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YOUR

PROPERTY

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NETWORK

**YPN
TURNS**



In this birthday issue ...

GROWING PAINS

THE REALITIES OF
EXPANDING YOUR
PROPERTY BUSINESS
INTO THE MILLIONS

HMO DESIGN ON A BUDGET

MAXIMISE THE WOW
FACTOR WHILST
MINIMISING THE SPEND

LISTED BUILDINGS

THE POTENTIAL
AND THE PITFALLS

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WELCOME TO THE 10TH BIRTHDAY EDITION!

YPN is 10! As we reach this milestone birthday, what better way to celebrate than to talk to people who have survived the rollercoaster ride of creating a sustainable property business.

In the Growing Pains feature, investors who have been there, seen it, done it and got the t-shirt talk about the warts-and-all realities of getting to where they are today. Not all of them run mega property businesses. Some people are more than content to get to a level of investment that supports their lifestyle. In most cases though, the principles of business still underpin the portfolio at that level.

If you're not ready to scale the business ladder just yet, we've got plenty of tips and ideas to help you get started. Raj Beri kicks off a new series on marketing methods that investors are using **TODAY** to find properties, while Richard Brown shares a cautionary tale to help you avoid getting stuck in your own property horror story.

Whatever your current level in property, start planning **YOUR NEXT 10 YEARS** right now to make sure you stay in the game for the long term! We'll be right there with you.

Jayne Owen

EDITOR



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Tune in to **Raj's** monthly review of hot property (and other useful) books

PLUS – legislation and finance updates, market analysis, streamlining HMO management ... all your regular favourites and more!

Introducing THE YPN TEAM



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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 planning 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

DHCLG Department of Housing, Communities and Local Government (formerly DCLG – Department for Communities and Local Government)

DoT Deed or Declaration of Trust

DPS Deposit Protection Service

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

ONS Office for National Statistics

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, being introduced 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

GROWING PAINS

SO YOU WANT TO BUILD A PROPERTY BUSINESS? HERE'S WHAT IT TAKES ...

There's a fine line between property investment and a property business.

There are technical definitions according to HMRC, but let's not go there. I'm not an accountant so let's just stick with the simple idea that "investing" means holding an asset for the long term (with the intention of getting a financial return from it), while "business" involves some sort of trade activity.

Following that train of thought, some property businesses are easy to spot – lettings/estate agencies, development, renting out serviced accommodation units, holiday lets, sourcing, trading – while others are less easy to categorise. For example, is your portfolio of half a dozen single lets an investment or a business?

At this point – again, technical definitions aside – it can be a matter of how you perceive or describe yourself. While holding on to property for the long term is undeniably investment, there's a strong argument that says we should treat each property we own as a business. After all, its ultimate purpose is to make money (ie, a profit), otherwise we're not going to have either a business or an investment.

Let's run with this idea. We all have to start somewhere, and that usually means buying one property to keep and rent out, or to do up and sell. Either way, we want to make a profit, by way of surplus cash flow from rental income or a nice chunk of money from our refurbishment and sale effort. That's enough for some but lots of YPN readers are eager to move on from that, and want to make more money (ie, a bigger profit) than one property will afford.

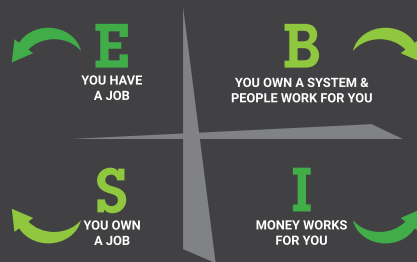
And perhaps this is where we cross the line from investing to business – when we start to look at increasing the amount of money that we make from property. Now we're probably setting financial goals and timescales and it's beginning to sound much more entrepreneurial than just picking up the occasional BTL and sticking it in the portfolio to boost the pension.

Taking this a step further, property businesses range from small one-man-bands to big corporates. Now, there's a further distinction we can make – between lifestyle or 'mom-and-pop' businesses and scalable businesses.

If you're familiar with the Rich Dad series of books, you might have come across the Cash Flow Quadrant.

