them to predict the next step. This is done by cross-referencing the current scenario with similar events in the past, pattern recognition algorithms and application of probability theory. These systems can come up with individual scenarios for every possible situation and back them up with the conclusion they gathered from the analysis. These predictions are useful in markets and the property sector is no different.

The property market is volatile and unpredictable unless you have all the numbers and the angles. Even then there is still not a hundred percent guarantee that you will succeed. However, using intelligent systems with a good AI and predictive analysis algorithms, the chances of figuring out where the market will go next skyrockets. This helps the developer – ie, you – to make an informed decision and a good investment with potential for amazing ROI.

Customer service

An absolute must

AI started with a view to creating and automating intelligent robots but has grown much since its inception. Nowadays it is used in many systems, such as computers, smartphones and vehicles to serve the purposes that a human assistant would help with, and more. It is used widely in businesses across many sectors and is something that the property sector can benefit from.

Customer service involves interaction with customers and fulfilling their requests. AI systems have now developed the capability to communicate with human beings in the same way another human being would. This has led to the creation of digital assistants and chatbots, like Siri, Google Assistant, Alexa and so on. These are electronic, intelligent systems that provide technical service and support to the customer.

The same feature can be exploited in the property sector by using chatbots. Customers can now talk to automated voices that mimic human sound as well as responses. These systems can not only interact but fine-tune themselves, utilising the input from the customer and their details regarding financial status, preferences and past deals to give him/her a tailor-made deal that suits their requirements. This level of customisation cannot be provided by human assistants and is a predominant reason why AI is preferred.

©Bigstock.com/vladwel

Risk Analysis

Facilitating better investment decisions

The data analysis capabilities of a system with machine learning algorithms fed into it can also be used for risk analysis.

The system can store, read and interpret past data and use predictive analysis to forecast the results of every possible next step. This can be applied both to the market as well as individual buyers. A lender can now judge the financial worthiness of a person by quantitatively measuring and weighing the risks and rewards and looking at the probability of both scenarios.

This is done by studying the data from the past, looking at credit ratings, previous purchases, outstanding debts, income security and many other factors that contribute to and highlight an individual's economic condition. This ensures that the decisions made are assisted by analysis and evidence, highlighting the risk associated with it, and helps establish a system where everyone involved in the decision-making process is aware of the risks, providing more security.

Property management

AI systems and machine learning can be used for property management tasks. This is done by assigning intelligent machines to manage the property. The system can monitor a property in real time, contact services for repair and maintenance and also keep tabs on matters such as rent, power and water usage, among others.

Automated construction machines

Supporting human labour

This is a more physical aspect of the property industry where Machine Learning and AI have made a mark. Machines, both computers and heavy machines, are making construction work easier and safer. Automating these tasks, and the ability to analyse situations and work autonomously, will benefit this part of the industry.

Computers capable of risk analysis can be used to study plans for construction and use that information to assist the engineers. The system will be capable of judging and making decisions. It can be programmed to carry out tasks like safety test simulations, material cost-calculation, risk calculations and even purchases automatically, thus eliminating human error.

Other machines used for construction, like trucks, bulldozers, and heavy machinery, can be operated using AI as well. Driverless cars and trucks along with robots have been tested and proven to be fast and efficient. They also reduce the risk of accidents or mistakes which may lead to loss of property, assets and even life.

CLOUD COMPUTING

REDUCING TECHNICAL INFRASTRUCTURE COST

The cloud is a widely popular technology which has been making waves in all sectors for quite some time. Cloud computing brings mobility and connectivity to the table unlike any other innovation so far. In an industry like land and property, where the principles and business activities are as rigid as the commodity itself, the fluidity and dynamics of cloud computing can make the business a lot easier for professionals.

The cloud is a platform for people to store and access data from any part of the world where there is access to the internet. This means that the person who uses cloud computing for business can work while travelling, from home or virtually anywhere. Mobility and flexibility draw people to cloud technologies.

In the new build sector

In the property market, the cloud is being employed for a variety of purposes.

Mobility and security

Cloud allows you to take your data anywhere. This is essential for developers and investors who want to stay on top of their work as they can access data from anywhere at any time. This means a great deal to the professional on the move, who appreciates a database that moves with him/her.

However, this flexibility does not compromise the data stored in the cloud. It is a secure database that is only accessible to the person or people with proper credentials.

Data management

It is essential to stay updated and in touch with the market as well as with customers – at all times. Cloud computing helps here by giving you the platform you need to store this data so that you can take it anywhere. It also provides a method of coordination between colleagues, where they can share data via the cloud.

VIRTUAL REALITY

VIRTUALLY TRANSPORTING THE COMMODITY ON SALE

Virtual Reality (VR) has been revolutionary in the entertainment industry, especially gaming. However, VR is not all fun and games. It also has amazing applications in the property industry.

VR is a technology that projects lifelike images and responds to our vision's directional orientation, depth perception and other factors. Even though you cannot feel it with touch, your sight and hearing can be stimulated using VR. This technology is so advanced that the picture you are watching is felt as if it were projected around you. You can look around, zoom in and out and ultimately be immersed in the experience as if you were there.

In the new build sector

Viewings

It enables the customer to observe the property without being there. This is a huge step as far as the property market is concerned, and it can build customer confidence. The fact that you can now see what you are buying without the inconvenience of travelling is a huge deal for the industry.

It also opens up new possibilities regarding advertising, customer interaction, project planning and so on. You can advertise top-notch luxury projects using VR, giving the potential customer a taste of what the project has to offer.

New project planning

VR takes the clichéd notion of 'vision' to a whole new level. You can now see what the project will be before you have even built it instead of just imagining it. Convincing your investors of your vision just became a whole lot easier!

THE VERDICT

The property sector is one of the oldest businesses in the world. Property investment is a huge industry and must keep pace with the requirements of today's tech savvy customer. The application of these technologies is already on the rise in the UK and is all set to revolutionise the property market. Anyone undermining the importance of technology or not ready to accept change is sure to be left behind.

Luke and Jahangir are co-founders of the Property Source and hosts of the Clapham pin meeting (held on the first Tuesday of each month except August and December).

Luke is an accredited landlord with a portfolio in London, the Midlands and the North West, and has a background in large-scale civil engineering and construction projects. Jahangir has three decades of experience in technology and management consulting, and is a London-based property investor.

e: **hello@thepropertysource.eu**
t: **0207 754 0456**
w: **www.thePropertySource.eu**

Luke Skelton

Jahangir Khan

BIBLIOGRAPHY

https://www.agentimage.com/blog/famous-quotes-about-real-estate/
http://bigdata-madesimple.com/30-thought-provoking-big-data-quotes-that-you-should-know/
https://www.forbes.com/sites/forbesrealestatecouncil/2018/01/22/10-technologies-that-will-change-real-estate-in-2018/#7a355fee7e9f
https://www.forbes.com/sites/valleyvoices/2018/02/13/future-of-real-estate-tech/#5f956fb91c13
https://propertytechnology.co.uk/2017/12/future-proptech-technology-will-transform-commercial-real-estate/
https://www.designingbuildings.co.uk/wiki/How_technology_is_changing_the_real_estate_industry

10 WAYS TO RAISE FUNDS FOR YOUR NEXT PROPERTY INVESTMENT

By Richard Brown
aka
THE PROPERTY VOICE

When I decided to 'get back into property', I had a slight problem … I had no cash!

The thing is, it took me **FOUR YEARS** from decision to execution, with the biggest ~~reason~~ excuse for the delay being down to a lack of cash. So this month, I will share with you some of the steps I have taken to raise funds for an investment property. Spoiler alert: you may not need significant cash funds to profit from property at all … but as avid YPN readers, I am sure you know that already … don't you?

My own 'Eureka moment' came in the mid-noughties when it suddenly dawned on me that property had these magical wealth-creating qualities through leverage and compound growth. I fancied a bit of that … well quite a lot of it actually! The thing is, my 'napkin plan' to build a portfolio of 14 single-let properties required something that I did not have – cash funds to get started. Once I could get going, I believed that momentum would kick in. But, I simply did not have the starting capital for that first one, and even if I did, the second one would take some time to raise funds for afterwards; further delaying the realisation of my nifty little plan.

I won't bore you with what happened in the four years of 'tyre-kicking'; suffice to say, that delay cost me around £1.8m when I extrapolated the first year I did have across the four years that I delayed for – and that excludes rental profits and capital growth too … ouch! So, if you would like to learn from one of my most costly mistakes, then pay close attention.

"My own 'Eureka moment' came in the mid-noughties when it suddenly dawned on me that property had these magical wealth-creating qualities through leverage and compound growth"

Whilst I had three acquisitions in quick succession in that first year proper, my very first investment property was slightly unconventional for a first-time investor. It was a non-standard construction house and needed what is known as a PRC conversion, plus a refurb … it was also unmortgagable! It required around £120,000 in cash. I had around £10,000 from a bonus at work due to me, which is the first of the ways to raise funds for property investment: **generate extra income from employment such as overtime, commissions, bonuses and similar.**

I discovered that bridging finance lenders would go where mortgage lenders would not, helping me to raise funds, if not for deposits in the majority of cases. However, one or two obscure bridging lenders will advance against the **value** of a property rather than the **purchase price**. Alternatively, they may allow you to take additional security over a second property instead, including your own home in certain cases (not always advisable, but still …), therefore making **bridging finance a second way to raise investment funding.**

Even with the bonus and bridging, I was still short. However, a close friend had been watching and listening to me for some of those four years and kindly offered to lend me some extra money towards this project to help out, in return for a fixed-interest return on their money. This quickly brings up a third way to raise funds … **friends and family loans.**

Then, the contractor undertaking the conversion works also offered a 'credit facility', which (to be perfectly honest with you) I have never really seen before or since … but they also went bust later, so perhaps that's why? However, that was the fifth way to raise funds for my project: **a works or contractor credit facility.**

That was five different ways I used to raise funds for this first investment project.

Amazed with how I managed to leverage my £10k future bonus from work into a £120k war chest to undertake this investment project, I set about my next two soon afterwards.

A conventional BTL in Scotland required me to sink in around £35k or so, alongside a BTL mortgage. I put my creative fund-raising cap on again, given the fact that the first project had pretty much cleaned me out by then. How could I keep growing without serious amounts of cash, I perused?

A few things, not just one thing was the solution. Is that a life lesson, I wonder?

First, I cleared out the loft and garage and sold CDs and DVDs on eBay (worth more then than now!) and then swallowed my pride to do two or three car boot sales, practicing my 'roll up, roll up and grab yourself a bargain here' pitch in the process. Thus, the sixth way to raise funds is to **sell unwanted or surplus possessions.**

Then, I had started a small online business selling security equipment in my spare time. My wife and I became extremely busy, especially with a young family in tow, but we were committed to the cause and so became 'mini-preneurs', learning about product sourcing, marketing through Google AdWords and optimum parcel delivery services, among other things. We didn't make a million, but we did generate enough surplus profit to support the next purchase, making **starting a home-business the seventh way to generate extra funds for investment.**

Another friend and I were chatting, and he wanted to get involved in property too. Whilst having cash, he had a poor credit rating, so long-story-short, we agreed to enter into a joint venture agreement where we split the profits between us, using his cash and my growing knowledge by that point in time, to make **joint venture partners the eighth way to generate funds for investment.**

> "That was five different ways I used to raise funds for this first investment project"

After that second deal, I was still looking for other opportunities and my radar was fully tuned-in to more creative financing wherever possible. Before the year was out, another opportunity came about. A developer had run into trouble with his bank and had to reduce the amount of lending he had with them. The bank also offered 100% finance to the buyer of a new-build apartment in The Algarve to 'help the developer out of their over-extended facility'. For me, the **100% bank funding** of the purchase became the ninth way to raise investment funds. This was closely linked to the tenth way, which was the **savings from my regular pay** that I had also been setting aside, which covered the fees and buying costs required for this deal.

At the start of 2009, I had no real funds to invest in property, despite deciding to do so four years before. By the end of 2009, I had invested in three properties worth around £450k, using a combination of active personal fund-raising, creative financing and 'other people's money' in various forms. If only I had known what I knew at the end of 2009 back in 2005 … it would have meant an extra £1.8m in property in my portfolio by now!

I could list even more ways to generate funds for property investing; hopefully these ten will have made you think. However, also think what could you do to generate funds to invest in property over the next year? You don't necessarily have to wait for years to do so as I did. There are other ways … drop me an email: admin@thepropertyvoice.net, and maybe I can share one or two more with you when you do.

©Bigstock.com/ StacieStauffSmith Photos

THE PROPERTY VOICE LISTENS
Reader Questions

"Is a holiday rental property a good idea given the recent landlord profit-grabs?"

Firstly, let's recap on some of the recent direct and indirect profit hits.

1. **3% SDLT Premium**
2. **Section 24 Mortgage Interest Relief Restriction**
3. **Disadvantageous CGT compared to other investments**
4. **Reduced dividend allowance if investing through a company**
5. **Hidden taxes, such as licensing and PAT / Electrical / Legionella Testing**
6. **Enforced additional costs, such as banning letting fees and Right-to-Rent checks, among others.**

Sounds pretty grim when you put it like that doesn't it?

So, we should indeed be looking for a response to these threats to our profitability, if we can. One response could be to look at holiday lets.

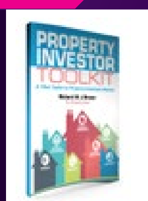
A Furnished Holiday Let (FHL) is specifically defined by HMRC and could extend beyond the obvious. It could also be a city-let, or just a property where you rent out space in whole or in part by the night or week, instead of using an AST. If it qualifies as an FHL, it can provide some clear benefits, such as avoiding the Section 24 mortgage interest restriction and potentially offering some capital allowances for up-front expenditure offset against income to name but two. It could also lead to higher annual income.

However, it more closely mirrors a 'hotel model' than a 'rental model'. That means no fixed-income from a single tenant, more up-front and running costs, more marketing and admin and different finance terms too.

Still, it does provide a decent hedge and some important strategy or market diversification too, so it is definitely worthy of consideration, especially now.

Until next time from The Property Voice, it's ciao ciao.

Richard Brown is the author of **"Property Investor Toolkit: A 7-Part Toolkit for Property Investment Success".**



The STRONGEST
landlord furniture
guaranteed
LANDLORD FURNITURE CO
ONE STOP LANDLORD FURNITURE SHOP
Finance options available:
Lease this whole package for £150 plus VAT per month over 36 months*.
All our furniture comes with a 3-year warranty, solid backs and reinforced drawers.
*subject to approval and lease terms.
Complete HMO package:
- 5 bedroom packs including bed of your choice with mattress, double wardrobe, chest of drawers and bedside table
- 5 bedside lamps
- 2 x 2-seater sofas in a colour of your choice
- Coffee table
- TV stand
- 40" Smart TV
- 5-person kitchen pack
- Dining table and chairs
IDEAL FOR STUDENT LANDLORDS
£
FINANCE AVAILABLE
All this for £4,200 plus VAT
Free Tassimo Coffee Machine and 5% discount for YPN readers when using the code 'YPN10'.
Includes delivery and installation
WARRANTY
3 YEARS
FINANCE AVAILABLE
Here at Landlord Furniture Company we offer HMO, SA Landlords and agents an industry leading product, our exclusive to us bedroom furniture is the strongest on the market bar none.
Sofas made by us any size any colour
Fabric beds made by us
Wardrobe sets exclusive to us with bespoke sizes available
Nationwide delivery and installation
Plenty of happy customers
"We were extremely pleased with the friendly service and excellent furniture. Perfect!"
Mark Doyle
"Landlord Furniture Co are the best Landlord Furniture suppliers out there"
Nick Leatherland
"The whole process couldn't have been easier. Thank you."
Chris Kirkwood
"Great quality furniture at a very reasonable price."
Tom Henderson
TEL: 0161 633 2651
WWW.LANDLORDFURNITURECO.CO.UK
LANDLORD FURNITURE CO,
UNIT 1, ELDER ROAD, LEES OL4 3DZ

MOVING OUT OF YOUR GEOGRAPHICAL COMFORT ZONE

By **Graham Kinnear**

Three of my clients have mentioned in the past month that they have started to look at property for investment outside their immediate geographical area. Consequently, I thought I would take a look myself to see what various areas have to offer and share some of my findings in this month's article.

Starting with the northernmost of my considerations, let's turn to **Scotland**. In 2012, just **260 landlords** with property in Scotland were registered as living in England. That figure now **stands at 1,400**, demonstrating a huge increase in interest. These figures are easy to obtain given that Scottish deposits need to be registered in a Scottish scheme.

The upturn in interest in Scottish property has come at a time where house prices in England have increased significantly. There has been a squeeze on yields and some legislative changes have meant that the environment *"down south"* is less appealing than was historically the case. Indeed, a recent survey suggested that capital values were falling in two out of every five London postcodes.

With the **average price of property in England at £226,000** and the **average cost in Scotland at £150,000** you can see that a better yield could be achieved if you were to invest in Scotland.

In Scotland the private rented sector accounts for **just under 15%** of the housing stock, suggesting that there is further room for growth in this sector. Furthermore, Scotland has a more attractive Stamp Duty situation. Called a Land and Buildings Transaction tax, it has a **nil rate up to £145,000** – almost their average house price – whilst portfolio landlords in England would pay 5% Stamp Duty at £145,000.

Other areas that appear to offer a sound location for investment include major conurbations, which should offer a ready pool of professional tenants. The latest LendInvest league table shows **Manchester** as providing average **gross yields of 5.55%**. Despite strong growth over recent years, average house prices are still below the national average at **around £195,000**.

Some of the Midlands towns such as **Leicester** and **Birmingham** are becoming more popular for investors as they seem to provide reasonably strong yield figures and could well benefit from an appreciation in capital values due to current regeneration and the HS2 proposals.

For **London** investors wanting to move just a little way beyond the M25, many commuter towns appear to be doing well. Towns including **Luton** and **Colchester** are still very commutable to the capital and have **average yields of 3.8%**. Not eye-watering, but possibly better than that available nearer the capital and requiring a far smaller financial layout than a central London property.

There is sense in having a portfolio of property that is geographically spread, as arguably it could reduce your risk if an area were to decline. It could also provide an increased chance of capital growth to your portfolio. Set against that, you will need to change your mindset if you are going to scale up from being a landlord who operates in their own neighbourhood and does everything from sourcing the tenant, repairing the broken tap and collecting the rent. You will effectively be an armchair investor having to defer to agents, tradespeople and sourcers in an area of the country you are perhaps currently unfamiliar with.

If you are thinking of investing 'out of area', first of all be specific in terms of whether you are trying to identify an area that will provide you with income or capital growth. Once you have decided this, thoroughly research the areas you are considering. Visit them, walk the streets, talk to agents, attend local networking events and get a real feel for the area and those who operate in it, before you take the plunge. In fact, you may wish to joint venture with someone in the first instance, so you can try the new area whilst sharing the risk and (most usefully) having two of you to undergo the initial due diligence.

Successfully investing in a new area may allow you to better leverage your time as you will be forced to outsource some of the functions you currently undertake yourself, which may, if you are honest with yourself, not be the best use of your time.

Perhaps the next time you trawl the internet to find your next property, you should increase the geographic size of your search.

You might just find that elusive goldmine area.

Happy investing!

As usual, I am happy to assist YPN readers with their property questions and can be contacted on 01843 583000 or graham@grahamkinnear.com

Graham is the author of **"The Property Triangle"**.

Come and say hello!

Have you checked out YPN's subscriber web site yet?

yourpropertynetwork.co.uk/club

You'll find a stack of resources there to help you with your property investing, including ...