RICH DAD'S CASHFLOW QUADRANT™

From Rich Dad's Cashflow Quadrant by Robert T. Kiyosaki



By this definition, property businesses can fall into the **S** (Self-employed), **B** (Business) or **I** (Investor) categories. Most of us start by doing everything ourselves (S), then either create a scalable business (B) or go straight to the more passive form of investing (I)

The I quadrant is the ultimate goal for a huge number of people ... but the amount of money that we need/want to generate to get there will vary from one person to another.

One person's financial freedom is another's car payment!

(Just to be clear, when I refer to lifestyle businesses here, I'm referring to people in the I quadrant who are making enough profit from property to have a decent lifestyle by their own standards, without having to be actively involved with their properties every day.)

Plenty fall happily into this lifestyle category (and I'm one of them). We have no real inclination to take on the hassle of

employing people, carry overheads or deal with all the other stuff that goes with scaling up. We're content where we are, thank you very much – but it's still a business. We need systems to run it efficiently and a team to call on. If we don't look after the business and treat it with respect, it won't support us for long.

A smaller, but still significant, proportion want to go bigger and reap the rewards of creating a real business – owning a system where other people work for you. These businesses are scalable and eventually become saleable, at which point the owner/entrepreneur might well hit the jackpot. The added bonus – or for some, the deliberate intention – is that they can use the profits to buy investment properties to hold.

There's no right or wrong in this – there's only what works for you. As long as you're making money and property is supporting you (rather than the other way around), you're in business. But whichever route you take, there will be ups and downs. Any venture in property is a rollercoaster ride. And that's why we've put this feature together.

We have spoken to owners of small and large property businesses who have been prepared to explain exactly what it takes to make it work, along with the challenges they've faced along the way, so that you can decide just how far you want to go.

So let's get down to business ...

Jayne Owen



DOGGED DETERMINATION, GRIT AND A HEALTHY DOSE OF SELF-BELIEF

HOW **GEORGE GANNON** BUILT A BUSINESS, LOST IT ALL ... THEN CAME BACK STRONGER!

Interview & words: **Heidi Moment**



George did his first deal at 21 and by 26 he had a portfolio worth £3.6 million. Then he lost it all in the recession. Now, 10 years on, business is thriving and the portfolio is worth a whopping £7 million. How did he do it? Read on to find out.

WHAT DID YOU DO BEFORE PROPERTY?

I left school and went straight into a trade as a painter and decorator, working for £1 an hour. It wasn't long before I realised that I'd never be rich doing this, so I decided to educate myself, I went to night classes, and eventually college, to do Construction in the Built Environment.

“The explosion of wanting to progress my own knowledge really drove me at the start”



WHAT INSPIRED YOU TO GET INTO PROPERTY?

While I was at college I did my Mum's house up. Everyone else was going out to the pub, and I was spending what little money and time I had making the house look nice. It was very low cost, but I completely transformed our house and Mum was over the moon.

I won't lie, the inspiration came from Sarah Beeny and The Property Ladder. I watched that and saw people making mistakes and thought I could do better. I've worked in the trade, doing decorating, and being around construction, so I knew the drill and, if nothing else, I knew I could make a house look good.

WHAT'S YOUR STRATEGY?

Commercial to residential conversion.

The thing that really enticed me about this strategy was taking an old, dilapidated building and bringing it back to life. For some reason, I felt there was more security in knowing that the walls were already up and the roof was on, so it wasn't as scary as doing new build where you're starting from scratch.

WHAT WAS YOUR FIRST COMMERCIAL CONVERSION DEAL?

I did my first large deal when I was 22. It was a run-down, boarded-up pub, which I converted into four apartments. It was attainable. I got a bridge on it. I bought it, did the work and got development funding. It was completely out of my league, of course. At the time, I didn't have the experience - I was a full-time university student, doing a bit of painting and decorating on the side, with zero money. If you had to write a list with every reason a bank would say "NO" to you then this was it! But, for whatever reason, I knew in my gut that I could make it happen.

HAVE YOU ALWAYS BEEN A GO-GETTER, OR HAVE YOU HAD TO DEVELOP THAT MINDSET?