- Back issues
- Webinars and training videos
- Years' worth of audio interviews with successful investors
- YPN Bitesize training modules
- Plus more to come over the next few months!

If you haven't already got access to the subscriber area, email **getmein@yourpropertynetwork.co.uk** (or send us a Facebook or Twitter message) to get your login account and password.

Keep up to date with news and property happenings on our Facebook page (**facebook.com/YPNmagazine**) and contact us via Twitter: **@ypnmagazine**

See you there!

Jayne

WHAT TO DO WHEN THINGS AREN'T FUN ANYMORE

By **Jacquie Edwards**

Property Go-To Girl

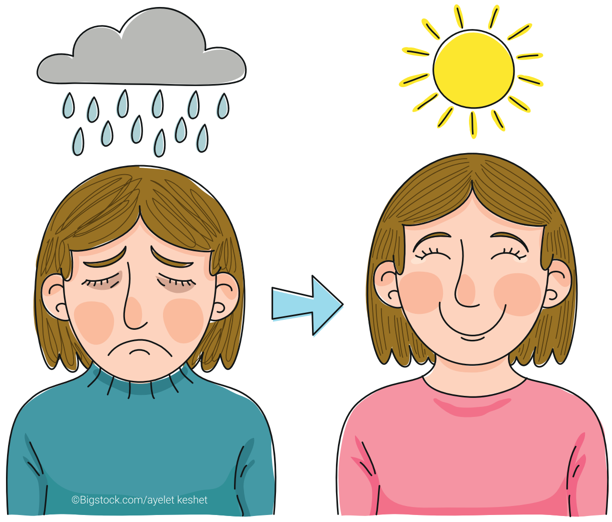
I've been having doubts the last few months.

Everything about my property business has felt like a lot of work. Have you ever had times where it feels like things are going wrong and you can't rely on anyone? I've replaced almost my entire team (some of them twice) in the past nine months; we've just gone through a period with our highest voids ever … and I was just tired of it all.

I'm also getting married this year, and we've bought land and will be building a farmhouse from scratch. So, there are more exciting things to spend my time on than worrying about broken showers and why no-one is reserving my rooms and whether my team is going to show up for work or not. In fact, I've been so tired and stressed about the property business that I considered selling it (for those of you that don't know I run a profitable R2R business in Oxford alongside managing our owned HMOs in Oxford and Swindon). I've even spoken with business agents and very nearly got the process started.

But just this week I've realised that selling the business because I'm grumpy and just want to be rid of it isn't the right reason. (I'll make sure one of my future articles is about the **right** reasons for selling a business!) I've been able to shift my mindset to find the joy in my business again and wanted to share with you a couple of tips that helped me rekindle that joy amid the chaos and hard times – because I know I'm not the only one that feels this way. Plenty of people give up when a few simple tricks can make all the difference.

Take a step back and get things into perspective. I had been feeling like the property business was sucking up all my time and not giving me the freedom that I wanted when I initially got into property. I felt like I was working 24/7 and always on call and stuck. Then last week I decided to see how much time I ***really*** spent in the business and calculate how "stuck" I really was … and it turns out that I'm only working in it about ten hours a week but had let it creep into my downtime (ie, not turning off my mobile; always checking my email in case a house was burning down …).



©Bigstock.com/ayelet keshet

Even now that I'm doing a few viewings in the evening while we look for a replacement lettings manager I may peak at 15 hours per week, which is definitely not 24/7. With this realisation, I no longer feel stuck. I just need to step back, stop the constant email-checking and negative-thought-parade and make sure systems are in place to deal with any emergencies that come up.

I urge you to explore exactly what you are feeling, then step back and analyse that feeling to see whether it's really true. Often it isn't as bad as we make it out to be in our heads and having the right systems in place can give you the space to breath and relax.

Ask yourself: what do I most like to do? I'm going to be honest with you – property is not my passion! Property is and has always been a vehicle to wealth for me and it continues to fulfil that purpose. You have probably heard many people talk about finding your passion and working at that, which is great, but not everyone's passion can create financial freedom (I like to think of my financial freedom business funding my passion).

However, I believe you can find things you enjoy in everything. When I did this exercise, I realised that I love helping people step out of the 'normal 9-5 job box' to create their own freedom. At first glance that looks like it has nothing to do with my property business, then I saw that I can do what I love with my team. My favourite part of the week is Monday morning as that's the time I set aside for video calls with my team members. We have videos calls because we all work from home, which helps them break out of the normal 9-5 working pattern and gives them the freedom and flexibility to do what they want and pursue their passions. I love supporting them in that and feel a lot more excited about my business when I think of it from that angle.

What do you most like to do? How can you do more of it and focus on the positive instead of the negative? There will always be bits and pieces you don't enjoy but (as we saw in the first step above) they usually aren't as bad or as time-consuming as we think they are. Find what you enjoy, focus on that and remember how doing those few harder, less enjoyable bits allow you to do what you love as well.

I hope this has given you a bit of food for thought to help you through the hard times and the days when it isn't quite as much fun.

Now that I've rekindled my enjoyment of the property business and understand where I can add value, I'm excited about the future. The business allows me to live more in the flow of what I enjoy while still making money and building my property empire – and that's cause for celebration!

Jacquie Edwards is the author of ***"Rent to Rent: Your Questions Answered"***

THE BUY-TO-LET MARKET OVERVIEW

By **Chris Worthington**

Recently I have seen a lot of reports in the media about falling house prices or reports giving the impression that the historic increases in house prices have ground to a halt. In March, Rightmove reported that the average increase in house prices in the UK had fallen from 2.1% to 1.6%. The latest index from home.co.uk found that asking prices in Greater London fell by 2.3% year-on-year and in the South East asking prices were down by 0.4%. The latest figures from the Office for National Statistics (ONS) also recorded a fall in house prices in London of 1% in the year to February and according to the National Association of Estate Agents, in March 86% of properties sold for less than the asking price. Looking to the future, the latest House Price Index report from Nationwide says that average house prices are expected to rise by only 1% in 2018, much less than in recent years.

In search of a more detailed analysis I turned to the latest UK Cities House Price Index published by Hometrack, the property market analyst company. The Index records the year-on-year increase in house prices in the twenty major cities in the UK. **The latest average increase is 5.5%**, and the top three cities in the table are **Edinburgh (8.1%)**, **Nottingham** (**8.0%**) and **Manchester** (**7.4%**). The only city in the South of England in the top half of the table is **Bristol**, placed ninth, with a **year-on-year increase of 5.8%**. The bottom half of the table is dominated by cities in the South of England, emphasising the continuing divide between the growth of house prices in cities in the South of England and most of the cities in the rest of the country. However, the Index presents a more optimistic picture for **London** than the ONS with an average year-on-year increase of **1.6%**.

The Hometrack House Price Index for the London Local Authorities provides useful detail about the geography of the increase in house prices in the capital. The top four local authorities are all on the fringes of London bordering with the adjacent counties. These are **Mole Valley in Surrey** (**3.2%**), **Redbridge in East London** (**3.1%**), **Gravesham** (**2.6%**) on the border with North Kent and **Epping Forest** (**2.6%**) on the border with Essex. This appears to continue the trend of the highest annual increase in house prices rippling out from the more central London boroughs and overtaking the increase in house prices in places such as **Barking**, **Dagenham** and **Newham** that were previously higher up in the table. Boroughs in the East End such as **Hackney** have also slipped right down the table as they have reached the limit of affordability for many home buyers and investors.

The London Boroughs where year-on-year prices have fallen are concentrated in central London including **Kensington and Chelsea** (**-1.9%**), **Southwark** (**-2.3%**), **Camden** (**-1.1%**) and **Islington** (**-1.0%**).

Ricard Donnell, Insight Director at Hometrack, commented, *"The weakness in London's housing market has been building since 2015 on the back of numerous tax changes aimed at overseas and UK investors and growing affordability pressures facing home owners. Sales volumes are the first to be hit when demand weakens and housing turnover across London is down 17% since 2014. Sales prices are set to follow but with few forced sellers the level of price falls remains low."*

There is no doubt that high rents and yields are achievable in some parts of London. London estate agents Portico recently reported rental yields of **5%-6%** in **Barking**, **East Ham** and surprisingly in the **St James Park** area. However, the question of future growth in house prices is more problematic.

Lucien Cook, Director of Residential Research at Savills, commented in the Times Bricks and Mortar property supplement, *"After a long bull run, house prices in the capital are high relative to household incomes. This means that London is hitting up against the limit of what people can borrow in an age of mortgage regulation. Consequently, we don't anticipate a return to price growth here until 2020 with the advent of greater of greater economic and political certainty."*

Hometrack also publish the All City House Price Index that includes the larger towns in the UK together with the major cities, a total of 65 locations. In this table **Edinburgh** is beaten to fourth place by **Newport** (**9.4%**), **Dundee** (**8%**) and **Blackburn** (**8.9%**). Housing in these locations is relatively cheap, average prices are **£147,900** (Newport), **£116,900** (Dundee) and **£103,600** (Blackburn) compared to the current UK average of **£214,700**. This Index also records the year-on-year price increases twelve months ago, providing a measure of how consistent the price increase has been over a two-year period. The relevant figures are **2.9%** (Newport), **0.9%** (Dundee) and **4.0%** (Blackburn), demonstrating a consistent upward trend for all three locations. Several other locations in the top 20 of the table have also shown consistent year-on-year increases including **Bolton**, **Coventry**, **Swansea**, **Ipswich**, **Doncaster** and **Telford**.

On the above evidence, the fall or levelling out of house prices recently reported in the media is largely unsubstantiated other than in the inner **London** boroughs. Most of the major cities outside of London continue to perform well and there are good prospects for investment in several locations in various parts of the country where property is relatively cheap.

THE BUY-TO-LET MARKET IN *York*

The city of York is steeped in history and every part of that has left a legacy that is clearly apparent to a visitor. In 866 the city was captured by the Vikings and became a major river port linked to the extensive Viking trade routes. The development of the city as a major trading centre continued in 1212 when King John granted a charter confirming trading rights in England and Europe. York is surrounded by a 2.5 mile medieval wall and in the city centre are the Snickelways, a series of narrow pedestrian routes, and The Shambles, a medieval street of boutique shops and tea rooms that were originally butchers' shops. The most famous building in the city is York Minster, a cathedral on a massive scale constructed in the 11th and 12th centuries. In the decades that followed the restoration of the monarchy in 1660, competition from the cities of Leeds and Hull combined with the gradual silting up of the river Ouse resulted in York losing its pre-eminent position as a trading centre; but the city's role as the social and cultural centre for wealthy northerners was on the rise.

In more recent times the dramatic history of York has supported the development of the city as a major destination for tourism. The historic core was designated a conservation area in 1968 and the National Railway Museum opened in 1975. The Jorvik Viking Centre and the York Dungeon both opened in the 1980s. In 2007 York was voted European Tourism city of the Year and in 2018 the Sunday Times deemed York to be the ***"Best place to live in the UK"*** highlighting the city's ***"perfect mix of heritage and high tech."***

A recent report published by the local economic partnership *"York Without Walls"* highlighted the strengths of the local economy:

- **8000 businesses established in the city with over 100,000 residents in employment**
- **Consistently one of the lowest unemployment rates in the UK**
- **A projected annual economic growth of 2.8% over the next 15 years**
- **Seven million visitors each year**
- **Highly educated workforce, over 40% with a degree or equivalent**
- **Key hub on the national railway network**
- **The city is ahead of the curve on digital infrastructure**

The University of York's main campus is on the southern edge of the city at **Heslington**. It was York's only centre of higher education until 2006 when the more centrally located **York St John College** attained full university status.

The largest private sector employer is insurance company Aviva who are headquartered in York. The railway industry is also important; **Network Rail Infrastructure**, **Northern Rail** and **Siemens** are all major employers. The chocolate industry has declined but the consumer services division of **Nestlé UK** is still based in the city.

The **average house price in York is around £300,000**. One-bedroom flats are available for **around £160,000**, three-bedroom houses are priced at **around £300,000**. Four- and five-bedroom houses are considerably more expensive **at £420,000-£600,000**. Average rents are **around £770 pcm** giving an average rental return of around **3%** (source: home.co.uk). The current year-on-year rate of growth in house prices in York is **3.4%**, placing the city at number 53 in the league table of the 65 towns and cities in the latest All City House Price Index published by Hometrack.

York is a relatively small and compact city; at the time of the 2011 census the **population was 198,051**. It is surrounded by a green belt that aims to preserve the city's setting and historic character. Several housebuilders are involved in relatively small scale developments including Hunters Land and New Homes, Redrow, Watson Developments, Paradigm Developments and Yorvik Homes. However, looking to the future the main development opportunity is in York Central, a large brownfield site to the west of the city's railway station. It lies between the A19 and A59 road corridors and is contained by operational rail lines.

The area contains existing buildings that will be retained, including the **National Railway Museum**, private housing and businesses. The rest of the site is largely underused, having historically been occupied by the chocolate industry and the rail industry. Relocation of the remaining rail site will allow new development to take place. The current proposals are subject to further technical work and consultation, but current suggestions include:

- **1,000 to 2,500 homes**
- **60,000m_2 to 120,000m_2 of office, leisure and retail uses**

A collaborative development partnership which includes the City Council, Network Rail, the National Railway Museum and Homes England is progressing investment and delivery for the site. The site has been designated a Housing Zone as well as an Enterprise Zone and public investment is planned to deliver key infrastructure. The following parts of the site will include housing:

- **Former Terry's Factory – new homes are being built by David Wilson Homes on the northern half of the former factory site**
- **Derwenthorpe – a mixed tenure development of energy efficient homes, construction is underway**
- **Hungate – planning permission has been granted for a mixed use scheme including housing, offices, shops and community space**
- **Nestlé South – the former Nestlé factory has outline planning permission for a mixed housing/commercial scheme**

Despite the strong local economy, conventional opportunities for BTL investors in York are limited and higher returns are available in other locations. New opportunities will become available as the development of York Central goes forward but given the strength of the tourism offer, the best option is probably to invest in holiday accommodation.

York Minster seen from the city walls

Chris Worthington is an economist with 20 years of experience in local economic development. You can contact him via email on **chrisworthington32@yahoo.com**

THE ONE THAT GOT AWAY

By **Arsh Ellahi**

Last month I wrote about vision and creativity. I also shared an example of how I looked at an opportunity and monetised it when others had dismissed it.

By way of contrast, this month I thought I would write about how sometimes I too miss out on opportunities through lack of my own vision. I openly admit I don't always get things right and the resulting lost opportunity sometimes costs me money.

20 years in, I still am fascinated by property. Whenever I look at a building, I think that someone somewhere had the vision to create it, and then executed their plan.

A great example of this is the city of Dubai. Within a very short space of time, Dubai has been turned from a deserted desert into a world-renowned attraction – and all this was the vision of Sheikh Mohammed.

When looking at something like this, I question:

- **Where the idea came from (the best ideas in the world have come from resolving a problem / issue)?**
- **Why there?**
- **Why that specific product?**
- **How they got the resources there to make it happen?**

Now, I appreciate that this is on a whole new level and scale because along with building a city, the project required a whole new government infrastructure, which in itself is mind-boggling. Not many would have had the vision to conceive of this, let alone the drive to see it through.

Bringing it back to a more local level of property investment and development and lack of vision, I will share an example of a property that I still drive past every day and kick myself for not grasping the opportunity with both hands …

QUARTER HOUSE PUBLIC HOUSE, WOLVERHAMPTON

This is a property in a prominent location of Wolverhampton, which was running as a successful pub up until circa 2003. The brewery sold it off and as a result, the pub rapidly deteriorated in condition. (I believe this was done deliberately as it sits on quite generous plot and had residential development written all over it.)

The pub eventually shut down and was boarded up for many years. Several developers put in applications for planning permission for apartments, which were refused. The site then went up and down for sale for a few years, where the owner was quoting ridiculous figures that were unsustainable. Eventually, in 2008 I was approached by the commercial agent advertising the site, who informed me that they were now looking to entertain offers as a result of a developer gaining planning permission for three, three-storey, four-bedroom townhouses.

After evaluating the site, I calculated that the houses were worth circa £250k each at best, giving a GDV of £750k. That made the £335k they wanted to achieve seem quite rich. I also had to take into consideration factors such as:

- **Demolition of the existing building**
- **Potential contamination issues as the pub had a large cellar and underground machinery**
- **No scope to develop the site further as it already had several failed applications lodged against it.**

I went back with an offer that I felt was acceptable if I were to undertake the project. At £250k, there would still be a margin in the site purely because my own build team could develop it at a keen cost, allowing for a profit margin of 20% after all accountable costs.

There was some to-ing and fro-ing between the owner, the agent and myself, but eventually I walked away from it as the owner refused to move any lower than £315k. That seemed a tad too risky for me, especially since we still had not seen the full effects of the property market crash.

At this point, my thought process was … there is no way someone is going to offer £335k for the site with the limited planning and development potential. Let them sweat it out a bit more.

Months went by. I stayed in contact with the agent to see if the owner had any change of heart. Four months later, I called the agent again. He informed me that the site was no longer available. I asked whether it had been sold and to whom and what they were going to do with it.

The agent explained that the owner had been approached by Sainsbury's, who wanted to lease the site off him at £90,000 per annum and would take the site 'as is', to build a Sainsbury's Local. The agent also said that they had been in talks for almost a year but Sainsbury's had been non-committal, hence why they started speaking to me.

I was absolutely flabbergasted … and also disappointed with myself. I had been so wrapped up in trying to appraise the site as a residential development that I completely missed the commercial angle. Why didn't I think of that?

What really bothered me was that I had been in this position before. I had purchased a former car showroom and gained planning permission for 24 houses. Then, we were approached by Lidl Supermarket, who offered more for the site on an unconditional basis. We accepted an offer clearing a cool £1 million from that site – but this was circa 2006 and prior to the crash.

Going back to the site in question, all I could say to the owner was … well played. That was a phenomenal deal! I hadn't thought Sainsbury's would be interested in it, that it would have been too small for their requirements. How wrong could I have been!

It was a massive learning curve. A site I could have purchased for £315k has since produced £900k over the ten-year period, with Sainsbury's responsible for:

- **Demolition of the existing building**
- **Constructing a purpose-built unit**
- **Ten-year FRI (Full, Repairing & Insuring) lease with no break clause**

The site would have paid for itself immediately, because I could have refinanced it on the strength of this covenant alone … meaning the site would be worth circa £700k-£900k without lifting a finger. My money would have been out for a maximum of six months.

To rub salt into the wound, I have to drive past this site every day on my way into the office. In addition, my wife uses this Sainsbury's for the daily shopping – meaning that we are putting money into their tills to pay the rent for this site!

I took away a lot from this experience. It taught me to look at every possible angle on a deal, including:

- **Residential development**
  - Single dwellings
  - Development of flats
  - Development of HMOs
- **Commercial Development**
  - Build as units
  - Mixed use – commercial and residential
  - Check if any of the blue chip companies are looking for sites to expand into, eg Costa, Starbucks, Tesco Express, Sainsbury's Local and so on

Not everything has to be a house or residential. I suppose that is just my comfort zone and the arena I am most familiar with.

I am glad to report there haven't been many incidents like this. I like to think I'm pretty switched on when appraising opportunities. I believe I can turn an ugly duckling into a golden goose, and have done so many times. In reality, this is all part of the sourcing process. Without the ability to source and appraise properties, no projects would ever come off.

CONTACT

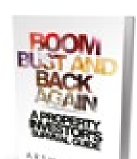
I am opening the doors (almost like Willy Wonka) for the next intake for my Elite Property Tribe, a 12-month mentoring programme where I personally work with 80 people from all walks of life and property experience and turn them into deal trading machines. The 'Tribe' is focused around becoming creative, and you can learn how you too can become a property magnet.