No, I'm not naturally like that. I was in with the 'wrong crowd' at school and left with very little qualifications. After I left I distanced myself and tried to do something better with my life. I went on to get three straight As at college, and I started boxing, which got the endorphins running loose in my head and gave me extra energy and more self-confidence.

CASE STUDY 1 *Croft House*

The property:

A run down, boarded up former public house, with three ad hoc extensions at the rear on different levels. The soil from the extensions was just dumped in the garden so retaining walls and a new opening would be required. The flat roofs were shot, and the pitched roof required work. It had dry rot infestation along with wet rot. Meaning the floors and walls were compromised in places. The masonry on the front had filed and was blistering off. It needed everything doing to it.

Purchase:

After hearing "No" a lot from banks, due to my lack of experience and lack of any other assets or funds, I was getting pretty frustrated, so I contacted Alan, a guy I used to work for on the Isle of Man. He said, "Go on then, George, do me a business plan, I'll lend you 100% funding to buy it and develop it". That was definitely a life-changing moment for me.

Strategy:

To convert it into four flats.



BEFORE



AFTER



The Numbers

Purchase price (incl. all costs):	£90,000
Investor loan:	£163,000
Refurb cost:	£85,000
End value post refurb:	£247,000
Loan repayment, legals & 10% interest:	£175,000
Profit:	£72,000

Remortgage & Sale

I remortgaged and split the title into four leasehold units and one freehold. I drew the plans for the title split myself as well to save even more money. I retained the leasehold personally and the freehold in a limited company. Times have changed now and I would recommend limited companies for all.

The plan was to sell the bottom two and keep the top two, but a sale fell through on the bottom one, so I ended up keeping three.

Works include:

- Full planning & building control permission
- Pitched roof to repair & new flat roofs
- A new extension, then floor and ceiling to raise to marry up the three rear extensions
- A retaining wall to allow new door openings, bins stores and steps to the garden
- Fencing walls, levelling and gravelling of the garden
- Replacing a giant wooden 3m long wooden lintel with infested dry rot
- Rendering the front and rear of the building
- Stripping out and clearing out of all junk left there
- Cutting back all timbers and materials affected by the dry rot, treating and replacing
- New services mains coming into the building gas, electric, water
- New draining internally and externally including manholes
- Taking walls down, putting walls up, boarding, plastering, painting
- New wiring, plumbing, bathroom suites for four apartments
- New joinery and kitchens
- Carpeting and decorating throughout.

I did the vast majority of work myself

I did all the work, with the help of my friend Graham – starting with drawing my own plans and building control submission, stripping-out and knocking doorways through (which was really fun), a little bit of bricking up, plastering (which is so hard), joining and taping and dry-lining walls. I did the plumbing, which was very mentally challenging to get it all working correctly. I didn't do the wiring. I can run a few wires through, but I definitely held back on that, because you only get one chance with electrics. When you're doing all these hours and you're really tired, that's the last thing you want to be getting wrong.

It was an amazing learning curve, but I strongly recommend you don't do what I did. It's a lot of hassle and a lot of hard work. I'd recommend sitting back and trusting the experts to do it now, learning but working on the business instead of in it.

WHAT MOTIVATED YOU TO TURN THIS INTO A FULL-TIME BUSINESS AND HOW DID YOU BEGIN TO DO IT?

The first step was really securing Croft House. Single house flips are too ad hoc and not consistent enough. There's the big payday but it's famine and feast. It's the same in commercial conversion, but you can actually pay yourself a wage, by working out the build cost, and paying yourself as one of the trades or a project manager. You can take a sensible wage. Obviously, you want to keep it as low as possible, and I always paid myself last, taking the minimum amount out of the company, working most weekends and living on site, so the overheads weren't too high. These days I pay myself first.

The challenge came when I finished and remortgaged Croft House. I was still left with no money.

WHAT OTHER CHALLENGES DID YOU COME ACROSS?

Services was one area to get my head around. I got the odd trade in to help me push the job along so it didn't take forever and I got my friends from uni to come in and labour super cheap for me.

Accounts was another. I put my hand up now and say I'm a shoebox accountant type person. All the receipts go in a shoebox, and I hand it over, which you just can't do. Now, when I set a business up, I don't deal with any of the accounts, I let my business partner deal with that. I just deal with kicking the door down, making it happen, and getting on building it out. We have weekly and monthly reviews for the bank, and I get involved in the reviewing and analysis of the accounts, but I leave someone else to do all the admin.

The biggest thing, I suppose, back then and even now, is staff. You're only as good as your staff. If you've got one bad apple in your company, it can be so detrimental that you're setting yourself up for failure. Even the people who look right and make the right noises from the outset and promise you the earth, don't always turn out to be the right people. It's sad, but it's true, unfortunately. I try not to have any direct employees, if I can help it. Keeping everyone on a self-employed basis works better for me.

“I've been told I live in dog years because I do so much so quickly”

It is a fine balance. The more systems and procedures you put in place the more anyone can drop in or out and the running of the machine is still consistent and smooth. If something goes wrong, you analyse where it went wrong, blame the system, and fix the system, rather than instantly blaming the person. If it goes wrong again and again, then fair enough, you can blame the person. But you have to start with the systems and procedures.

HAS IT ALWAYS BEEN PLAIN SAILING?

No, not at all. In 2008, my portfolio had grown to £3.6 million. I'd gone a long way, and it was all through buying speculatively, developing, remortgaging and retaining. I didn't sell anything, and that was my fundamental mistake, but I didn't know that at the time. All of a sudden, I owned 42 units, the recession hit, the tap got turned off, and the funding dried up. Despite pitching to banks and angels I found myself losing deals as I couldn't find the funding.

I tried running a construction company to keep my tradesmen in work – that turned out to be the biggest mistake ever. We lost another £20,000 doing that in the climate of the recession. Everyone kept telling me to fire my staff, but it was super hard. These guys left good jobs to come and work for me, and I felt that I owed them.

I also owed the Inland Revenue £20,000 tax, which I kept putting off, which was a huge mistake. Eventually, it caught up with me. They put a charge against my whole estate to seek to declare me bankrupt. I fought it for two years, but on May 26th, 2010, I was declared bankrupt and lost everything. I'd worked so hard and had thrown everything into it. I went from having a multi-million pound portfolio to having nothing and owing a significant amount of money to friends and family. It was devastating.

It's easy to look back and see where mistakes were made, and if I'd had the foresight to sell up, I'd have been close to £1 million in equity now, but I'm not the kind of person to dwell on these things.

I met a Barclays bank Wealth Manager, squeaky clean, all the accreditations, and he said, *"Yeah, I get you, George, I'll buy you out of bankruptcy"*. I was like, *"Wow, thanks"*. I was happy just to buy back the best part of the portfolio, staying in bankruptcy, and doing new developments in Barry's name. So that's what we did – starting with single buy-to-lets then after a couple of years, when the market had improved, moving back on to larger developments again.

The only one thing I can guarantee people in life is failure and setbacks. Sometimes you can't stop mistakes from happening, but it's how you deal with them mentally and move forward that dictates whether you'll be successful or not.

WHAT DOES YOUR BUSINESS LOOK LIKE NOW?

I've now bounced back to owning four businesses, Clifton Park Hotels, Clifton Park Investments, Clifton Park Restorations, Property Leverage (my training company), plus my own private portfolio as well as 50% ownership of many other portfolios acquired with JV partners.

Property development and commercial conversion projects take up 80% of my time these days, and I run training courses and offer mentoring for the other 20%.



WHO'S IN YOUR TEAM?

Architectural Designer, **Damien**

Damien is an absolute superstar. He sees any pitfalls or issues, and helps me to figure out the maximum use of a unit. He's extremely knowledgeable, quick and honest. He also helps with some of the project management.

Services director, **Graham**

Graham sets up the critical path, so all the key operations are set up correctly to enable the build to progress smoothly. He is invaluable in helping us to save money or instigate the connections well in advance so we can move forward without a hitch.

Ad hoc as needed

I've got a number of quantity surveyor and structural engineer friends, who we use on an as-needed basis. Then I've got the construction company with every single trade as and when I need them. If there's ever an issue in any area, there's always someone on the end of the phone. That's really reassuring.