People in the previous group included police officers, surgeons, letting agents, students and electricians as well as existing property investors and professionals. Many exceeded expectations and have gone on to great success. Several have left full-time jobs to become full-time property professionals. One member even went on to achieve £100,000 within her first year.

Tribe members participate in weekly webinars that cover a variety of strategies, and in quarterly live events to hold them accountable, to share successes and to hear keynote speakers to further their education. In short, it's a community like no other. We communicate with members daily to ensure they stay on track and find deals.

The next Elite Property Tribe programme is open. If you thrive on challenge and want to be pushed to your limits, please visit **www.arshellahi.com/elite-secrets/** for further information.

Email **arsh@arshellahi.com**
Web **arshellahi.com**
Property deal mailing list **Bit.ly/DailyBMVLeads**
Facebook **https://www.facebook.com/arsh.ellahi.1**
Linkedin **https://www.linkedin.com/in/arshellahi**
Twitter **https://twitter.com/arshellahi**



Arsh Ellahi is the author of **"Boom, Bust and Back Again: A Property Investor's Survival Guide"**

MORTGAGE UPDATE

By **Stuart Yardley** - Trafalgar Square Financial Planning Consultants

We have seen a few changes within the BTL mortgage market over the last month, particularly with regard to a few notable – and interesting – changes to criteria.

Aldermore Bank have just made some interesting changes to their BTL criteria and will now consider a refinance of a property within the six months' ownership period.

If you have purchased an investment property for cash or with short term finance (bridging), Aldermore will now allow you to apply for a refinance within the six months, with certain restrictions.

REMORTGAGE FROM SHORT TERM FINANCING (BRIDGING)

If you have purchased a property with short term finance and have owned the property for a minimum of one month, Aldermore will consider a refinance to repay the existing short term finance, plus 100% of the documented improvement costs to the property. This allows you to release funds quicker than before and to move onto the next project. This will be subject to the usual maximum loan-to-values available for the product.

If you have owned a property purchased with short term finance for over six months, then they will still consider a refinance up to the maximum loan-to-value for the product without these additional restrictions.

REMORTGAGE FROM A CASH PURCHASE

If you have purchased a property with your own funds, Aldermore will consider a refinance after one month's ownership, up to the maximum loan-to-value based on the lower of:

- **The evidenced purchase price plus documented improvement costs, or**
- **The market value of the property**

If you have owned the property for over six months, they will still work on the current market value without any restrictions.

A positive move …

This is a positive move for the market, with a BTL lender providing clear guidance and rules for refinancing within six months' ownership.

Aldermore are a good lending option for experienced investors; they have some very flexible criteria that can help investors on projects where other lenders are not happy to consider lending.

Some key areas of their criteria are:

- **Aldermore will consider lending on multiple flats under one freehold**
- **Flats above commercial premises accepted – all types of commercial considered**
- **Lending available on new leases created – title splits**
- **No minimum income for experienced landlords**
- **Minimum income of £25,000 for first time landlords**
- **Top slicing of income available**
- **Previous credit blips accepted**
- **No debentures required for limited companies**
- **One year's self-employed accounts accepted**

Aldermore also have an excellent rental income stress test calculation on their five-year fixed products, which can assist investors looking to maximise their borrowings on individual properties to release funds for other projects.

On the five-year fixed products, the rental stress test calculations are:

Borrowing for first time landlords and portfolio landlords in personal name

- **145% of the mortgage payments based on a rate of 3.98%**

Borrowing for first time landlords and portfolio landlords in limited company

- **125% of the mortgage payments based on a rate of 3.98%**

Aldermore will also factor in a % of annual rent increases, which will also assist in the calculations.

Current five-year fixed rates include:

Personal borrowing

PURCHASE OR REMORTGAGE

- **75% of the purchase price/valuation**
- **3.78% 5-year fixed**
- **2% arrangement fee added to the loan**
- **Rental stress test 145% @ 3.98%**

REMORTGAGE ONLY

- **75% of the purchase price/valuation**
- **4.18% 5-year fixed**
- **No arrangement fee**
- **Free valuation and free legal remortgage service**
- **Rental stress test 145% @ 4.18%**

Limited company borrowing

PURCHASE OR REMORTGAGE

- **75% of the purchase price/valuation**
- **3.78% 5-year fixed**
- **2% arrangement fee added to the loan**
- **Rental stress test 125% @ 4.18%**

REMORTGAGE ONLY

- **75% of the purchase price/valuation**
- **4.18% 5-year fixed**
- **No arrangement fee**
- **Free valuation**
- **Rental stress test 125% @ 4.18%**

As you can see, Aldermore Bank have some flexible criteria that can assist investors when financing properties that don't quite fit the high street lenders. If you would like to discuss any individual properties, please just get in touch.

Precise Mortgages

Precise have just launched a limited edition range of small loan products for investors throughout the country who are looking to finance properties that are under £73,500 in value.

The range is for investors who are looking at smaller loans between £25,001 and £55,000 with a minimum property value of £50,000.

The products are currently available for individuals and limited companies looking to finance single let properties and HMOs up to eight bedrooms. These are:

75% loan to value/purchase price

- **3.24% – 2-year fixed rate – £995 arrangement fee**
- **3.84% – 5-year fixed rate – £995 arrangement fee**

80% loan to value/purchase price

- **3.60% – 2-year fixed rate – £995 arrangement fee**
- **3.99% – 5-year fixed rate – £995 arrangement fee**

These are currently an excellent option for investors looking to finance limited company and HMO properties that are valued under £73,500. This is a market where limited company finance is normally quite restricted and will be a good opportunity for investors while it's available.

Key criteria for Precise Mortgages:

- **Range of products available up to 80% loan to valuation/purchase price.**
- **Must be an existing landlord with a minimum of one BTL held and let for six months for HMOs**
- **First time landlords acceptable for personal borrowing or limited company lending**
- **Lending available in personal names or limited company**
- **Up to eight bedrooms acceptable**
- **No minimum income – self-employed must have a one-year trading history; and employed, three months in their current employment with 12 months' continuous employment**
- **Maximum of one kitchen in the property**
- **Lending available in England, Wales and Scotland (some postcode restrictions)**
- **Must have owned the property for six months before refinancing can commence**

This range of products is only available for a limited time so act now if of interest.

REMORTGAGES AND LONG TERM FIXED RATES
PERSONAL BORROWING

With rates starting to increase we have naturally seen an increase in investors wanting to refinance properties to release equity to purchase, and also to take advantage of some excellent longer term fixed rates available, to lock in with rates while they are still low.

Here is an overview of some of the long term fixed rates available for remortgages. As always, get in touch and let me know if you would like to discuss your own personal situation.

LENDER	LOAN-TO-VALUE	PRODUCT	FEES
The Mortgage Works	80%	**3.59%** 5 year fixed	2% arrangement fee
Virgin Money	75%	**2.64%** 5 year fixed	£1,995 arrangement fee – £750 cash back
Coventry/ Godiva	75%	**2.65%** 5 year fixed	£1,999 arrangement fee – free valuation and free legal remortgage service
Skipton Building Society	75%	**2.68%** 5 year fixed	£995 arrangement fee – free valuation and free legal remortgage service
Coventry/ Godiva	65%	**2.35%** 5 year fixed	£1,999 arrangement fee – free valuation and free legal remortgage service

LIMITED COMPANY MORTGAGE OVERVIEW

Limited company mortgage enquiries continue to increase. Here is an overview of some of the single-let mortgages available for limited companies.

LENDER	LOAN-TO-VALUE	PRODUCT	FEES
Kent Reliance	80%	**3.69%** 2 year fixed rate	1.5% arrangement fee
Paragon	80%	**3.49%** 2 year fixed	0.5% arrangement fee
Precise Mortgages – remortgage only	75%	**2.59%** 2 year fixed	3% arrangement fee Free valuation £300 cashback
Precise Mortgages	75%	**3.09%** 2 year fixed	2% arrangement fee
Precise Mortgages	75%	**3.84%** 5 year fixed	2% arrangement fee

As always, I am available to chat if you require any advice on a BTL or residential mortgage, or commercial, bridging or development finance. I work with investors throughout the country with property investment opportunities, from those buying their very first BTL property to experienced landlords, so please give me a call or send me an email.

CONTACT DETAILS

T: **0208 870 8787**
M: **07973 172 444**
E: **stuart@trafalgarsq.co.uk**
W: **www.trafalgarsq.co.uk**

STARTING OFF WITH £30,000 IN DEBT...

A Young Graduate Tells How He Became A Millionaire In Just 1 Year & Explains How You Can Do The Same

If you'd like property cash flow to replace your salary, pay for the car and holiday of your dreams, this year... not in 3 or 5 years time. If you'd like to learn a simple 4-step property cash flow system completely risk free, because you only pay when you succeed, then this will be the most exciting message you read today.

Here's why: My name is Arsh Ellahi and 17 years ago, as an over optimistic university graduate, I made the courageous decision to start my own property business. My friends laughed when I told them, for one simple reason: you need money to buy property. As a graduate, I had none. I didn't care what they thought. I went ahead and tried my idea: to build an HMO portfolio with JV finance. Unfortunately, with no property experience, and only being 21 years old, I couldn't raise JV finance.

AFTER MONTHS OF REPEATED FAILURE

It looked like my friends were right. That I was a dreamer for wanting to start my own business and that, like them, I should have looked for a job. This desperate situation forced me to find a way to invest in property without buying a house.

WHAT I DISCOVERED COMPLETELY CHANGED MY LIFE!

In just 3 years I made £6 million cash flow! How is that possible? All I did was use a simple 4-step system to, find and trade BMV deals.

For the past 17 years, there has always been a waiting market for deals because so many property investors believe... it's impossible to find BMV deals.

WHO NEEDS THIS SECRET?

- **Are you an employee who would like to be your own boss?**
- **Are you a parent who would like to spend more time with your kids?**
- **Are you just getting by with money and want financial abundance?**
- **Do you want to silence the doubters that keep telling you to stay in your job?**

If you answered Yes to any of the questions above then you need to join the Elite Property Tribe (EPT).

Here's what it's all about:

- **52-week training, mentorship and accountability program that gives you the skill set and motivation to find and trade deals.**
- **Join a supportive community of motivated property investors that are determined to change their lives.**
- **Become a lead magnet that pulls in 6 to 10 leads a month using proven, low cost, sourcing techniques**
- **Sell every deal you source in less than 2 days when you JV with me for a profit of £5,000 or more.**

CAN I MAKE A £3,000 INVESTMENT IN YOUR PROPERTY SUCCESS?

The EPT is a 52 week training, mentorship and accountability program. The investment in yourself to join is £6,000. You only need to make half of this investment, as I would like to invest £3,000 in your success. The balance is paid only when you succeed. So if you don't start a deal trading business, then you don't pay an extra penny.

100% MONEY-BACK GUARANTEE

When you join the EPT you risk nothing because you are covered by my 100% Money-Back Guarantee. Joint the EPT today, participate in the online trainings. If after 30 days you are not blown away by the real word knowledge, please send me an email and I will give you a full refund. No questions asked. No forms to fill in. No problems at all.

Elite
PROPERTY TRIBE
DOORS NOW OPEN FOR JUNE 2018

YOU'VE GOT TO BE QUICK

The door to join the EPT only opens twice a year, in January and in May. The training starts on Monday 4 June, which is why entries close on 31 May.

YES, I'D LIKE TO JOIN THE EPT

To join the EPT today or for more information, email **arsh@arshellahi.com**. There is no risk to you because you are covered by my 100% Money-Back Guarantee.

To see how previous attendies got on, visit **http://bit.ly/EPTJune**

www.elitepropertytribe.co.uk

To your success Arsh Ellahi

STUDENT VS Y'PRO!

The Pros & Cons

By Andy Graham and Nick Morris

The 'Student Versus Y'Pro' (Young Professional) debate is growing fast for HMO investors. This month I (Andy) am going to share my thoughts and experiences on the pros and cons of each tenant group, dispel any myths and help you determine which tenant you should be targeting, and why!

Over the past two years, I've seen an increasing trend in the social property networking environment towards professional (room-by-room) letting. In part, this has been fuelled by viral popularity stemming from mainstream media (I'm sure you've all read about The Collective as just one example of cool urban co-living) but also because of squeezing residential and student yields. Enter, the young professional …

Although statistics vary per location (London excluded), the student property market is largely a result of more prospective financial decision-making on behalf of the student, imposed by higher fees and greater interest rates on student loans in the past five years. In short, the squeezed prospective students with stretched financial support (or the 'I'm not sures') are opting to head straight into work whilst we are already seeing Brexit's impact on European admissions.

WHY EMPLOYMENT PROSPECTS DRIVE THE STUDENT HOUSING MARKET

This leaves the 81% of UK domiciled students (source: HESA) with tough decisions to make about applying to universities. As a general rule, there is a greater focus on getting the right qualifications in the right field to put them in good stead for employment. That means that value for money is important, and why established universities with solid disciplines continue to be popular. Equally however, many universities are offering reduced fees for and a 'fast lane' into graduate employment.

The top-end PBSA of the past two years capped off a growing trend throughout the

STUDENTS

PROS	CONS
Five tenants, jointly liable, with five guarantors to back up rent. Possibly the greatest pro for a landlord.	Guarantors are great, but the parental instinct to protect can translate as bullishness and an instant distrust which will need to be negotiated.
Less likelihood of having to deal with a sitting tenant.	Given the nature of intakes, the vacant, letting period is swift. If you miss it, your property will be unoccupied for the year.
Cohesive household – the overwhelming majority of students will house with their friends and, despite a spat now and again, is unlikely to cause major disturbance to living arrangements.	Less life experience can often lead to mismanaged expectations – students have not been tenants before (apart from mum and dad's house) – so be prepared for "Can you come and fix the light bulb?"
Student renting is a tried and tested property investment.	You'll also have to contend with neighbours and in/formal complaints if your tenants are antisocial (loud and partying).
Mortgage lenders are more comfortable with the higher probability of tenant occupation.	Higher competition. Given that it is a fairly popular property investment strategy, stamping your mark on the local market can be a challenge – particularly when competing with Purpose Built.
Due to the relative short tenancy and a lack of precedent, students tend to be happy with 'cheap and cheerful'. This, evidently, depends on the student budget.	Heavier wear and tear – be that from irresponsible behaviour or accidents, students can be a messy lot.
No council tax.	

YOUNG PROFESSIONALS

PROS	CONS
Landlords can demand more rent from young professionals and an HMO strategy can have excellent yields. Five-bed HMOs are still possible with Y'pros who often prefer the communal living aspect.	Young professionals will expect more from their home, particularly if they are paying more in rent. With many getting their first taste of work, convenience will be essential, so you'll need to consider fully equipping and keeping decoration chic and contemporary.
Less wear and tear. Whilst we're confident young professionals don't party any less than students, a combination of greater respect and a working day result in less damage to the property. Download our guide to choosing tenants **https://www.smartproperty.co.uk/blog/better-tenants-expert-hmo-property-management-tips-for-2017**	It is likely that at least a pair of Y'pro tenants will know each other prior to living, but it still leaves open the possibility intra-house conflicts. These are often more serious as there is no natural end date to tenancy to "last" until. A serious dispute between strangers can result in unpleasant evictions.
Due to a bigger budget (as detailed above) partying moves from your property to a pub or bar, more often than not with scattered new-found work friends.	In any case, and depending on local flexibility, tenancy periods often follow the patterns of employment contracts – anything from three months, six months and 12 months. This results in high turnover, which is a good thing as it allows you to adjust rent, or a bad thing as you have to find new tenants.
What a difference four years makes. Graduates are more likely to be mature and have proven to themselves over four years of halls, wild parties and the accompanying smells that a clean and tidy house is far more pleasant. They're also more responsible and more likely to deal with a situation without involving the landlord.	More paperwork – HMO certificates are a must. Check out our guide to HMO licenses... **https://www.smartproperty.co.uk/blog/hmo-license**

nineties and noughties of increasing student populations and improved student housing, driving the demand and improving quality along the way. No longer are students living on a shoestring, as did their nineties counterparts, to mediate the cost of living and university fees. The bottom line is that student rents have continued to rise steadily, and in many central and northern areas of the country, have outperformed capital appreciation.

With higher fees and greater rental prices based on the standard of comfort (and regs) many have come to expect (or at least, drive market valuation), it now leaves the student with a far greater bill for those years of study to be offset in the future in loans. Previously, many graduates would look to repay the loan almost immediately at the beginning of paid employment (to avoid interest) but the loans accrued today force a far longer pay back. It leaves an employed graduate with virtually the same spending power either side of their graduation ceremony.

According to statistics provided by the Department for Education, some **87% of graduates aged 21-30 (90.6% for postgraduates) are currently in employment**, 1.9% higher than in 2013. According to the same source, **graduates can expect to earn an average of £25,000 (postgrad £29,000)**. Post tax and student loan repayments, a graduate takes home £1,660 each month.

Apart from an improved financial situation, how do they really differ from the student demographic?

I've outlined the pros and cons of letting to both young professionals and their student counterparts.

LET'S TALK YIELDS!

This is largely determined by the cost of the property and the rent achievable. I have no doubt and countless experience to confidently tell you that student properties cost far less to run, take much less time to manage, are less hassle and when done right, can consistently achieve 100% occupancy rates. And don't just believe me. The track record of student property performance is why lenders are so comfortable lending on them, and why (interest) rates are generally lower than you might be offered on a 'room-by-room' counterpart. This does mean that most student property sales are yield-driven now and faced with having to liquidate quickly, you might be falling back (taking a loss) to bricks and mortar value. On the other hand, houses that suit young professionals and are not constrained within Article 4 directions can be purchased at true bricks and mortar levels and still achieve similar rents making the yields much better. But you must be prepared for the significant difference in upkeep that'll be required on a professional let, and over a ten-year term, you shouldn't be surprised if your yield gradually reduces year on year. What the professional rooms market will look like then is anybody's guess!

CONTACT DETAILS

Contact Andy at
andy@smartproperty.co.uk
or head to www.smartproperty.co.uk

FOUNDATIONS FOR STURDY LANDLORD-TENANT RELATIONSHIPS

By **James Davis**

Being a passive landlord is something of the past unless you are happy to leave one of your biggest assets in the hands of strangers.

Really effective landlords build open relationships with their tenants, as they know it is worth the time and effort. When a tenant feels that they can be honest and call their landlord, there is more chance of nipping serious potential issues in the bud.

IT STARTS AT THE VIEWING

Viewings are the most important part of marketing a property. Do not leave these opportunities to chance. On average, it takes between four and six viewings to secure a letting and 90% of tenants would prefer to meet the landlord before making a decision.

You must be there to ***"sell"*** your property but, more importantly, you must be there to find the ***right*** tenant.

By all means, go in with the key benefits of your property at the forefront of your mind. However, don't show it off without taking the time to interrogate your potential tenants. A property may be your biggest asset and you are completely within your rights to ask viewers as many questions as you like.

ENGAGE YOUR LANDLORD INSTINCT

'Gut feel' is a wonderful thing if understood correctly. Your instinctive impression of someone is often made up of some important factors, such as do they look presentable and are they likeable? Tenants may read this as being judgmental but if someone looks well-kept and is naturally easy to get along with – it's a good indicator of how they may be as a tenant.

More importantly, with rent arrears on the rise, you need to communicate so that both parties have complete clarity over what is to be agreed.

A great way to begin is to present the property in the condition that you wish the tenant to leave it in.