WHAT'S YOUR ROLE?

I tend to work on the businesses rather than in them now. I set up the correct team to start with and schedule the job. I deal with the site manager and project manager, who report to me. I occasionally have the odd inspection around site to check in on things just to make sure I'm happy with the quality that's getting put out there. If there's a health and safety issue, I'll instantly pull the lads off, but if there's a general issue, I'll report it to the site manager, and let him deal with it. If there's something about the flow of the work I'll discuss that with the project manager.

Overall, I'm responsible for the vision for the company, finding the next deal, arranging the sale or the buyers, or if we want to retain it, seeing shareholders and other business partners to discuss it and getting the finance from the banks to lend 100% funding or arranging a remortgage. That's plenty.

WHICH PART OF THE PROCESS DO YOU LIKE THE BEST?

It has to be going out, finding and securing the deals – that's definitely the fun part. The other parts are not so exciting – keeping to budget, scheduling, lads not turning up, people letting you down, maybe the odd little time delay with the planners or lenders not coming back to you or telling you one thing and then changing their mind right at the last minute.

The financing of the project is the most stressful part. When you're in the thick of it it's easy to think, "God, this is stressful, I'm never doing it again", and then as soon as that's all over, you forget about it, get all excited again, and go straight out and look for the next one.

WITH COMMERCIAL CONVERSION THERE ARE 4 KEY ELEMENTS TO GET RIGHT:

- 1 Make sure you get the finance in place.** Get the finance, then go hunting. So many times, people say, "Find the right deal and they'll come". This isn't the right way round, in my opinion.
- 2 Find the deal.** That's the next hardship.
- 3 Develop it out.** Pay close attention here.
- 4 Exit.** You've got to pre-sell it before you even start if you're going to sell it, or make sure you've got that exit lined up so you can develop, remortgage and return it.

Each point is equally as important as the next one, and it's this system as a whole that you need to get right.

HOW DO YOU MANAGE STRESS LEVELS?

With stress and overwhelm you just need to understand when you're there, let people know when you're there and ask for help. You need to say to your team, "Look, I'm getting a bit overwhelmed here, I'm a bit stressed, I need to take an hour out." Take a bit of time to refresh and get your head straight. Also, don't feel like you have to do everything. Ask your team to take some of your work off you.

Unfortunately for a lot of people starting out, you are the business, and you might not have a team yet. If this is the case, the key question to ask yourself is, "If I can only do one task today, what is the most important thing that I need to do in order to have the best result for my business?" It forces you to get that big monumental task out of the way, which makes you feel good, so you can relax more and get back into your flow.

CASE STUDY 2

Nether Hall

The Property:

A Grade II listed Georgian manor house in the heart of Doncaster. The building is in two sections – Copley Road side and Nether Hall side.

Purchase strategy:

I was doing another project within about an hour's radius, and I came across this one. Again, it looked stupidly cheap, 28,000 square foot for, at a price of £220,000. I knew it was going to go for a lot more than that. I did an appraisal and was comfortable to go to about £450,000, but I managed to secure it for £410,000 in the auction.

Strategy:

To convert it from a former council building into nine HMOs and six serviced apartments, so we'll have around 83 rooms once we're finished. There were also 2 x 5-bed HMOs in a corner building which we carved off and sold.

Nether Hall is 50 rooms made up of 5 x 1-bed apartments, 2 x 5-bed HMOs, 1 x 11-bed HMO, 2 x 12-bed HMOs.

Copley Road is 23 rooms made up of 1 x 2 bed, 1 x 9 bed and 1 x 12 bed. We are also exploring developing the roof for more units.