That shouldbe made clear to the tenant from the outset. Also, I advise carrying a copy of the tenancy agreement, highlighting key parts in person to ensure that they've understood what is required of them. Covering the logistics of the deposit and the tenancy start date will prevent any stutters in the process. You can also walk through some practical examples of 'wear and tear' to help improve their understanding of that inevitable grey area.

WHY YOU MUST BE OPEN

In general, tenants are taking on too much expenditure. Varying levels of online subscriptions and unsecured debt is putting pressure on their ability to pay basic rent. When rent is anywhere near or over 40% of a potential tenant's take home pay, I would usually advise them against entering into the tenancy agreement.

It is easy to obtain this information through initial financial checks.

The difficult part is to stay up-to-date with tenants if their situation changes.

Whether or not they are made redundant, starting a new relationship or generally going through a tough time – many different scenarios can put you at increased risk. Maintenance issues and rent arrears can both emerge from a sudden change in circumstances.

KEEPING IN TOUCH IS THE KEY

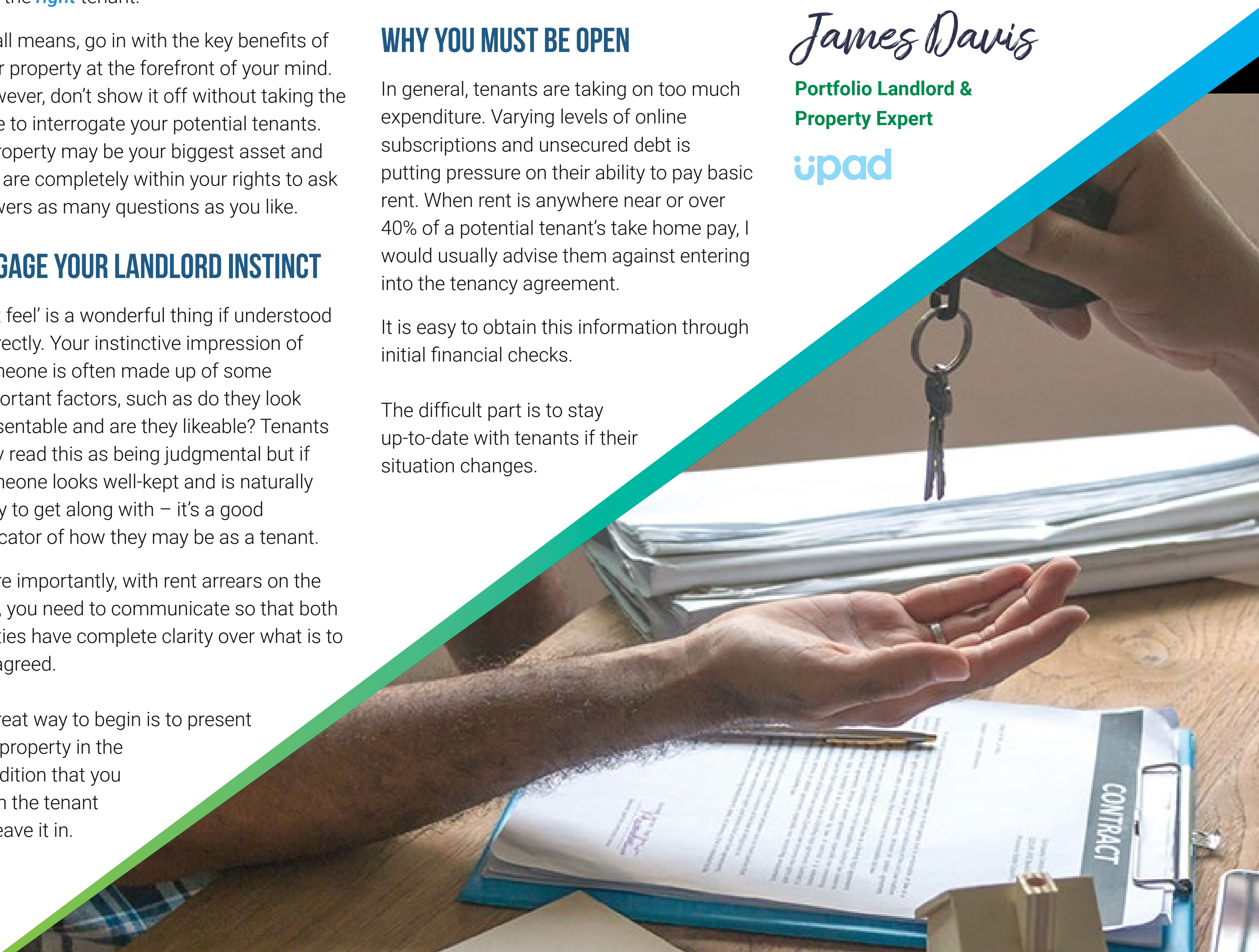
It sounds basic, but regularly staying in touch with tenants is important. So many landlords never contact their tenants. While you don't want to encroach on their privacy, you have a right to run routine checks on the property and speak with tenants honestly about their situation. Finding an early drip is much better than being called out to a fully-blown flood.

Visiting more than once a month is too often, but bi-monthly maintenance checks will help you to be more aware of problems. Also, regular texts or emails to let them know you are there to field requests will remind renters of conversations that they want to have with you.

Finally, relying on agencies is usually good for the general state of the property. What they can't do is understand the more personal changes in circumstance that can have a big impact on the relationship between the tenant and landlord.

James Davis

Portfolio Landlord & Property Expert



I saved almost £30,000 in fees and invested my pension in property

Maneesh Patel - Entrepreneur

PROPERTY & PENSION INVESTMENT SUCCESS STORY

Substantial fees are normally what you can expect when it comes to property-pension planning, unless of course you take control of the process and do it yourself just like entrepreneur, Maneesh Patel.

Having been presented with some proposals that were going to cost him the best part of £30,000 in arrangement, investment and transfer fees, Maneesh decided to look at a business pension known as a Small Self-Administered Scheme (SSAS) with the help of The Landlord's Pension, a company that specialises in SSAS pensions. He was pleasantly surprised to find out that by taking control himself he would have no transfer fees and a low annual fee of just £300.

> ' Why would I not take control of my own pensions?'

The situation that Maneesh found himself in is not one in isolation. All too often people are charged substantial fees for 'pension reviews' and are then told that they fail at the first hurdle having paid the fee, or that they must undertake certain courses to be able to manage their own investments. It's simply not the case. If you can run your own business, then why on earth shouldn't you manage your own money? Maneesh Patel, Director of DPS Group, took the decision to go it alone when it came to his pension money. "Why would I not take control of my own pensions?" he asks. "Even though the DPS Group is a very successful printer, inks and paper dealer for global brands such as Epson, HP and Canon, we are still a relatively small business at heart, keeping a keen eye on costs and the latest market developments. I have used a similar strategy when it came to my pensions, and a low cost SSAS was the best solution for me. The DPS Group is successful because I make the decisions. I now make the decisions with my pensions and have chosen to invest in property".

SSAS pensions work in harmony with your business and to establish a SSAS pension the only qualifying criteria, is that you are the Director of your own trading limited company. The pension scheme needs to be registered with HMRC (a process that The Landlord's Pension can help with) and when this is done you can immediately start to make new contributions or transfer in old pension schemes from former employers. The money can then be used within your business for stock or property purchases, to consolidate or pay down debt to improve cash flow or for investment purposes.

The Landlord's Pension offer a free initial consultation and have been successfully helping people invest in property since 2004. Company Director Gareth Bertram offered the following guidance for people considering a SSAS as a part of their property business planning; "As with most business decisions, don't accept the first proposal that is put before you. We have a 5-star rating for a reason; we put the client first. In the free initial consultation, we just ask questions and listen to what the clients' goals are. We'll then tell them if we can help or not". Gareth continues "Our team of SSAS consultants are busy so there's no point in us dragging matters along. We want to be able to say to people as quickly as possible – yes, we can help you, or no we can't."

If you're thinking of establishing a new SSAS pension, then you can visit The Landlord's Pension online for more information or speak to a SSAS consultant by phone today.

BUILD-TO-RENT SPECIAL AREAS

By **David Lawrenson**

n this article David Lawrenson, founder of landlord advisors www.LettingFocus.com, looks at why a large growth in big scale build-to-let may only happen if specific areas are set aside for this asset class.

How big will big build-to-rent (BTR) grow?

When I talk about BTR in this article, I'm referring to big scale developments of lots of flats in blocks, dedicated to being rented out mainly for market-rate private rent. I'm not referring to smaller developments of say less than 20 units, the kind often written about in YPN.

The big problem for big scale BTR (apart from high rent to operating cost ratios when compared to BTL landlords – see note 1) is that most developers will find it far more profitable to build to sell than build to rent.

It works like this. A developer of a non-BTR site will get financing to construct a project. This will eventually be paid out from unit sales, allowing the developer to hopefully bank a profit, pay off the loans for construction and get cash out for the next development project.

BTR is different because there will be a stream of rental income instead. After the build has been completed, fresh finance will have to be sought based on that rental income, which will mean quite a lot of equity remains stuck in the development. These days more equity could be stuck than in the past, because the banks lending the money are quite stringently stress-tested by the Bank of England. So inevitably, lower LTVs must be accepted.

Contrast this with a developer whose aim is to develop and sell. They will be straight on to the next project having banked a typical 25%-35% profit margin after taking account of all their costs. That looks very good compared with the BTR alternative, where they not only have to leave a load of equity in the development, but also accept net rental yields of at best 8%. The maths implicit in these figures will always constrain a big growth in big scale BTR.

Of course, BTR is happening today in the UK – in the right niche and/or for the right owner.

New tower block of student accommodation overlooking Queen Elizabeth Park in Stratford London

The two areas where it works are in PBSAs and/or where the end investor is an institution.

For student accommodation, it works in the right places because of scale economies – think big developments! – but also because no single individual is able to (or will want to) buy a single unit for a student to live in or own within these blocks.

Building at scale also works where the backer/owner is an institution, such as a pension company. Again, common features including fixtures and fittings, shared amenities and dedicated management mean that operating costs can be driven down (though not as low as with Mom and Pop BTLs). The pension funds (also some overseas sovereign wealth funds) like the flow of rental income because it can closely match their liabilities for pension pay outs, etc.

Note too that most will badge the development with a separate brand, possibly because they are aware of the bad press landlords get. You won't see a development with Legal & General's name plastered all over it!

Outside these two areas of business (student accommodation and pensions/wealth funds), it simply does not pay the developer to go down the BTR route as the economics are so much worse than buy to sell.

In the longer term, though, there are some ways that BTR could really expand. Firstly, there are subsidies from the state. Naturally, the likes of the British Property Federation, key tub thumpers for BTR, are pretty keen on this. Central government has already, and could continue to, set aside more hard cash or soft loans to encourage developers to build to rent instead of to sell.

The other way is to set aside areas of towns and cities where the only type of development allowed is BTR.

This is common in places like the USA where areas are zoned in this way. Here, on such developments, no-one can sell a unit; it's just not allowed within the permitted development options.

When an owner of such a BTR block wants to sell, they have to sell all the units as one freehold, with all the tenants in place. The value of the property is thus linked to the ongoing rental income. The lower the void levels and the higher the market rents, the higher the value of the block. Lenders and other providers will only lend or give equity finance based on the cash flow. And with no owner-occupied premium, no developer ever pays more than the current cash flow would demand.

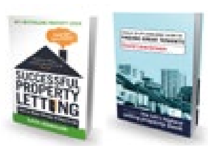
Naturally, the big BTR cheerleaders want the UK to copy America and mandate areas where the only development allowed is BTR.

TAILPIECE

The new affordable housing targets in the draft London Plan require even small developments of less than ten homes to meet an affordable housing target. Previously they were exempt. The low or even negative returns on affordable housing are likely to mean small developers will not be able to make these developments work. So yet more power to the big housebuilders!

David Lawrenson is the founder of LettingFocus.com and an independent expert and consultant in residential property investment. He specialises in providing independent advice on BTL and property investments. Contact him at david@lettingfocus.com

He is the author of two books: the recently updated **"Successful Property Letting - How to Make Money in Buy to Let"**, and **"Buy to Let Landlords Guide to Finding Great Tenants"**.



Note 1: I first highlighted the very high operating cost in BTR compared to BTL in my blog "Build to Rent – Hype or Fact" back in October 2014: http://www.lettingfocus.com/blogs/2014/10/build-to-let-hype-or-fact/

YOUR PROPERTY **BOOK REVIEW**

HOUSE ARREST

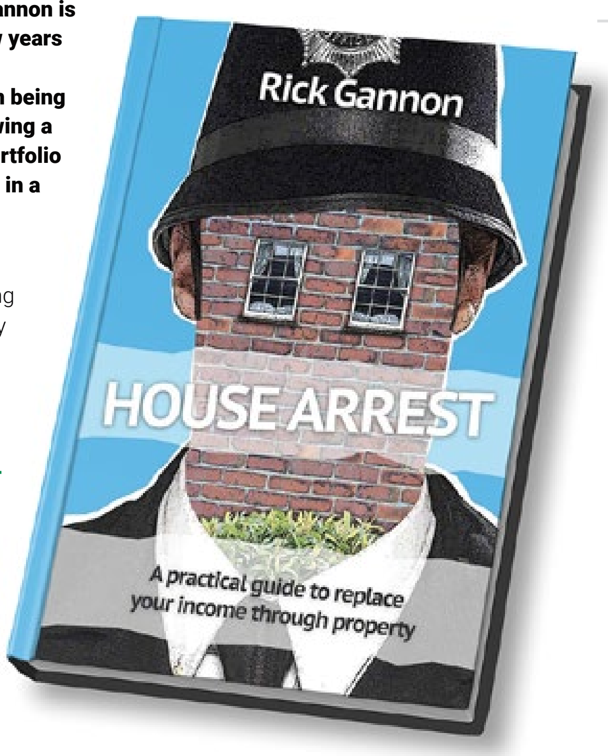
A PRACTICAL GUIDE TO REPLACE YOUR INCOME THROUGH PROPERTY

By **Rick Gannon**

Personally, I believe that a book written in conversational style with someone telling their story whilst providing solid content, is a compelling read. Rick Gannon is someone I have known for a few years and his story is nothing short of inspirational – he has gone from being a full-time police officer to growing a multi-million pound property portfolio and training hundreds of people in a relatively short period of time.

Rick starts his account by describing a particularly harrowing day at work. This was followed by a difficult conversation with his disabled son, which led to Rick totally re-evaluating his life. That gave him his big reason **WHY**, without really knowing the **WHAT** and **HOW**. A very sceptical Rick was dragged off to a local property event by his wife, but he left totally gripped and engrossed with property.

The **second chapter** describes Rick's background including his early ventures into business (gastropubs), becoming an accidental landlord and fulfilling a lifetime ambition to join the police. The next chapter is a ***"flashback"*** as Rick describes how he and his wife came to realise that they were spending less and less time with their son, instead of more. This resulted in the gradual selling of all the gastropubs, except the first one. They attended a property network event, which led to some formal training and a career break from work.



Chapter 4 describes Rick's first foray into property education and the quick decision they reached about investing locally in professional HMOs. They were very proactive and arranged a viewing on a potential HMO whilst on the training course! Rick provides a small section on ***"Why HMOs"***? (compared to BTLs) and recounts the story of the first property where the offer was accepted but they had no funds. The story continues into the next chapter with Rick offering his father-in-law a ***"great opportunity"*** and a JV was agreed. Rick's next contact with the property world was trying to get a quote from few builders – familiar story, with a few not turning up at all and the one amateur that does turn up. He eventually got his first builder at the local networking event and Rick provides a great tip: ***"network a lot and widely in your first 12 months".***

Chapter 6 starts off with setting up the business correctly, eg property tax specialist, office stationery, internet presence and then delves into a number of other important areas including deal stacking, costs of setting-up an HMO, etc. Most pertinently, it includes the all-important Article 4 Planning Direction, HMO licensing and demand analysis. Rick provides more details of the first deal, which needed to be completed before the impending Article 4 Direction. He was very proactive with the marketing, starting whilst the property was largely unfinished. He had decided that as a business, they wouldn't be taking deposits therefore no inventory was required. He had his first viewing quickly and sold all six rooms within a few weeks. For the next deal, Rick outlined to the owner that he ***"wanted to rent it now and buy later"*** and was astonished when the vendor said, "***Oh, you want to do a lease option"!*** A ***"key undertaking"*** agreement meant that the refurbishment was done quickly and rooms filled a few days before Article 4 kicked in.

Chapter 8 covers the concepts of what a lease option is and how to structure a deal correctly, complete with another example of a more recent lease option deal. Rick then describes how they really had to ***"up their game"*** because Article 4 now meant that they had to find pre-existing HMOs. This meant a dedicated period of deal sourcing and Rick describes what they did, in particular sending letters to the list of licensed HMO owners in his area (list available from the council). The process is described in detail together with an **Example Letter 1** for readers to use. In a later section, Rick provides **Example Letter 2** for a second campaign. He also provides advice on how to run marketing campaigns including mass leafleting, newspaper adverts, etc. Before making an offer, you need to learn how to value the property and conduct due diligence and Rick provides guidance.

Chapter 9 covers his experience of 'working with partners and investors'. He relates the story of an 'Exchange with Delayed Completion (EDC)' deal. Despite agreeing the deal with the vendor and getting a JV partner on board, both fell by the wayside, so it doesn't always go to plan! Rick has gone on to do more deals working with JV partners and investors on a loan basis and provides some sound advice. In the next chapter he describes why he did R2R deals in cases where the vendors wanted too much money for a straight purchase.

Chapter 11 is about ***"Choosing Tenants"*** and Rick covers different tenant types, tenant recruitment and referencing, contracts, moving tenants in, on-going HMO management and a useful list of requirements for a compliant HMO. The final chapter describes in detail why a robust ***"system"*** is so vital to a business.

WHO IS THIS BOOK FOR?

If you are at the start of your property journey and looking for inspiration, Rick's book provides plenty! Written in a conversational style, the book will appeal to investors (new and experienced) who have a particular interest in setting up and managing professional HMOs (including R2R).

Raj Beri

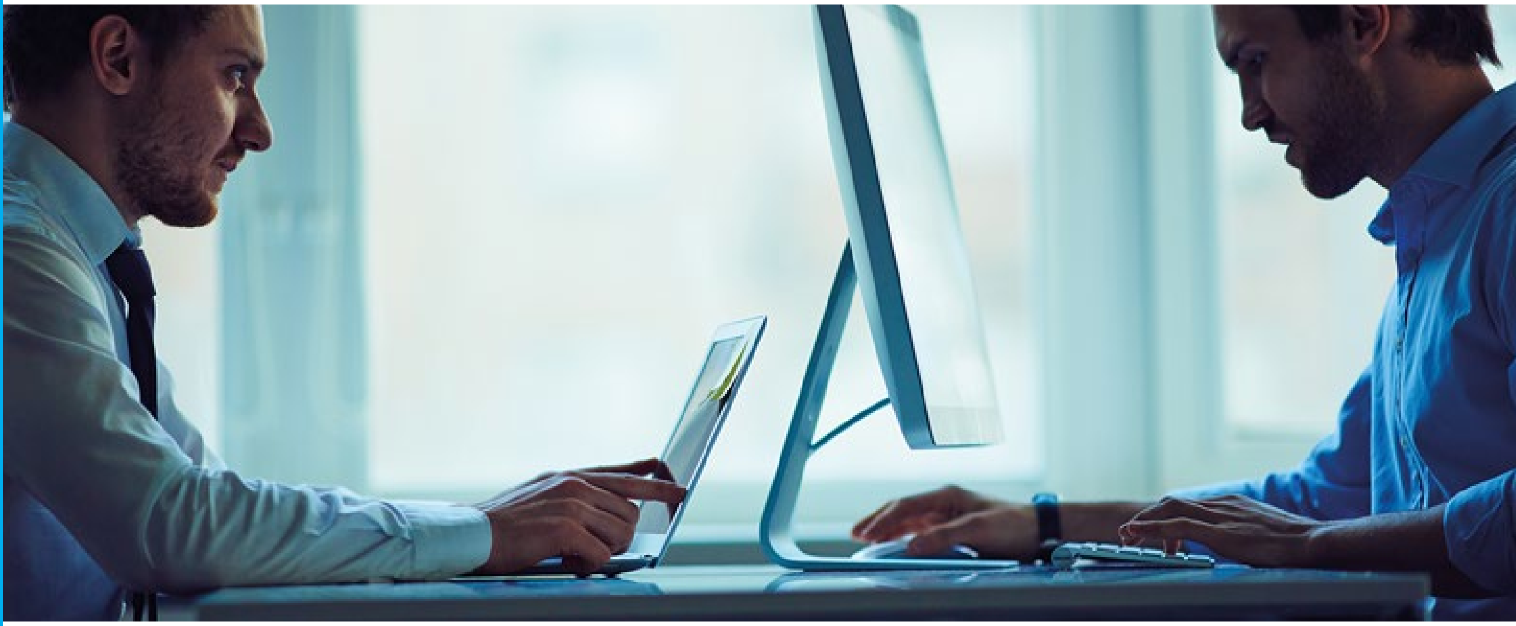
www.rajberi.co.uk
Email: **raj@rajberi.co.uk**
Mobile: **07894 543931**

Further information: www.newerapropertysolutions.co.uk or via The HMO Community Group (Facebook page)

BOOK DETAILS
Date published: **2017**

HOW TO MAKE MONEY WHEN MARKETS GO DOWN … BY FINDING BAD COMPANIES

By **Marcus de Maria**



In previous articles we have been discussing a very simple way for you to find the best companies to invest in. We did this using a FREE online stock screener and we managed to get the results in seconds.

The criteria we have covered are:

1. **PEG Ratio of below 1**
2. **Earnings growth projection of 15% plus**
3. **Debt of below 30%**
4. **Institutional ownership of over 30%**
5. **Price over $10**

In an earlier YPN article, we explained the concept of Selling Short, ie making money when markets go down. We sell a stock into the market at a high price, eg £30, and wait for it to go down, hopefully buying it back at a lower price, eg £20. The difference between the two, ie £10, is our profit. The reason that we can sell something we don't own into the market is because the broker lends it to us. Once we have it, we sell it into the market. All we have to do then is to buy it back to ensure that we give it back to the broker – remember it is not ours; the broker lent it to us.

Although confusing at first, this concept is relatively simple (but not easy) to understand. After all, we always buy low and sell high; only this time, we sell high and buy low. In other words, the order in which we do it has changed. Needless to say, we need to be thinking that the stock is about to fall in price before we start selling short, so the best time to do it is if we see some resistance, for example.

In fact, what most people don't realise is that we can make money faster when markets go down. Why faster? Because as people start selling and prices move down, suddenly everyone else starts to sell as well. As prices fall, the ensuing panic to sell takes over and stocks tend to fall fast. This is the reason the famous saying, *"Bulls walk up the stairs but bears jump out of the window"* exists.

So how do we find candidates that are good for Selling Short? In previous issues, we have been exploring the good Fundamentals of a company to find a healthy company; the rationale here is that if a company has good Fundamentals (good profits and low debt) then it is healthy and over time the stock price should go up. Using the same argument, looking for companies with bad Fundamentals (low profits and high debt) will yield unhealthy companies whose share price will hopefully fall … fast. These are the candidates we are looking for to Short Sell.

Back to our trusted stock screener,**www.Finviz.com** …

Theoretically all we really need to do is to reverse what we would normally be looking for in a good company. In practise though, this is much simpler. So to find a bad company to short we need:

1. **Earnings growth projection of <0% (ie minus growth)**
2. **Debt as high as possible: 100% plus**
3. **Price over $10**

After that we just need a good entry point, ie a pattern going lower in price.

1. Earnings growth projection of <0% (ie minus growth)

The most important thing investors look at is big Profits, aka Earnings. This is certainly what we look for when we are searching for the best companies and normally we look for Earnings Growth of 15%+ in the next few years. So if we are looking for the worst companies we need to have low Profits or Earnings. All we need to do is to have the next five years' EPS growth as <0% and the screener goes from 6751 to just 89 stocks. We are almost there.

2. Debt as high as possible: 100% plus

How can we make the list go down any further? Debt. When looking for good companies we are looking for the ones that have a certain amount of debt to fuel expansion, but not too much debt or else they can't service it. So instead of the 'not more than 30% debt' criteria when looking for good companies, let's see if we can target companies with lots of debt. Hopefully they will struggle when saddled with huge debt and the shares will suffer just enough for us to make some money. How about a debt ratio of 1, meaning 100% debt? Sound unmanageable? Add the debt to be over 100% and this falls to 28 stocks.

3. Price over $10

It starts to becomes increasingly difficult to short a stock that is priced below 10. So this is next. And the list falls to 22 stocks.

Here is the **www.FINVIZ.COM** screener with the criteria for searching out companies with bad Fundamentals.

Filters: 3 — Descriptive(1) | Fundamental(2) | Technical | All(3)

Exchange	Any	Index	Any	Sector	Any	Industry	Any	Country	Any
Market Cap.	Any	P/E	Any	Forward P/E	Any	PEG	Any	P/S	Any
P/B	Any	Price/Cash	Any	Price/Free Cash Flow	Any	EPS growth this year	Any	EPS growth next year	Any
EPS growth past 5 years	Any	EPS growth next 5 years	Negative (<	Sales growth past 5 years	Any	EPS growth qtr over qtr	Any	Sales growth qtr over qtr	Any
Dividend Yield	Any	Return on Assets	Any	Return on Equity	Any	Return on Investment	Any	Current Ratio	Any
Quick Ratio	Any	LT Debt/Equity	Any	Debt/Equity	Over 1	Gross Margin	Any	Operating Margin	Any
Net Profit Margin	Any	Payout Ratio	Any	Insider Ownership	Any	Insider Transactions	Any	Institutional Ownership	Any
Institutional Transactions	Any	Float Short	Any	Analyst Recom.	Any	Option/Short	Any	Earnings Date	Any
Performance	Any	Performance 2	Any	Volatility	Any	RSI (14)	Any	Gap	Any
20-Day Simple Moving Average	Any	50-Day Simple Moving Average	Any	200-Day Simple Moving Average	Any	Change	Any	Change from Open	Any
20-Day High/Low	Any	50-Day High/Low	Any	52-Week High/Low	Any	Pattern	Any	Candlestick	Any
Beta	Any	Average True Range	Any	Average Volume	Any	Relative Volume	Any	Current Volume	Any
Price	Over $10								Reset (3)

Remember that all this is doing is giving us stocks to look at that have not-so-good Fundamentals.

Fundamentals tell us **WHAT** stock to enter. This does not mean that the price will automatically go down. Now we need to look at the charts and do technical analysis to help us know **WHEN** to enter. We will take a look at some of these next month, in the meantime, here are a few that immediately look like possible candidates. Remember this does not mean that they will go down. It just means that the Fundamentals are not good. The technical analysis will help with that.

In these times it is a **MUST** for you to learn more about what trading and investing in stocks, commodities and precious metals has to offer. We are having a series of one-day events where we go through the strategies so you can take control of your own finances. But first, why not go ahead and download *"The Lunchtime Trader"* a 100+ page book on trading the Stock Market:
http://www.investment-mastery.com/YPNMAGBOOK

WHERE ARE THEY NOW?

(IE, DOES IT WORK?)

Well, I wrote this article especially for YPN subscribers four years ago and we published two charts of stocks we thought were ready for a fall. Here they are again two years later.

Now let's take a look again:

QUAD was at $21.29 and TEF was at $16.53

QUAD then went down to $12.19, a 42% gain and TEF went down to $10.26, a 37% gain, both in two years.

Coincidence? Hmmm ...

Why not get onto FINVIZ and find out what bad companies are ready for you to Sell Short now?

Until next month Marcus

RETIRE ON YOUR NEXT PROPERTY DEAL

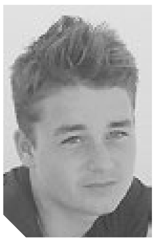
By **Simon Zutshi**

In the May edition of YPN, my article was all about "How to buy a whole property portfolio in one go". This could save you a huge amount of time instead of taking years to build your own portfolio, and the income could be enough to replace the income from your job. However, I appreciate that buying a portfolio might be a step too far for some new investors, and so this month I want to focus on how instead you can buy just one property to replace your income. This is what we call a life-changing deal.

How much would you need to generate from your next property deal to replace your income? For some people just £1,000 profit per month would be enough; for others it would have to be as much as £6,000.

In this article, I want to share with you three inspirational case studies of different investors who have all done at least one property deal that has replaced their income and been a life-changer. They have also all attended my advanced three-day Mastermind Accelerator workshop on which they learnt the creative strategies outlined here. This specialist knowledge helped them gain the competitive advantage and spot deals that most other investors would have missed. I will explain the three very different, but very simple ways that they found each of their deals.

LARGE HMO IN OXFORD



Josh Tracey from Oxford, who is just 17 and still at college, came on our three-day advanced Mastermind Accelerator with his mum. He was particularly interested to learn about Purchase Lease Options (PLOs) because at his age he could not get a mortgage and he did not have any money for deposits. One of the easiest ways of finding deals is through networking and word of mouth, by telling everyone what you do. Although this sounds obvious, it is amazing how many people don't do it consistently, or don't even do it at all.

Josh has a part time job in M&S Food Hall and one of his tasks is assisting people who need help with their shopping. One of his customers is a lady called Jo, who is in a wheelchair. Whilst pushing Jo round the store, helping her with her shopping, they got into conversation and Josh told her what he did. To which Jo responded: *"I wonder if you could help me. My landlord has decided to sell his house and I really don't want to be evicted as I have lived there for 16 years".* So Josh said he would see what he could do and asked Jo for her landlord's mobile phone number.

It turned out that the landlord wanted to retire and so had reluctantly decided to sell his 13-bedroom HMO in Oxford. It had been put onto the market the week before, but as he had the landlord's number, Josh was able to deal directly with the landlord and agreed to meet him at the property. The property was really well set up as a licensed HMO and after looking round, Josh sat down with the owner to see if he could get a deal that worked for all concerned.

Josh started to explain what he could do and proposed a PLO, without using those words, but to his surprise the landlord asked if he was talking about an option. It turned out the landlord knew about options and would be happy to do one but would need £3k per month. Josh replied that he should be able to do that as he knew the property was already rented out for £5,200 per month, and there was some scope to raise the rents.

Josh agreed to the right to buy the property anytime in the next five years for a purchase price of £840k, in the meantime taking on full responsibility for maintenance, managing the tenants, and all the bills. The rent was £5,200, but Josh has been able to increase that as a few tenants have moved out, so that after all costs he now makes a clear £1,400 profit each month, which is £16,400 per year. At his age (just 17) that is a life-changing deal. He has now also secured a second HMO on an option.

LARGE HMO IN BRISTOL

Tim Percival from Bristol was a doctor working as a general practitioner for the NHS. He was working very hard and did not have much quality of life and realised something had to change. When he attended the Mastermind Accelerator, he realised he could make major changes in his life by investing in some large HMOs in Bristol to replace the income for him and his wife Klare, who is also a GP.

One of the properties he purchased was a large student HMO, located in a historic parade of houses lying just below the famous Clifton Suspension Bridge. He had always wanted to own one of these houses but never thought he would be able to, let alone make a profit from it.

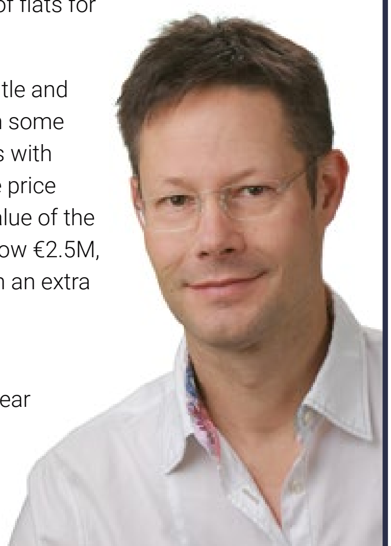
He had driven past the property every day for five years on his way to work and one day noticed a student let sign from a well-known student letting company in Bristol. Tim did some research into the property and through the Council HMO Landlord database, found out that it was a massive 16-bedroom licensed HMO, owned by a student housing company based in the Midlands. This was their only property in Bristol and all their other properties were in Midlands or South Wales cities. Tim wrote a letter to the company asking if they were interested in selling. Amazingly they were. In fact, by the luck of it, the previous week they had decided at a company review meeting that this house was a bit out of the way for them and so were considering a sale. Tim's letter arrived with perfect timing.

On viewing the property, it needed a refurbishment in the not too distant future but was still in average condition. What was obvious to Tim was that the level of rent they were getting was way below the standard rents achieved in Bristol. The company clearly didn't know the Bristol market well enough and were basing their prices on the lower rents achieved further north. The other huge positive was that the house was already licenced and already had planning for being a large HMO, which was important as it was in the Article 4 part of Bristol.

Tim managed to negotiate an off-market purchase for £720k. The amazing part was that to add value to this property, he spent nothing on the house. He just increased the rents by £3k per month – the local Bristol going rate. His local expertise enabled him to spot this deal and easily add value. The total rental income from this property is now £8,500 per month. After the mortgage and all bills the profit is £5,190 per month – £62,280 pa. It required £243,500 being left in the deal, but at a 26% ROI, even if this was borrowed money you would be able to pay a good return to a private investor and still have a very healthy profit with none of your own money invested. A life-changing deal.

FREEHOLD TO LEASEHOLD TITLE SPLIT IN GERMANY

Bernard Angerhofer lived in Germany and flew over to the UK to attend the Mastermind Accelerator workshop. One of the strategies he learnt about was freehold to leasehold title-splitting. He realised this would also work in Germany and so approached a deal sourcer he knew over there to start looking for blocks of flats for sale. He found a block of 24 flats for sale near Ulm.



They were all fully tenanted. The building was on one title and splitting it would cause a 30% value uplift. By putting in some other property as security, Bernard was able to buy this with none of his own money invested. The agreed purchase price including all purchase costs came to €2.4M. But the value of the property once split was €3M. Bernard was able to borrow €2.5M, which not only covered the purchase but also gave him an extra €100k in the bank to cover any ongoing costs such as maintenance.

The gross rental income before costs was €154k per year with a net profit after all costs of about €85k. That is more than enough to cover most people's annual income. Again, a life changing deal.

IN SUMMARY ...

These deals were found through:

1. **Word of mouth, telling everyone what you do**
2. **Writing direct to owners for off market properties, and**
3. **Using sourcing agents**

The investors all used their specialist knowledge to spot deals that other investors would have missed. Two of the deals were done with very little of the investor's money. I do hope this has inspired you to think about how your next deal could be one that produces enough income for you to be able to quit your job.

Best wishes with your property journey,

Simon Zutshi

- Founder, property investors network
- Author of "Property Magic", now into its 6th edition
- Founder of the Property Mastermind Programme

LEARN MORE ABOUT DOING BIG DEALS

Simon Zutshi will be hosting a no-cost, live 90-minute Master Class in June all about how you can make your next deal, one that could replace your income.

You can register for this live online training here: **www.pinwebinar.co.uk/income**

NETWORKING EVENTS *In YOUR Area*

ZONE 1

Blackfriars pin
4th Tuesday of the month
Crowne Plaza, 19 New Bridge Street, Blackfriars, London, EC4V 6DB
Host: Fraser MacDonald
www.blackfriarspin.co.uk

Canary Wharf pin
1st Thursday of the month
De Vere Conference Suite No. 1 Westferry Circus, London, E14 4HD
Host: Samuel Ikhinmwin
www.canarywharfpin.co.uk

Clapham pin NEW VENUE
1st Tuesday of the month
Crowne Plaza London - Battersea Bridges Wharf, Battersea, London SW11 3BE
Hosts: Jahangir Khan and Luke Skelton
www.claphampin.co.uk

Croydon pin
3rd Wednesday of the month
Jurys Inn Croydon Hotel, Wellesley Road, Croydon, CR0 9XY **Host:** Stuart Ross
www.croydonpin.co.uk

Kensington pin
2nd Wednesday of the month
The Rembrandt, 11 Thurloe Place, South Kensington, London, SW7 2RS
Host: Marion Watts
www.kensingtonpin.co.uk

Regent's Park pin
3rd Tuesday of the month
Holiday Inn London Regents Park, Carburton Street, London, W1W 5EE
Host: Mike Frisby
www.regentsparkpin.co.uk

Sutton pin
2nd Thursday of the month
Holiday Inn London Sutton, Gibson Road, Sutton, Surrey, SM1 2RF
Hosts: Johanna and Peter Lawrence
www.suttonpin.co.uk

PPN London St. Pancras
06/06/2018
The Wesley Euston Hotel & Conference Venue, 81-103 Euston St, London NW1 2EZ
Hosts: Jamie Madill & Steve Mitchell
progressivepropertynetwork.co.uk/stpancras

PPN London Waterloo
11/06/2018
Park Plaza County Hall, 1 Addlington Street, London, SE1 7RY
Host: Sachin Mishra
progressivepropertynetwork.co.uk/london-waterloo

PPN London Knightsbridge
12/06/2018
Michelin House, 81 Fulham Road, SW3 6RD
Host: Pippa Mitchell
progressivepropertynetwork.co.uk/knightsbridge

PPN Canary Wharf
13/06/2018
One Canada Square, Canary Wharf, London, E14 5AB
Hosts: Ozan and Oktay Redjep
progressivepropertynetwork.co.uk/canary-wharf

PPN Mayfair
28/06/2018
The Washington Mayfair, 5 Curzon St, Mayfair, London W1J 5HE
Host: David Seigler
progressivepropertynetwork.co.uk/mayfair

Premier Property Club - Islington
2nd Wednesday of the Month
Hilton Hotel Islington, 53 Upper St, London N1 0UY **Founder:** Kam Dovedi
PremierPropertyClub.co.uk/ppc-islington

Premier Property Club - Knightsbridge
3rd Wednesday of the Month
Park Tower, 101 Knightsbridge, London, SW1X 7RN **Host:** Kam Dovedi
www.PremierPropertyClub.co.uk

Premier Property Club - Canary Wharf
4th Tuesday of the Month
Hilton Hotel, Marsh Wall, London, E14 9SH **Host:** Kam Dovedi
www.PremierPropertyClub.co.uk

Premier Property Club - Croydon
1st Tuesday of Each Month
Doors open: 6:30pm for a 7pm Start Jurys Inn Croydon, Wellesley Road, London CR0 9XY

Wandsworth-Property-Group Love Property in N1 Meetup Group
1st Thursday of the Month
The Islington Company 97 Essex Road, N1 2SJ **Host:** Vaida Filmanaviciute
www.meetup.com/Love-Property-in-N1-Meetup-Group

We Buy Houses - London
Last Wednesday of the month
New hosts: Adam Hinds and Angela Lewis-Wright. Register at **http://webuyhouses.co.uk/rick-otton-meetups**

Property Leverage Network - London
1st Monday of the month Pavillion End, 23 Watling Street, London,EC4M 9BR
Host: Karun Chaudhary (07542210168)

London HMO Property Group
Host: Alan Wood
For information on the next event visit **www.hmopropertygroup.co.uk**