BEFORE



Works include:

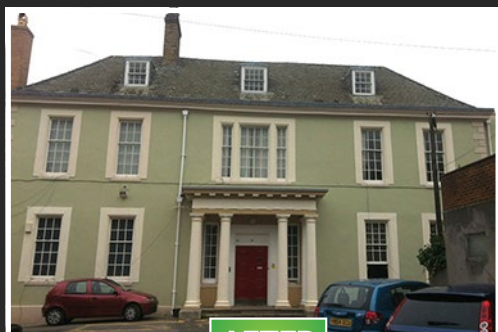
- Full planning, building control & listed building approval
- Major strip out and removal of furniture etc
- Creation of multiple apartments & HMOs
- Fire safety during and after the build in all aspects, from means of escape to material specification
- New flat roofs and re-roofing of the pitched roof to satisfy the warranty provider
- Damp proofing, thermal upgrading, new windows and opening
- All new services and logistical operations to keep site services on at the same time
- Strategical planning to allow it to be done in sections and tenants in whilst other works continue
- Special heritage items detailing, matching like-for-like and protected
- New parking bays and layout
- CCTV inspection of drainage and renew or replace where required
- Extensive new first & second fix, plumbing, electrics, joiners works
- Decorating, carpets and furnishing

Section 106 contributions or Community Infrastructure Levy (CIL):

When you create new dwellings, the council will argue that you're putting additional strain on local infrastructure or schools, so they want a contribution of your profit to go towards maintaining the roads, parks or schools, etc. It's different for every single area, so do your homework to find out what it is for your area. In Doncaster, Section 106 kicks in if you do more than 14 dwellings.

We originally did the plans for 27 apartments, which would have cost us 26% profit contribution, so we decided to do 14 units instead to keep the contribution down. We considered doing 14 HMOs but more than 10 x 2-beds would have cost us 16% open space contribution in addition to the 26%. In the end, we went with 14 units, 7 HMOs, and 6 apartments and ended up paying them zero, which was a great result. **You've got to play by their rules and change your plans to fit.**

“Stealth taxes imposed by the council can sting you and make a deal not viable”



AFTER



WHAT'S YOUR CRITERIA WHEN SOURCING NEW PROPERTY TO DEVELOP?

The holy grail is to do developments, remortgage all your money out, and do the next one. It used to be possible to do that, but it's getting a lot harder. You could be looking all year to find the right property

Listed building rules:

One thing most people don't know is that Grade II listed doesn't just mean the outside, it means the building as a whole, so the inside as well, and the Listing Officer will assess your plans, which often results in more changes. Annoyingly, if someone's damaged a listed building by chopping it up, the Listing Officer can come in and say, *"I know you haven't done all this damage, but now you're the legal owner, you've got to reinstate it to its original condition, otherwise we'll serve a notification of enforcement, take you to court, and prosecute you"*.

We were looking to do one studio at the front of Nether Hall, but the Listing Officer didn't want to see the apartment split up, he wanted it to be retained as one large room, which it originally was, so we had to reconfigure it again, losing one apartment.

Lettings

We've managed to get a local college to take 50 rooms, so at the end of next month, we're going to have 50 rooms fully paid for and the Nether Hall side of the site completely finished. The college will cover the rents whether they are occupied or not. This is around £300,000, so it's already a huge success.

That leaves us with 23 rooms, which we plan on renting out to more students if possible.

The numbers

Purchase price (incl. all costs):	£410,000
Total costs including all refurb, acquisition, and sales costs:	£2,500,000
Estimated end value post refurb:	£3,000,000+
Estimated gross rent:	£500,000
Estimated cash flow:	£200k pa

like that. That's why people get frustrated and go in for ones with smaller profit margins.

When you do find a commercial building it will dictate to you what you can do with it, so you have to keep an open mind. Say we find a care home and want to do it as flats, retain it and get monthly cash flow. But the planners want houses, not apartments, because the area's saturated with flats and we won't be able to sell them. **You have to do what the market wants, not what will make the most money.**

“Commercial buildings dictate to you what you can do with them”

Ultimately, we're looking for a certain profit margin. People down south may tell you that 20% is a deal. But up north it isn't. It's all area-dependent. The challenge we've got is when you come to remortgage. If we're retaining it, the banks will typically only lend 70% loan-to-value. We want 30% profit on gross development value (GDV), which is the end resale value.

I always start with the exit first, understand what the market wants, don't get greedy, do what's going to get the exit, not what's going to make you the most money on paper. Always do a feasibility study to figure out the best and most viable way to make it work.

“Always look at what the market wants and deliver the product to suit”

WHAT'S YOUR ADVICE FOR PEOPLE ABOUT ESTIMATING REFURB COSTS FOR THE FIRST TIME?