EPN - London (Earth Property Network) 2nd Tuesday of the Month
1 Fore Street, London, EC2Y 5EJ
Host: David J. Tillyer
http://bit.ly/EPN-London

PMA Heathrow
1st Monday of every month
Hotel Mercure Heathrow, Shepiston Lane, Hayes
Host: Justyna Wojech
www.pmanetwork.co.uk/events

PMA Croydon
1st Wednesday of every month
Croydon Park Hotel, 7 Altyre Road, Croydon **Host:** Jason Hayles
www.pmanetwork.co.uk/events

Kensington & Chelsea Property Network 1st Thursday of the Month
The Trafalgar in Chelsea, 200 Kings Road, London, SW3 5XP
Host: Nicola Ancona
www.meetup.com/KensingtonChelseaPropertyNetwork

Central London Evening Meet
4th Wednesday of the month
14-15 Marshall Street, Soho, London W1F 7EL **Hosts:** Brendan Quinn and Luke Hamill
www.meetup.com/CentralLondonPropertyNetwork

Central London Morning Meet
See website for details
Grosvenor Casino, 3-4 Coventry Street, Piccadilly Circus London W1D 6BL
Host: Brendan Quinn
www.meetup.com/CentralLondonPropertyNetwork

Property Coffee Morning
Free Networking For 150 Property Investors. 9:30 to 11:30am, Grand Ballroom, Landmark Hotel, London NW1.
See website for more details
www.PropertyCoffeeMorning.com

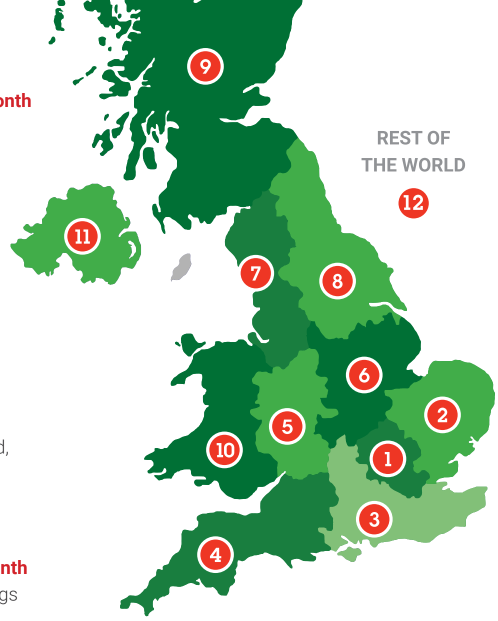
JV Hub Property Meet
4th Wednesday of every Month
Wework Building, 1 Fore Street London EC2Y 5EJ, 6.30 - 9.30
Host: Theo Bailey **www.jvhub.co.uk**

Baker Street Property Meet
Last Wednesday of every Month
Holiday Inn London, Regents Park, Carburton Street, London, W1W 5EE
Host: Ranjan Bhattacharya
www.BakerStreetPropertyMeet.com

Sutton Property Meetup
2nd Monday of the Month
The Ivory Lounge, 33-35 High Street, Sutton, Surrey, SM1 1DJ
Hosts: Johanna and Peter Lawrence
www.meetup.com/Sutton-Property-Meetup

London Property Talk (BMV Meet)
1st Monday of the month
Hilton London Docklands, 265 Rotherhithe Street, London, SE16 5HW
Host: Owais Naveed
http://ukpropertymeet.co.uk

London Property Investor Breakfast
4th Tuesday of the month (7.30am – 9.30am) Doubletree by Hilton, 92 Southampton Row, Holborn, London, WC1B 4BH **Host:** Fraser Macdonald
www.meetup.com/londonproperty-breakfast



UK Property Investors Networking Event
Last Monday of the Month
Grovesnor Hotel, 101 Buckingham Palace Road, Victoria, London
Host: Cornay Rudolph
www.meetup.com/UK-Property-Investors-Networking-Event

Premier Property Meet
2nd Thursday of every month from 6.30pm The King's Head Pub, 1 The Green, Winchmore Hill, London, N21 1BB **Hosts:** Deborah Tyfield and Dr Marttand Patel Tickets: £20 online, £25 on the door. Tickets includes canapés
www.premierpropertymeet.co.uk

Property Leverage Network City of London 4th Monday of every month
Dawson House, 5 Jewry Street, London, EC3N 2EX **Hosts:** Felix Cartwright & Phil Ash (07856202658)
www.propertyleverage.co.uk

Property Leverage - Southbank London
3rd Monday of the month
Mulberry Bush, 89 Upper Ground, Southbank, London, SE1 9PP
Hosts: Felix Cartwright & Phil Ash (07856202658)
www.propertyleverage.co.uk

Wandsworth Property Group
3rd Tuesday of the Month
The Alma, 499 Old York Road, Wandsworth, London, SW18 1TF
Host: Brendan Quinn **www.meetup.com/Wandsworth-Property-Group**

LovetheMojo
1st Wednesday of the month
Wework Aldwych House, London
https://www.meetup.com/LOVE-THE-MOJO/events/243553700/

Bloomsbury Wealth Investing Network
3rd Wednesday of the month
The Wesley Hotel 81-103 Euston St, Kings Cross, London NW1 2EZ
Hosts: Matt Baker & Jo Akhgar
www.bloomsburywin.net

The London Real Estate Buying & Investing Meetup Group
2nd Tuesday of the Month
Business Environment Services Offices, 154 - 160 Fleet Street, EC4A 2NB
Host: John Corey
www.meetup.com/real-estate-advice

The Kensington & Chelsea Property Group
2nd Wednesday of the month
Baglioni Hotel, 60 Hyde Park Gate, London, SW7 5BB **Host:** Neil Mangan
https://www.meetup.com/The-Kensington-Chelsea-Property-Group/

Global Investor Club London
2nd Thursday of every month
City Business Library, Guildhall, London EC2V 7HH **Host:** Jan Kortyczko
fb.com/GICLondyn **Please note** that most speakers are presenting in Polish

Holborn Property Meet
3rd Monday of the month
De Vere Grand Connaught Rooms - Registration: 6.30pm, Talks: 7.30pm
Host: Giovanni Patania
https://www.holbornpropertymeetuk.com

ZONE 2

Cambridge pin **4th Thursday of the month**
Holiday Inn Cambridge Lakeview, Bridge Road, Impington,Cambridge, CB24 9PH
Host: Christine Hertoghe
www.cambridgepin.co.uk

Essex pin **3rd Tuesday of the month**
Orsett Hall Hotel, Price Charles Avenue, Orsett, Essex, RM16 3HS
Host: Reegan Parmenter
www.essexpin.co.uk

Norwich pin **2nd Tuesday of the month**
Holiday Inn, Ipswich Road, Norwich, Norfolk, NR4 6EP **Host:** Nigel Garioch
www.norwichpin.co.uk NEW HOST

PPN Ipswich
11/06/2018
Best Western Ipswich Hotel, Old London Road, Copdock, Ipswich, IP8 3JD
Host: Halstead Ottley
progressivepropertynetwork.co.uk/ipswich

PPN Peterborough
18/06/2018
Holiday Inn Thorpe Wood, Peterborough
Host: Dennis Hedges
progressivepropertynetwork.co.uk/peterborough

Essex Property Network
2nd Tuesday of the Month
Holiday Inn, Brentwood, CM14 5NF
Host: Cyril Thomas
www.essexpropertynetwork.co.uk

Harlow Property Network in association with Premier Property Club **2nd Thursday of Every Month** The Day Barn, Harlow Study Centre, Netteswellbury Farm (off Waterhouse Moor), Harlow, Essex, CM18 6BW. **myproperty.coach**

THE PROPERTY HUB

1st Thursday of the Month
http://thepropertyhub.net/meetups

Colchester Trotters Bar, CO1 1QX
Hosts: Phil Sadler and Vito Anzalone

South Essex The Paul Pry, Rayleigh, SS6 7AA **Host:** Joanne Dron

Cambridge/Peterborough
The Cuckoo, PE7 3UP.
Host: Chris Barnard

Croydon Property Meet
1st Wednesday of the month
Croydon Park Hotel, Altyre Road, Croydon. CR9 5AA
Hosts: Rob Norton and Sel Fayyad

THE PROPERTY HUB

1st Thursday of the Month **http://thepropertyhub.net/meetups**

London Waterloo All Bar One, SE1 7PY
Host: Matt Newman

London King's Cross The Somers Town Coffee House, NW1 1HS **Host:** Gavin Lloyd

Richmond Upon Thames The Cricketers, TW9 1LX **Host:** Roxane Brazeau

Epsom The Albion, KT19 8BT
Hosts: Justin Richards and Andy Garnett

ZONE 3

Eastbourne pin
1st Wednesday of the month
Royal Eastbourne Golf Club, Paradise Drive, Eastbourne, East Sussex, BN20 8BP **Host:** Lee Beecham
www.eastbournepin.co.uk

Woking pin
3rd Thursday of the month
The Talbot, High Street, Ripley, Surrey, GU23 6BB **Host:** Lisa Oliver
www.wokingpin.co.uk

Oxford pin **1st Thursday of the month** Jurys Inn, Godstow Rd, Oxford, OX2 8AL **Host:** Gillie Barlow & Jacquie Edwards
www.oxfordpin.co.uk

PPN Brooklands
19/06/2018
Mercedes - Benz World, Brooklands Dr, Weybridge, KT130SL
progressivepropertynetwork.co.uk/brooklands

PPN Portsmouth
18/06/2018
The Langstone Hotel, Northney Road, Hayling Island, Portsmouth, PO11 0NQ **Host:** Angie Lacoste
progressivepropertynetwork.co.uk/portsmouth

J6 Property Professionals & Investors Meet
2nd Tuesday of the month
Aston Bond solicitors, Windsor Crown House, 7 Windsor Road, Slough, SL1 2DX **Host:** Manni Chopra
www.j6propertymeet.co.uk

PMA Bracknell
4th Tuesday of the month
Hilton Hotel, Bagshot Road, Bracknell
Host: Phil Hope
www.pmanetwork.co.uk/events

PMA Farnborough
3rd Tuesday of the month
The Village Hotel, Farnborough
Host: Matt Hook
www.pmanetwork.co.uk/events

The Property Vault
3rd Monday of the month
Eastgate, 141 Springhead Parkway, Northfleet, DA11 8AD
Host: Dan Hulbert
www.thepropertyvaultuk.com

Surrey Property Exchange
2nd Monday of the Month
Holiday Inn, Egerton Road, Guildford, GU2 7XZ **Host:** Richard Simmons
www.surreypropertyexchange.co.uk

Reading pin
1st Tuesday of the month
Holiday Inn Reading South M4, Jct. 11, 500 Basingstoke Road, Reading, RG2 0SL **Host:** TBC
www.readingpin.co.uk

Berkshire pin
3rd Monday of the month
Holiday Inn Maidenhead, Manor Lane, Maidenhead, SL6 2RA
Hosts: Mike Holt
www.berkshirepin.co.uk

Southampton pin
1st Tuesday of the month
Chilworth Manor Hotel, Southampton, Hampshire, SO16 7PT **Hosts:** Wayne Freebody and Nigel Bugden
www.southamptonpin.co.uk

Premier Property Club - Kent
2nd Tuesday of each month
Castle View, Forstal Rd, Maidstone ME14 3AQ
www.PremierPropertyClub.co.uk

PDPLA
2nd Monday of the month
The Inn Lodge, Burrfields Road, Portsmouth PO3 5HH. 7:30
Host: Joan Goldenberg
www.pdpla.com

PMA Kent
2nd Wednesday of every month
Bridgwood Manor Hotel, Walderslade Woods, Chatham **Hosts:** Estelle Barnes and Dimpy Pathak
www.pmanetwork.co.uk/events

Kent Property Meet
4th Wednesday of the month
Brands Hatch Place Spa, Brands Hatch Road, Fawkham, Kent DA3 8NQ **Hosts:** Chrissy Kusytsch & Jazz Dokhu

Hampshire Property Network (HPN)
2nd Wednesday of the Month
The Navigators Inn, Lower Swanwick. Hampshire. SO31 7EB, 7:15
Hosts: Mark Smith & Allan Wadsworth
www.hampshirepropertynetwork.co.uk

We Buy Houses - Southampton
3rd Wednesday of the month
Host: Stephen Davies and Giselle Robinson. Register at **http://webuyhouses.co.uk/rick-otton-meetups**

Premier Property Club - Brighton
1st Thursday of the Month
Jurys Inn Brighton, Waterfront King's Road, Brighton, BN1 2GS
www.premierpropertyclub.co.uk/brighton

Brighton pin
3rd Thursday of the month
The Courtlands Hotel, 19-27 The Drive, Hove, East Sussex, BN3 3JE
Host: Peter Fannon
www.brightonpin.co.uk

Basingstoke pin
4th Wednesday of the month
The Hampshire Court Hotel, Centre Drive, Great Binfield Road, Chineham, Basingstoke, RG24 8FY
Hosts: Seb and Aga Krupowicz
www.basingstokepin.co.uk

Kent pin
1st Thursday of the month
Village Hotel Club, Maidstone, Castle View, Forstal Road, Sandling ME14 3AQ **Hosts:** Martin and Sarah Rapley **www.kentpin.co.uk**

Southampton Property Hub Meet Up
1st Thursday of every month
The Maritimo Lounge 1 Moresby Tower Admirals Quay, Ocean Way, Southampton SO14 3LG
Host: Sarah Smith
https://www.facebook.com/propertyhubsouthampton/?fref=ts

Thanet Property Network
Second Wednesday of the the month - 7pm - 9pm St Georges School, Broadstairs **Hosts:** Ryan Fitzpatrick & Jason Hulott
https://www.facebook.com/thanetpropertynetwork/

Crawley Property Meet
3rd Tuesday of every month
crawleypropertymeet.com
Europa Hotel, Balcombe Road, Crawley, RH10 7ZR **Hosts:** Tania Carson, Pam Mackenzie, Nick Parkhouse and Phil Williams.

The Bucks Property Meet
Last Thursday of the Month
The Bull, Gerrards Cross,
Hosts: John Cox and Rachael Troughton
www.Buckspropertymeet.com

THE PROPERTY HUB

1st Thursday of the Month
http://thepropertyhub.net/meetups

Farnham The Wheatsheaf, GU9 7DR
Hosts: Andre and Elise Brink

Reading Grosvenor Casino, RG2 0SN **Host:** Adam Vickers

Brighton & Hove The Poet's Corner BN3 5BF **Host:** Phil Leppard

ZONE 4

Bournemouth pin
2nd Tuesday of the month
Sandbanks Hotel, 15 Banks Road, Poole, BH13 7PS
Hosts: Lex Mckee and Mark Waterhouse
www.bournemouthpin.co.uk

Cheltenham pin
3rd Tuesday of the month
The Best Western Cheltenham Regency Hotel, Old Gloucester Road, Near Staverton, Gloucestershire, GL51 0ST
Host: Lee Pemberton
www.cheltenhampin.co.uk

Exeter pin
4th Thursday of the month
Buckerell Lodge Hotel, Topsham Road, Exeter, EX2 4SQ
Host: Philip Bailey
www.exeterpin.co.uk

Bristol pin
2nd Wednesday of the Month
Holiday Inn Bristol Filton, Filton Road, Bristol, Avon, BS16 1QX
Host: Nick Josling
www.bristolpin.co.uk

Plymouth pin NEW VENUE
2nd Thursday of the month
Crowne Plaza, Armada Way, Plymouth, Devon, PL1 2HJ
Host: Kevin & Sally Cope
www.plymouthpin.co.uk

Salisbury pin
3rd Wednesday of the month
The Rose and Crown Hotel, Harnham, Road, Salisbury, Wiltshire, SP2 8JQ
Hosts: James and Malcolm White
www.salisburypin.co.uk

PPN Bournemouth
12/06/2018
The Ocean Beach Hotel & Spa (Formerly known as Cliffeside Hotel) East Overcliffe Drive Bournemouth BH1 3AQ.
Host: Leigh Ashbee
progressivepropertynetwork.co.uk/bournemouth

PPN Swindon
12/06/2018
Holiday Inn Swindon, Marlborough Road, Swindon, SN3 6AQ
Hosts: Nick Chawala, Allan Harding and Aritri Mukherjee
progressivepropertynetwork.co.uk/swindon

PEN Exeter
3rd Tuesday of the Month
Gipsy Hill Hotel, Gipsy Hill Lane, Exeter, EX1 3RN
Host: David Harwood
www.pen-exeter.com

PEN Wiltshire
Last Tuesday of the Month
Stanton Manor Hotel, Stanton St. Quintin, Near Chippenham, Wiltshire, SN14 6DQ
Host: Neil Stewart
www.penwiltshire.com

Professional Investment Group (PIG) - Plymouth
3rd Monday of the month
Boringdon Hall Hotel and Spa, Boringdon Hill, Colebrook, Plymouth, PL7 4DP
Host: Angelos Sanders
www.pig.network

Bristol BMV Property Options
Last Thursday of every month
The Holiday Inn, Bond Street, Bristol, BS1 3LE **Host:** Del Brown
www.bmvpropertyoptions.co.uk/property-investment-meeting-pim

Professional Investment Group (PIG) - Cornwall
1st Monday of the month
The Victoria Inn, Roche, PL26 8LQ
Hosts:
Angelos Sanders & Matt Pooley
www.pig.network

The Bath Property Meet
1st Tuesday of the month
Bailbrook House Hotel, Eveleigh Avenue, London Road, Bath, Somerset BA1 7JD
Host: Joe Harling
www.bathpropertymeet.co.uk

Professional Investment Group (PIG) - Exeter
2nd Tuesday of the month
Buckerell Lodge Hotel, Topsham Road EX2 4SQ Exeter
Hosts: Angelos Sanders
www.pig.network

We Buy Houses - Southampton
3rd Wednesday of the month
Host: Stephen Davies and Giselle Robinson. Register at **http://webuyhouses.co.uk/rick-otton-meetups**

THE PROPERTY HUB

1st Thursday of the Month
http://thepropertyhub.net/meetups

Southampton
The Social, SO15 2EH
Host: Sarah Smith

Bournemouth
Ludo Lounge, BH6 3RS.
Host: Nic Scudamore

Swindon
Blunsdon Hotel, SN26 7AS.
Host: Yann Guillery and Shirley Hensher

Exeter
The Ley Arms, Kenn, EX6 7UN.
Host: Tony van Bergen

Cheltenham
The Swan, GL50 1DX.
Host: Joanna Surowiec

Bristol
Channings Hotel and Bar, BS8 3BB.
Host: Jon Hulatt

ZONE 5

Birmingham Central pin
1st Thursday of the month
Novotel Birmingham Centre Hotel, 70 Broad Street, Birmingham, B1 2HT
Host Saj Hussain
www.birminghamcentralpin.co.uk

Birmingham pin
3rd Thursday of the month
Crowne Plaza NEC, Pendigo Way, National Exhibition Centre, Birmingham, B40 1PS
Host: Simon Zutshi
www.birminghampin.co.uk

Black Country pin
4th Wednesday of the month
Village Hotel Dudley, Castlegate Drive, Dudley, West Midlands, DY1 4TB
Host: Phillip Hunnable
www.blackcountrypin.co.uk

Coventry pin
2nd Tuesday of the month
Village Coventry, Dolomite Avenue, Coventry Business Park, Coventry, CV4 9GZ
Host: Sebastien Buhour
www.coventrypin.co.uk

Worcester pin
1st Wednesday of the month
The Pear Tree Inn & Country Hotel, Smite, Worcester, WR3 8SY
Hosts: Andy & Karen Haynes
www.worcesterpin.co.uk

Stoke-on-Trent pin
2nd Thursday of the month
Holiday Inn Stoke on Trent M6, Jct. 15. Clayton Road, Staffordshire, Newcastle Under Lyme, ST5 4DL
Host: Steve and Emma Barker-Hall
www.stokepin.co.uk

PPN Birmingham
13/06/2018
The Chairmans Lounge, Edgbaston Cricket Ground, Edgbaston Stadium, Edgbaston Road, Birmingham, B5 7QU **Host:** Kirsty Darkins
progressivepropertynetwork.co.uk/birmingham

PPN Wolverhampton
05/06/2018
Molineux Stadium, Waterloo Road, Wolverhampton, WV1 4QR
Hosts: Tim and Sue Gray
progressivepropertynetwork.co.uk/wolverhampton

Inspire Property Network
1st Tuesday of the Month
The Oak Hotel, 8640 Stratford Road, Hockley Heath, Warwickshire, B94 5NW
Hosts: Mark Bruckshaw & Helen Partridge
inspirepropertynetwork.com

We Buy Houses - Birmingham
2nd Wednesday of the month
New host: Phil Wheeler
Register at **http://webuyhouses.co.uk/rick-otton-meetups**

Great Property Meet Warwickshire
3rd Monday of the month
Dunchurch Park Hotel & Conference Centre Rugby Road, Dunchurch, Warwickshire, CV22 6QW
Hosts: Andrew Roberts and Peter Lazell
www.GreatPropertyMeet.co.uk

The Coventry & Warwickshire Property Group
4th Wednesday of every other month
Excel Leisure Centre, Mitchel Avenue, Coventry, CV4 8DY **Host:** Neil Mangan

THE PROPERTY HUB

1st Thursday of the Month
http://thepropertyhub.net/meetups

Leamington Spa The Fat Pug, CV32 5BZ. **Host:** Carol Duckfield

Birmingham Around The World, B15 1AY
Host: Kevin Cooper

"The richest people in the world look for and build networks, everyone else looks for work"

ROBERT KIYOSAKI

ZONE 6

Luton pin
4th Tuesday of the month
Hampton by Hilton, 42-50 Kimpton Rd, Luton, LU2 0SX **Host:** James Rothnie
www.lutonpin.co.uk

Milton Keynes pin
3rd Tuesday of the month
Holiday Inn London Road, Newport Pagnell, MK16 0JA
Host: John Kerr
www.miltonkeynespin.co.uk

Leicester pin
1st Thursday of the month
The Fieldhead Hotel, Markfield Lane,Markfield, LE67 9PS
Host: Jo and Gary Henly
www.leicesterpin.com

Nottingham pin
3rd Tuesday of the month
Park Inn by Radisson Nottingham 296 Mansfield Road, Nottingham, NG5 2BT **Host:** Spike Reddington
www.nottinghampin.co.uk

Watford pin
2nd Thursday of the month
The Mecure, A41 Watford Bypass, Watford, Hertfordshire WD25 8JH
Host: Samuel Ikhinmwin
www.watfordpin.co.uk

Northampton pin
1st Thursday of the month
Hotel Campanile, Junction 15 M1, Loake Close, Grange Park, Northampton NN4 5EZ
Host: Amelia Carter
www.northamptonpin.co.uk

PPN Derby
12/06/2018
Nelsons Solicitors, Sterne House, Lodge Lane, Derby, DE1 3WD
Hosts: Mike Alder & Jamie Hayter
progressivepropertynetwork.co.uk/derby

PPN Northampton
19/06/2018
Hilton Hotel, 100 Watering Lane, Collingtree, Northampton, NN4 0XW
Hosts: Andi Cooke & Lloyd Girardi
progressivepropertynetwork.co.uk/northampton

PPN Leicester
06/06/18
Premier Inn Braunstone Lane E, Leicester LE3 2FW
Host: Kal Kandola
progressivepropertynetwork.co.uk/leicester

Bucks Property Meet
Last Thursday of the Month
The Bull, Oxford Rd, Gerrards Cross, Buckinghamshire, SL9 7PA
Hosts: Rachael Troughton & John Cox
www.buckspropertymeet.com

Milton Keynes Property Meet
2nd Monday of the Month
National Badminton Centre, Bradwell Road, Loughton Lodge, Milton Keynes, MK8 9LA **Host:** Sharad Patil
www.mk-propertymeet.com

UK Property Network Leicester
2nd Tuesday of the Month
The Field Head Hotel, Markfield La, Markfield, Leicestershire, LE67 9PS
Host: Tracey Hutchinson
www.meetup.com/UKPN-Leicester

Landlords National Property Group
1st Monday of the Month
The Derbyshire Hotel, Carter Lane East, Derby DE55 2EH
Hosts: Paul Hilliard and Nick Watchorn
www.lnpg.co.uk

EPN Nottingham
4th Thursday of the month
Crowne Plaza Hotel, Wollaton Street, NG1 5RH, Nottingham
Host: Matt Tongue
http://bit.ly/EPN-Nottingham

St. Albans Property Meet
3rd Wednesday of the month 54-56 Victoria St, St Albans, Herts, AL1 3HZ
Host: Ranjan Bhattacharya
www.stalbanspropertymeet.com

Harlow Property Network
3rd Wednesday of the Month
Day Barn Harlow Study Centre Netteswellbury Farm
Host: Ajay Pamneja
www.myproperty.coach

The Property Connect
First Weds or Thurs of every month (alternate) 1900-2100
The Sharnbrook Hotel, Park Lane, Sharnbrook, MK44 1LX
Hosts: Peter Hogan, Tiruven Pillay
https://www.facebook.com/thepropertyconnect/

THE PROPERTY HUB

1st Thursday of the Month
http://thepropertyhub.net/meetups

Derby The Tap, DE1 2ED.
Host: Ryan Slater

Nottingham The Lion at Basford, NG7 7FQ. **Host:** Jonathan Challis

Leicester Heathley Park - Fayre & Square, LE3 9QE. **Host:** Mark Barnes

St Albans The Beech House, AL1 3EG.
Host: Chris Ryder

Milton Keynes Ye Olde Swan, MK6 3BS. **Host:** Jason Smith

ZONE 7

Liverpool pin
4th Thursday of the month
The Liner Hotel, Lord Nelson Street, Liverpool, L3 5QB **Host:** Billy Turriff
www.liverpoolpin.co.uk

Manchester pin
3rd Wednesday of the month
NEW VENUE - Best Western Cresta Hotel, Church St, Altrincham, WA14 4DP **Host**: Julie Whitmore
www.manchesterpin.co.uk

Chester pin
2nd Thursday of the month
Mercure Chester (formerly known as Ramada), Whitchurch Road, Christleton, Chester, CH3 5QL
Host: Hannah Fargher
www.chesterpin.co.uk

Manchester PNC
Last Monday of the Month
The Brindley Room Dukes 92 18-20 Castle Street, Manchester, M3 4LZ
Hosts: Richard Sheperd & Yulan Yang
www.manchesterpnc.com

Cheshire Property Meet
Last Thursday of each month
Bosley Farm, Bosley Crossroads, Bosley, Macclesfield SK11 0PS
Hosts: Lionel Palatine and David Deasy
www.cheshirepropertymeet.com

PPN South Manchester
28/06/2018
Best Western Plus, Pinewood on Wilmslow, Wilmslow Road, Cheshire SK9 3LF **Host:** Mike Chadwick
progressivepropertynetwork.co.uk/wilmslow

PPN Blackpool
25/06/2018
Ribby Hall Village, Ribby Road, Wrea Green, Nr Blackpool, PR4 2PR
Host: Chris Worden
progressivepropertynetwork.co.uk/blackpool

PMA Manchester
4th Wednesday of the month
A J Bell Stadium, Stadium Way, Eccles
Hosts: Ben Clarke and Tom Arden
www.pmanetwork.co.uk/events

TPM Meeting Warrington
4th Monday of every month
Daresbury Park Hotel, Daresbury Park Daresbury, Warrington, WA4 4BB
Host: Susan Alexander
http://thepropertymentor.eventbrite.com

TPM Meeting Wigan & Worsley
4th Wednesday of the month
Holiday Inn Express, Leigh Sports Village, Sale Way, Leigh, WN7 4JY
Host: Debra Long
http://thepropertymentor.eventbrite.com

Lifestyle Property Network
3rd Monday of the month
Village Hotel, Cheadle Road, Cheadle, South Manchester, SK8 1HW

ASANA North West Property Meet
1st Monday of each month
The Willows, Douglas Valley, A6 Blackrod Bypass, Blackrod, Bolton, BL6 5HX **Hosts:** Howard Cain and Kathy Bradley
www.asanapropertyinvestments.co.uk

We Buy Houses - Manchester
3rd Thursday of the month
New host: Bruce Lamb
Register at **http://webuyhouses.co.uk/rick-otton-meetups**

Property Leverage Network Manchester 1st Tuesday of every month Castlefield Hotel, Liverpool Road, M3 4JR **Host:** Nicola White
http://propertyleverage.co.uk/manchester

Manchester Property Investor Breakfast 1st Friday of the month (7.30am – 9.30am) Village Hotel, Ashton under Lyne, OL7 0LY
Host: Fraser Macdonald
www.meetup.com/Manchester-Property-Investor-Breakfast

Property Leverage Network Manchester
1st Tuesday of every month
Castlefield Hotel, Liverpool Road, M3 4JR **Host:** Nicola White
propertyleverage.co.uk/manchester

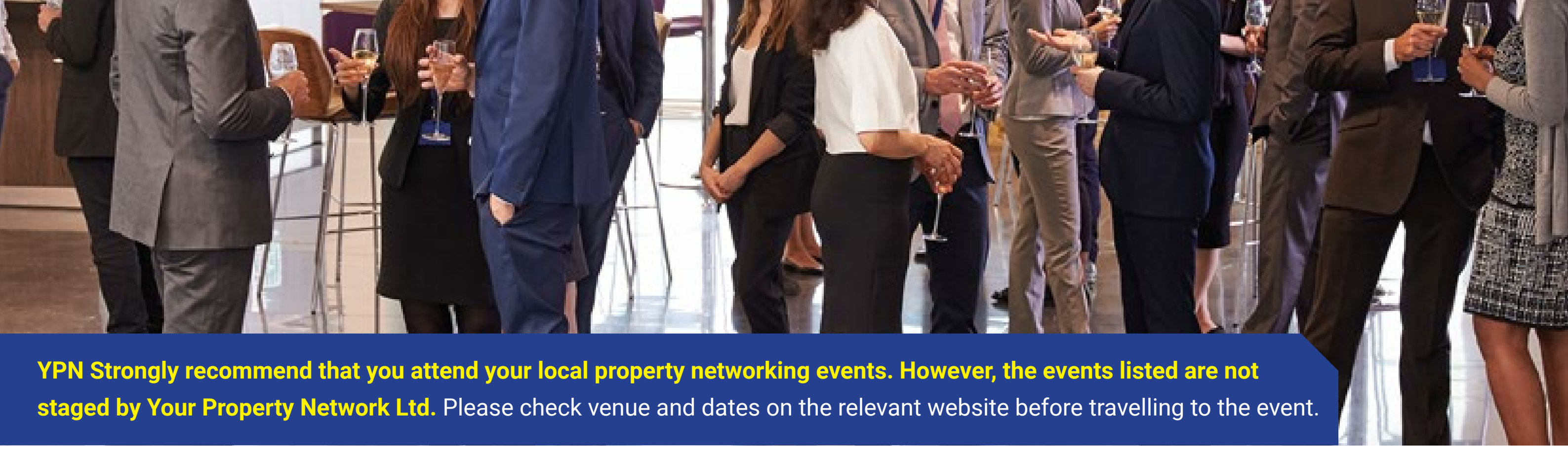
Property Investors Meetup Cumbria
1st Wednesday of the Month
6.30pm at Edenhall Hotel, Penrith, Cumbria CA11 8SX
Host: Darren Williams
www.elitepropertysolutions.co.uk
FREE TO ATTEND

THE PROPERTY HUB

1st Thursday of the Month
http://thepropertyhub.net/meetups

Liverpool The Brewery Tap, L8 5XJ
Host: Tony Woods

Manchester The Kaz Bar at Tiger Tiger, M4 2BS **Host:** Mark Morris



YPN Strongly recommend that you attend your local property networking events. However, the events listed are not staged by Your Property Network Ltd. Please check venue and dates on the relevant website before travelling to the event.

ZONE 8

Hull pin
2nd Thursday of the month
Mercure Hull Royal Hotel, 170 Ferensway, Hull, East Yorkshire, HU1 3UF
Hosts: Nicola and Rob McPhun
www.hullpin.co.uk

Leeds pin
4th Wednesday of the month
Crowne Plaza Hotel, Wellington Street, Leeds, LS1 4DL
Hosts: Jay and Nana Sharma
www.leedspin.co.uk

Great North pin
(Formally Newcastle pin)
4th Thursday of the month
Lumley Castle, Ropery Lane, Chester le Street, County Durham, DH3 4NX
Host: John Woolley & Deon Kotzé
www.newcastlepin.co.uk

Harrogate pin
1st Wednesday of the month
Cedar Court Hotel, Park Parade, off Knaresborough Road, Harrogate, HG1 5AH **Hosts:** David and Jenny Fisher **www.harrogatepin.co.uk**

York pin
3rd Wednesday of the month
Hilton York, 1 Tower St, York, YO1 9WD
Hosts: Michael Chamberlain, Sam Chamberlain & Fabio Santos
www.yorkpin.co.uk

Sheffield pin
2nd Wednesday of the month
Mercure Sheffield Parkway Hotel (previously known as Aston Hotel) Britannia Way, Sheffield, South Yorkshire S9 1XU **Host:** Naomi Watkins
www.sheffieldpin.co.uk

EPN Sheffield
1st Thursday of the month
Table Arena Square Table Table, 3 Arena Court, Sheffield S9 2LF
Host: Darrell Grayson
http://bit.ly/EPN-Sheffield

PPN Sheffield
27/06/2018
Mercure Hotel, Britannia Way, Catcliffe, Rotherham, Yorkshire S60 5BD (formerly the Aston Hotel)
Host: Kevin McDonnell
progressivepropertynetwork.co.uk/sheffield

PPN York
18/06/2018
Hilton Hotel, 1 Tower St, York, YO1 9WD
Host: Laura Patterson
progressivepropertynetwork.co.uk/york

THE PROPERTY HUB

1st Thursday of the Month
http://thepropertyhub.net/meetups

Sheffield Ink & Water, S1 4JB
Hosts: Rhys Jackson and Alice Lacey

Newcastle-Upon-Tyne The Tap and Tackle Bar, Kingston Park Rugby Stadium, NE13 8AF. **Host:** Al Robinson

Leeds Mr Foleys, LS1 5RG
Host: Andy Norman

Doncaster Regent Hotel, DN1 2DS.
Host: Helen Elworthy

Property Leverage - Leeds
3rd Monday of the month
The Stables, Weetwood Hall, Leeds, LS16 5PS (Location subject to change)
Host: Rob Hodgkiss (07398858256)

Property Leverage - Wakefield
1st Wednesday of the month
Kirklands Hotel, Leeds Road, Wakefield, WF1 2LU **Host:** Dominic Woodward (07794223136)

Property Leverage Network – York
2nd Tuesday of every month
Beechwood Close Hotel
19 Shipton Road, YO30 5RE York
www.propertyleverage.co.uk

ZONE 9

Edinburgh pin
3rd Thursday of the month
Capital Hotel, 187 Clermiston Rd, Edinburgh EH12 6UG **Host:** John Kerr
www.edinburghpin.co.uk

PPN Glasgow
25/06/2018
The Corinthian Club, 191 Ingram St, Glasgow G1 1DA
Host: Philip Howard
progressivepropertynetwork.co.uk/glasgow

PMA Glasgow
3rd Wednesday of the month
Hotel Novotel Glasgow Centre, 181 Pitt Street, Glasgow **Host** Victor Rhynas
www.pmanetwork.co.uk

Property Leverage Network - Glasgow
4th Tuesday of every month
Glasgow Pond Hotel, Great Western Rd, G12 0XP Glasgow, United Kingdom
www.propertyleverage.co.uk

PMA Edinburgh
2nd Wednesday of every month
Novotel Edinburgh Centre, 80 Lauriston Place, Edinburgh
Host: Lokkie Cheung
www.pmanetwork.co.uk

Discovery Hub Networking event
3rd Tuesday of the month
Jury's Inn, Union Square, Guild Street Aberdeen, AB11 5RG
Hosts: Eduardo Prato and Lukas Princ
www.vectorpro.co.uk/network

THE PROPERTY HUB

1st Thursday of the Month
http://thepropertyhub.net/meetups

Glasgow Dram!, G3 6ND. **Hosts:** Tony Ng, Nelson Wan, Luis Guarin

Edinburgh The Grosvenor Casino, EH12 8NE **Hosts:** Bill McWilliam and Caryn Simpson

Aberdeen The Village Hotel, Kingswells, AB15 8PJ. **Hosts:** Scott Wilson and Dale Williamson

ZONE 10

Cardiff pin **2nd Tuesday of the Month**
Mercure Cardiff Holland House Hotel & Spa, 24-26 Newport Rd, Caerdydd, Cardiff, CF24 0DD **Host:** Morgan Stewart **www.cardiffpin.co.uk**

Swansea pin **4th Thursday of the Month** Village Hotel, Langdon Road (Off Fabian Way), SA1 Waterfront, Swasea, SA1 8QY **Host:** Bernadette & Ian Lloyd **www.swanseapin.co.uk**

The Property Hub - Cardiff
1st Thursday of the Month
Holiday Inn Cardiff North, CF15 7LH
Hosts: Carl Matthews and Luise L
http://thepropertyhub.net/meetups

ZONE 11

Belfast pin
1st Tuesday of the Month
Balmoral Hotel, Blacks Road, Dunmurry, Belfast, BT10 0NF
Host: Ian Jackson
www.belfastpin.co.uk

Belfast Property Meet
1st Thursday of the Month
The Mac Theatre, St. Anne's Square, Belfast
Host: Chris Selwood
www.belfastpropertymeet.com

ZONE 12

Dublin Property Meet
3rd Wednesday of the Month
Red Cow Moran Hotel, Dublin 22, Dublin, Ireland **Host:** John Power
www.dublinpropertymeet.com

THE PROPERTY HUB

1st Thursday of the Month (unless stated)
http://thepropertyhub.net/meetups

Dubai The Scene, Dubai Marina Mall
Host: Chris Battle

Hong Kong Check website for time
Grappa's Cellar, 1 Connaught Place
Host: Kevin Isaacs

Stockholm Hotel At Six, Brunkebergstorg 6, 111 51
Host: Tim Franzén

Jersey The Halkett, JE2 4WJ
Host: Jo Alford

Zurich Kennedy's Irish Pub.
Hosts: Markus Zeller and Iain Mathews

Is Property Investment Giving You the Results You Want?

ninja investor programme

If you're serious about property, put your property investment on the fast track and become a Ninja Investor - get the empowering Cash Buyer Mind-set - without needing the massive bank balance.

Upcoming Ninja Investor Programme 3-Day Workshop Dates:

Birmingham:	London:	Leeds:	Bristol
22nd-24th June	20th-22nd July	28th-30th September	2nd-4th November

"Inspirational weekend in the presence of Kevin Wright the Ninja Investor. Showing what's possible and creatively helping it happen. I highly recommended this weekend." **Pete Nailer**

The 3-day day Ninja Investor programme will show you:

- Which types of property have few competing buyers – and vendors willing to accept below asking price offers
- How to buy like a cash buyer, fast and often at a much lower price – without a big bank balance
- Why unmortgageable properties can be an absolute goldmine
- How to make creative finance pay for itself by negotiating lower prices so the finance costs you zero
- How to find the right type of properties where you can borrow 90% or more of the purchase price
- How to calculate how much cash you'll be trapping in the deal before you sign the contract
- How to get the maximum valuation price when you refinance
- The right words to encourage the vendor to sell at your price and get agents ready to give you those 'juicy' deals
- How to develop your property investment career without giving half your profit away.