You have to be super careful with build costs. Always get the builder to use the detailed specification from the architect's working drawings to provide you a quote. This is the only way you will get a true price. Until they see these they won't know whether you're

TOP TIPS FOR SETTING UP YOUR OWN BUSINESS

- Follow your passion. Whatever you do, you've got to have passion in it. Then, when you hit the hardships, because you will, you can find the resolve to get over the challenges
- Set realistic, achievable milestones
- Never make the figures fit! The offer is what the offer is!
- Cash is king. Never overstretch yourself (this one I keep breaking as most true entrepreneurs do!)
- Never accept **NO** as an answer
- Start with the exit first. Do what the market wants, not what will appear to make you the most money!
- As long as you've got that gritted, dogged determination and (possibly even) deluded belief, you can actually make something happen, but it all starts in your mindset with your self-belief.

going for small, pencil-necked skirting or four-inch, expensive skirting. They don't know whether you're going for ensuites in all the rooms. There might have been an extension on the back, and the builder's thinking, *I'll build it out of timber, it'll be cheaper*, but the conservation officer says it has to be out of brick. Again, the price could double there. So you have to be really careful. This is a catch 22 area, as if it is speculative you will not have any plans yet! We have a one-day course where we help people with build costs, as it really requires a full day to explain.

You also need to explore the services to make sure everything has been covered, ie the drainage and roof. Your quote could easily go from £50,000 to £100,000 and leave you with no profit in the deal. Definitely engage with someone with experience when you're doing this for the first time.

CONTACT

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www.georgegannon.co.uk or
www.propertyleverage.co.uk

Click here to listen to more from George

FROM HOME RENOVATORS TO PROPERTY ENTREPRENEURS

HOW A STEADY START LED TO RAPID GROWTH FOR RICHARD AND NINA PEUTHERER

Interview & words: **Raj Beri**

Although Richard and Nina are relatively new to the world of property, their journey has evolved rapidly and they have immersed themselves in multiple strategies and multiple locations, leading to a number of overlapping businesses, JV partners and much more. In this interview, they discuss how their journey began and how their businesses are developing.

YPN: Perhaps you could tell readers a little bit about your background before property?

Nina: I have a 20-year background in IT, dealing with people and technology.

Richard: My trade was Information Management. However, for the last five years, I was running an office interiors business. That was a complete change but it put me in a very good place for our property businesses, because it helps me when looking at space and how to design and use it.

YPN: How did you both end up in corporate jobs?

Nina: Neither of us went to university. I sort of fell into my role at a young age and seemed to do rather well at it. When I was at school, I never thought I would 'sell' IT, but it's been a role that I've enjoyed for a long time.

Richard: I've always had a strong desire to progress within whatever I was involved in. It's just part of my psyche! Throughout my career, I've used the traditional 'work hard and move on' in the hierarchical structure, and have been very fortunate to have received training from my employers. Therefore, having to pay for property education became a bit of a sticking point for us such that we almost didn't go down the route of property.



“ I've always had a strong desire to progress within whatever I was involved in. It's just part of my psyche! ”

- **Richard**



CASE STUDY 1

Purchase price: **£180,000**

Mortgage: **£121,200**

Deposit: **£58,800**

Refurbishment: **£27,000**

Sourcing fee: **£2,000**

Legals: **£1,600**

SDLT: **£6,500**

Mortgage fees: **£1,239**

Total costs: **£218,339**

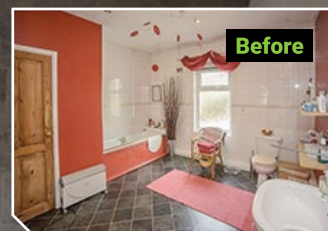
Sale price: £250,000

Profit: £31,661

Return on costs: 15%

Bathroom 1

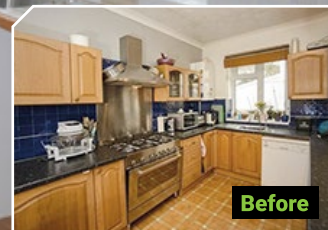
After



Before

Kitchen

After

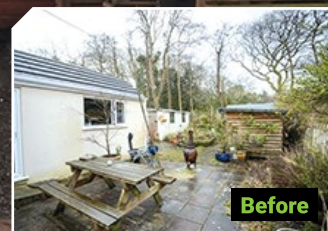


Before



Garden

After



Before



Annexe Kitchen



YPN: Give us a sense of how you got first got into property.