EXCLUSIVE READER OFFER

BOOK IN & SAVE £200

As a reader of Your Property Network Magazine, you can claim £200 off the price of any 3-day workshop by using the following voucher code at checkout:

NINJAYPN

To book in or request more information, email ypn@recycleyourcash.co.uk or visit

www.ninjainvestorprogramme.co.uk

PROPERTY AUCTIONS June 2018

SPONSORED BY essential information group

LONDON

Harman Healy 07/06/2018 12:00
Kensington Town Hall, 195 Hornton Street, London, W8 7NX

Andrews & Robertson 07/06/2018
The Montcalm Hotel, 34-40 Great Cumberland Place, London, W1H 7TW

Savills (London - National) 18/06/2018
The London Marriott Hotel, Grosvenor Square, London, W1K 6JP

Barnard Marcus 26/06/2018
Grand Connaught Rooms, Great Queen Street, London, WC2B 5DA

WEST MIDLANDS

Bagshaws Leek 04/06/2018
Westwood Golf Club, Newcastle Road, Leek, ST13 7AA

Auction House Staffordshire 06/06/2018 19:00 Stoke City Football Club, The Britannia Stadium, Stanley Matthews Way, Stoke-on-Trent, ST4 4EG

Auction House Birmingham & Black Country 07/06/2018 11:30 Aston Villa Football Club, Trinity Road, Birmingham, B6 6HE

Bury & Hilton 12/06/2018 19:00
Leek Cricket Club, Highfield, Leek, ST13 8SG

John Earle & Son 12/06/2018
Henley Golf & Country Club, Birmingham Road, Henley-in-Arden, B95 5QA

Nock Deighton 21/06/2018 18:00
Bridgnorth Livestock & Auction Centre, Wenlock Road, Tasley, Bridgnorth, WV16 4QR

Bowen Son & Watson 21/06/2018
Lion Quays Hotel, Weston Rhyn, Oswestry, SY11 3EN

Butters John Bee 25/06/2018 18:30
The Best Western, Moat House Hotel, Festival Way, Stoke-on-Trent, ST1 5BQ

Fisher German Bromsgrove 27/06/2018
Bromsgrove Golf Centre, Stratford Road, Bromsgrove, B60 1LD

West Midlands Property Auction - IAM Sold 28/06/2018 Molineux Stadium, Waterloo Road, Wolverhampton, WV1 4QR

SOUTH WEST

Symonds & Sampson LLP 01/06/2018 14:00
Digby Hall, Hound Street, Sherborne, DT9 3AA

Stags Honiton 01/06/2018 Heathfield Inn, Walnut Road, Honiton, EX14 2UG

Stags Totnes 01/06/2018 Royal Seven Stars Hotel, The Plains, Totnes, TQ9 5DD

Auction House Devon & Cornwall 06/06/2018 Penventon Park Hotel, West End, Redruth, TR15 3AD

Besley Hill 07/06/2018 19:00 B A W A Healthcare & Leisure, 589 Southmead Road, Bristol, BS34 7RG

Maggs & Allen 07/06/2018 19:00 The Bristol Pavilion, Nevil Road, Bristol, BS7 9EJ

Auction House Devon & Cornwall 08/06/2018 Exeter Golf & Country Club Ltd, Topsham Road, Exeter, EX2 7AE

Symonds & Sampson LLP 14/06/2018 14:00
The Guildhall, West Street, Axminster, EX13 5NX

Clive Emson West Country 15/06/2018 11:00 St. Mellion International Resort, St. Mellion, Saltash, PL12 6SD

Greenslade Taylor Hunt Taunton 21/06/2018 15:00 Castle Hotel, Castle Green, Taunton, TA1 1NF

Strakers 21/06/2018 19:00 The Steam Museum, Fire Fly Avenue, Swindon, SN2 2NA

Greenslade Taylor Hunt Ilminster 21/06/2018 Shrubbery Hotel, Station Road, Ilminster, TA19 9AR

Greenslade Taylor Hunt Langport 21/06/2018 Shrubbery Hotel , Station Road, Ilminster, TA19 9AR

Greenslade Taylor Hunt South Molton 21/06/2018 Assembly Rooms, The Square, South Molton, EX36 3HP

Greenslade Taylor Hunt Tiverton 21/06/2018 Shrubbery Hotel , Station Road, Ilminster, TA19 9AR

Kivells Callington 27/06/2018 China Fleet Club, North Pill, Saltash, PL12 6LJ

NORTH EAST

Auction House North East 05/06/2018 19:00 Ramside Hall Hotel, Carrville, Durham, DH1 1TD

Agents Property Auction 28/06/2018
Newcastle Marriott Hotel, High Gosforth Park, Newcastle upon Tyne, NE3 5HN

EAST MIDLANDS

Savills (Nottingham) 07/06/2018
Nottingham Racecourse, Colwick Park, Nottingham, NG2 4BE

Scargill Mann & Co 07/06/2018
Pride Park Stadium, Pride Parkway, Derby, DE24 8XL

Auction House Lincolnshire, North Notts & South Yorks 12/06/2018 18:30
Gainsborough Golf Club, The Belt Road, Gainsborough, DN21 1PZ

Bagshaws Ashbourne 13/06/2018
Green Man & Blacks Head Royal Hotel, 10, St. John Street, Ashbourne, DE6 1GH

East Midland Property Auction - IAM Sold 13/06/2018
The Bentley Hotel & Leisure Club, Newark Road, South Hykeham, Lincoln, LN6 9NH

Midlands Property Auction - IAM Sold 13/06/2018 Village Hotel & Leisure Club, Brailsford Way, Nottingham, NG9 6DL

SDL Auctions Graham Penny (Leicester) 14/06/2018 11:30
Leicester City Football Club, King Power Stadium, Filbert Way, Leicester, LE2 7FL

Auction House Northamptonshire 20/06/2018 Hilton Northampton, 100 Watering Lane, Collingtree, Northampton, NN4 0XW

SDL Auctions Graham Penny (Nottingham) 26/06/2018 Nottingham Racecourse, Colwick Park, Nottingham, NG2 4BE

Shonki Brothers (London Road) 27/06/2018
12:00 Leicester Race Course, Oadby, Leicester, LE2 4AL

Auction House Leicestershire 28/06/2018 18:00 Readings Property Group, 48 Granby Street, Leicester, LE1 1DH

NORTH WEST HOME COUNTIES

Auction House Beds & Bucks 13/06/2018 14:30 Venue 360, 20 Gipsy Lane, Luton, LU1 3JH

Auction House Beds & Bucks 14/06/2018 14:30 Hilton Hotel, Timbold Drive, Kents Hill, Milton Keynes, Buckinghamshire, MK7 6HL

Thompson Wilson Estate Agents and Auctioneers 28/06/2018 13:00
The Old Town Hall, Queen Victoria Road, High Wycombe, HP11 1BA

SOUTH EAST HOME COUNTIES

Clive Emson Essex, North & East London 11/06/2018 11:00 The Chelmsford City Racecourse, Moulsham Hall Lane, Great Leighs, Chelmsford, CM3 1QP

Clive Emson Kent & South East London 12/06/2018 11:00
Clive Emson Conference Centre, Kent County Show Ground, Maidstone, ME14 3JF

Clive Emson Sussex & Surrey 13/06/2018 11:00 Hilton Brighton Metropole, 106-121 Kings Road, Brighton, BN1 2FU

Clive Emson Hampshire & Isle of Wight 14/06/2018 11:00 Solent Hotel, Rookery Avenue, Fareham, PO15 7AJ

Town & Country Property Auctions South East 14/06/2018 19:00
Holiday-Inn London-Gatwick Airport, Povey Cross Road, Horley, RH6 0BA

Fox & Sons (Southampton) 15/06/2018 13:00 Macdonald Botley Park Hotel, Winchester Road, Botley, Southampton, SO32 2UA

WALES

All Wales Auction - South Wales Auction 05/06/2018 The Village Hotel & Leisure Club, 29, Pendwyallt Road, Cardiff, CF14 7EF

Clee Tompkinson Francis 06/06/2018
Hotel Mercure, Phoenix Way, Enterprise Park, Swansea, SA7 9EG

All Wales Auction - North Wales Auction 07/06/2018 16:00 The Carreg Bran Hotel, Ffordd Caergybi, Llanfairpwllgwyngyll, LL61 5YH

Auction House North Wales 07/06/2018 17:30 Bangor City Football Club, Bangor University Stadium, Holyhead Road, Bangor, LL57 2HQ

Dawsons 13/06/2018 15:00
Swansea Marriott Hotel, Maritime Quarter, Swansea, SA1 3SS

Town & Country Property Auctions Wrexham 28/06/2018 18:30
St. Davids Park Hotel, St. Davids Park, Ewloe, CH5 3YB

NORTHERN IRELAND

O'Donnellan & Joyce 08/06/2018
The Harbour Hotel, The Docks, County Galway

Osborne King 22/06/2018 12:00
The Clayton Hotel, 22 Ormeau Avenue, Belfast, BT2 8HS

Wilsons (Northern Ireland) 28/06/2018 19:00 Mallusk Auction Complex, 22, Mallusk Road, Newtownabbey, BT36 4PP

YORKSHIRE & THE HUMBER

Pugh & Company 05/06/2018
Leeds United Football Club, Elland Road, Leeds, LS11 0ES

Bramleys 07/06/2018 19:00
John Smiths Stadium, Stadium Way, Huddersfield, HD1 6PG

Auction House Hull & East Yorkshire 13/06/2018 Beverley Racecourse, York Road, Beverley, HU17 8QZ

South Yorkshire Property Auction - IAM Sold 14/06/2018 New York Stadium, New York Way, Don Street, Rotherham, S60 1FJ

Wm Sykes & Son 19/06/2018 19:30
Huntsman Inn, Greenfield Road, Holmfirth, HD9 3XF

Regional Property Auctioneers 20/06/2018 14:00 Doncaster Rovers F.C, Keepmoat Stadium, Doncaster, DN4 5JW

Town & Country Property Auctions North East 27/06/2018 19:00
Riverside Stadium, The Leeway Riverside, Middlesbrough, TS3 6RS

West Yorkshire Property Auction - IAM Sold 27/06/2018 Cedar Court Hotel, Mayo Avenue, Bradford, BD5 8HW

Blundells 28/06/2018 13:00
Double Tree by Hilton Sheffield Park, Chesterfield Road South, Sheffield, S8 8BW

EAST ANGLIA

Auction House East Anglia 06/06/2018
Holiday Inn (Wolsey Room), London Road, Ipswich, IP2 0UA

Auction House East Anglia 07/06/2018 11:00 Dunston Hall Hotel, Ipswich Road, Dunston, Norwich, NR14 8PQ

Auction House East Anglia 08/06/2018 12:00 Peterborough United Football Club, London Road, Peterborough, PE2 8AL

William H. Brown (Norwich) 14/06/2018
Barnham Broom Hotel & Country Club, Honingham Road, Norwich, NR9 4DD

NORTH WEST

Edward Mellor Auctions 05/06/2018, 13:00
AJ Bell Stadium, 1 Stadium Way, Manchester, M30 7EY

Landwood Property Auctions 06/06/2018 13:00 AJ Bell Stadium, 1 Stadium Way, Manchester, M30 7EY

Pugh & Company 07/06/2018
AJ Bell Stadium, 1 Stadium Way, Manchester, M30 7EY

Metcalf's 08/06/2018 11:00
Macdonald Tickled Trout, Preston New Road, Preston, PR5 0UJ

Auction House Cheshire 21/06/2018 15:00
Willington Hall Hotel, Willington, Tarporley, CW6 0NB

Auction House North West 26/06/2018 14:00 Bolton Wanderers Football Club, Macron Stadium, Burnden Way, Bolton, BL6 6JW

SDL Auctions Cheshire & North Wales 27/06/2018 13:00 Chester Race Course, Watergate Square, Chester, CH1 2LY

Andrew Kelly Auctions 27/06/2018 18:30
Rochdale Football Club, Sandy Lane, Rochdale, OL11 5DR

Meller Braggins 28/06/2018 15:00
Cottons Hotel, Manchester Road, Knutsford, WA16 0SU

William H. Brown (Norwich) 15/06/2018 11:30 Barnham Broom Hotel & Country Club, Honingham Road, Norwich, NR9 4DD

Cheffins 20/06/2018 12:00 Clifton House, 1-2 Clifton Road, Cambridge, CB1 7EA

Aldreds 28/06/2018 12:00
Great Yarmouth Race Course, Jellicoe Road, Great Yarmouth, NR30 4AU

SCOTLAND

Wilsons (Scotland) 21/06/2018 19:00
Dalry Auction Complex, 6, Kilwinning Road, Dalry, KA24 4LG

Auction House Scotland 28/06/2018 14:00
200 SVS, 200 St. Vincent Street, Glasgow, G2 5RQ

SpareRoom's UK Rental Index Q4 2017

Rents outside London rise, while rents in the Capital continue to fall

	Average monthly room rent (£) Q4 2017	Annual change Q4 2017 vs Q4 2016 (%)	Annual change Q4 2016 vs Q4 2015 (%)
UK rent (excluding London)	£459	1%(£454)	4%(£437)
London	£737	-2%(£749)	-1%(£755)
East Midlands/Anglia	£417	1%(£414)	9%(£381)
North East	£381	3%(£370)	3%(£357)
North West	£398	2%(£392)	1%(£389)
Northern Ireland	£297	4%(£286)	3%(£279)
Scotland	£444	3%(£431)	2%(£422)
South East	£503	1%(£497)	3%(£480)
South West	£453	3%(£441)	3%(£427)
Wales	£371	1%(£366)	4%(£352)
West Midlands	£411	0%(£412)	3%(£399)

This table shows average UK rents for Q4, for the 50 largest UK towns and cities, and how these have changed over the past year:

UK's 50 biggest towns/cities by population	Average monthly room rent (£) Q4 2017	Annual change Q4 2017 vs Q4 2016 (%)
Aberdeen	£387	-9% (£423)
Belfast	£299	3%(£289)
Birmingham	£412	-2%(£422)
Blackpool	£363	5%(£345)
Bolton	£341	-2%(£350)
Bournemouth	£470	-1%(£473)
Bradford	£307	-8%(£332)
Bristol	£493	3%(£479)
Cardiff	£385	2%(£376)
Coventry	£423	5%(£404)
Derby	£379	1%(£374)
Dudley	£378	2%(£369)
Dundee	£367	10%(£334)
Edinburgh	£522	8%(£483)
Glasgow	£429	-1%(£431)
Huddersfield	£327	-1%(£330)
Hull	£357	1%(£354)
Ipswich	£429	6%(£406)
Leeds	£395	4%(£380)

UK's 50 biggest towns/cities by population	Average monthly room rent (£) Q2 2017	Annual change Q2 2017 vs Q2 2016 (%)
Leicester	£386	4%(£372)
Liverpool	£362	-3%(£373)
Luton	£453	-2%(£461)
Manchester	£431	2% (£424)
Middlesbrough	£327	5%(£310)
Milton Keynes	£492	1%(£488)
Newcastle	£371	1%(£368)
Northampton	£432	-1%(£435)
Norwich	£412	-1%(£416)
Nottingham	£401	4%(£384)
Oxford	£570	3%(£552)
Peterborough	£413	3%(£399)
Plymouth	£394	3%(£383)
Poole	£486	0%(£488)
Portsmouth	£447	3%(£432)
Preston	£352	-3%(£363)
Reading	£544	0%(£544)
Sheffield	£363	0%(£364)
Southampton	£452	3%(£441)
Southend-On-Sea	£523	6%(£492)
Stockport	£431	5%(£412)
Stoke-on-Trent	£356	5%(£340)
Sunderland	£306	-6%(£328)
Swansea	£341	-1%(£346)
Swindon	£453	4%(£437)
Telford	£382	-1%(£385)
Walsall	£364	-5%(£381)
West Bromwich	£383	3%(£373)
Wolverhampton	£368	5%(£350)
York	£438	6%(£412)
London	£737	-2%(£749)
UK excluding London	£459	1%(£454)

Website: www.SpareRoom.co.uk/rentalindex Twitter: @spareroomuk

SpareRoom.co.uk

THE UK'S MOST VISITED FLATSHARE SITE

SERVICED ACCOMMODATION IS A REAL BUZZ TOPIC AT THE MOMENT

Undoubtedly, there are great opportunities to gain very good returns from property by operating serviced accommodation.

If you are going to learn about how to launch and run a highly successful serviced accommodation business, then it makes sense to learn from the best.

The Birchover Residences have been operating serviced apartments and apartment-hotels since 1997. It is the longest-running serviced apartment business in the UK outside of London.

Carl and Lisa Bridge have run the business since 2008 and completed a management buy-out in 2012. Birchover have had multiple successes across all aspects of their business including:

- **Birchover Darley Abbey (Derby) was the top-ranked apartment-hotel in the UK on Trip Advisor in 2015...and the 22nd best hotel overall**
- **Birchover were named Best Small Hotel to Work For in the UK 2015 in the Caterer Hospitality Awards...and the 2nd best hotel of any size**
- **Their Bridgford Hall Residences are the top-ranked hotel in Nottingham on Booking.com with an average rating of 97% from 278 reviews**

When industry body ASAP (Association of Serviced Apartment Providers) set their membership standards, Birchover were a key company that were consulted in setting the guidelines because of their comprehensive insurance, health and safety procedures and operational excellence.

BIRCHOVER
residences of distinction

On 17th and 18th July, Carl will personally be running a course in Nottingham entitled Launching a Serviced Accommodation Business. On this course, you will learn directly from the co-owner of Birchover proven techniques and strategies for launching and operating an exciting, growing and compliant business.

To book your place, telephone **0330 122 9950**
or email **carl@wearebirchover.com**

The course begins by exploring why people choose to get into serviced accommodation, then focuses on the key regulatory, insurance, health-and-safety and operational requirements needed. Sourcing property – including whether to buy or rent – and understanding the initial and ongoing costs lead into a detailed section on short-term versus long-term bookings.

Carl held senior marketing positions at Virgin, Barclaycard, Egg and Saga, so the section on marketing and promoting your serviced accommodation will look at more than just which booking sites should you use! Pricing and promotion are critical and Carl will take you through the best methods to maximise revenues. In taking it to the next level, you'll learn about the £63,000 Crème Egg and other successful strategies for rapidly growing your business before, crucially, you create your own Action Plan.

There will be no upselling during the course – this **IS** the course! The course will be focused on giving you the tools, knowledge and contacts to launch and rapidly grow your serviced accommodation business.
This is true whether you already own property or are looking to get into this thriving sector.

SPECIAL INTRODUCTORY OFFER

£250 PER PERSON OR **£375 FOR A COUPLE**

To book your place, telephone **0330 122 9950**
or email **carl@wearebirchover.com**

THE FIRST 5 INDIVIDUALS OR COUPLES WHO BOOK RECEIVE A FREE STAY AT THE BIRCHOVER RESIDENCES BRIDGFORD HALL ON 16TH AND 17TH JULY 2018!

To find out more visit **www.ForTheLandlords.com**
Sign up to a Free **/Discovery-Day** and join the **/Rental-Revolution.**

ForTheLandlords.com
Build Your Empire