Richard: The first investment was actually our own home back in 2001 when we decided that we would buy a house together. Little did we know at the time, but we were deploying some strategies that we're now taught to do. We purchased a house through part-exchange with a developer who wanted to get it off their books quite quickly, so we were able to negotiate the price down. It needed everything doing to it as well, which meant we were able to add some value. Throughout our careers we have saved any additional pay rises, ie we never spent any more per month. We used our savings to pay down the mortgage very, very quickly and realised that this thing called 'equity' was quite useful.

When we went on to purchase our next home to live in, the equity in our first house enabled us to refinance out the deposit. We were able to keep that first house and rent it out, so we knew that there was something to this property game.

We also bought our second home at a discount from a very motivated seller just after the 2008 crash. The house was renovated and immediately refinanced to buy another one. It was an uneducated but fairly robust method we were using. It was at this point that we started thinking: *"Hang on a second, there is something to this and perhaps we should go and do something in a more educated fashion"*. It was a conscious decision to keep and rent out the first house even though the initial rental income didn't quite cover the mortgage and insurance. We just considered it a pension fund.

YPN: What led to re-evaluating your property plans?

Richard: The further I got up the career ladder the more my hourly rate decreased because the amount of time you're exchanging for that salary increases significantly as well. We had developed a nice lifestyle but nagging away was the thought, *"What happens when I stop work? I don't want to be working for all of my life and not be able to enjoy myself in retirement because I won't get the level of income I'd become accustomed to?"* I started reading books like Rich Dad, Poor Dad and the dots started to align. We were sitting on a lot of equity and knew property worked so we decided to develop the *"property thing"* further. It was Nina who went out and started scouring the market for educational programmes.

Nina: For me, it was about more taking control of my own destiny however corny that may sound. I don't think any job is 100% guaranteed, even though the IT industry is extremely stable and everybody needs equipment. I've always had an ongoing interest in property so we thought it was time to really start looking at it more seriously.



“ Lots of people say that HMOs are a full-time job etc, but we don't manage any of our properties because it's a business. ”

YPN: How did the decision to get property education come about?

Nina: I always try to watch Homes Under the Hammer! A Facebook advert about the programme led us to a free two-hour workshop in Watford. After the workshop, we signed up to the three-day weekend workshop, which in itself was a big investment for us. Then halfway through the training, we suddenly realised, *"Hang on a minute, we're being sold to again here."*

Richard: The decision to pay the thousand pounds to get to the three-day weekend was huge for us. Then at the event itself, they informed us what the investment would be for further ongoing education and training. I fell off my seat and Nina started crying!

We had the money for the training but psychologically, the notion of spending that money on education didn't make sense. All the crazy questions go through your mind, eg is it a scam? However, we started analysing the possibility of doing the training and had conversations with people who had gone through the program. The strange thing is that we almost didn't do the training with Legacy, but it has been fantastic and life-changing.

YPN: You both quit your corporate jobs recently. How did that come about?

Richard: I was working incredibly long hours and 80 hours a week wasn't uncommon. One of my concerns at the outset was how I could create a property business when I was working so many hours. I very quickly realised that (a) I was probably being inefficient with my time and (b) even with 80 hours of work, you still have pretty much 80 hours left in a week. There is the talk of 'financial freedom' or quitting quite early from your job but I decided not to do that. Firstly, as I was paid well, it was a big gap to fill and secondly I thought, "I need to get financing on property." It was about trying to reach a balance, but later on down the line I felt I that I was doing our property business a disservice by not affording it the time it deserved.

Ultimately, it is a difficult decision to quit work because you have the reassurance of income every month. Our plan was to replace one of our salaries first and make sure the business would support us. When I quit work, I had to work out a six-month notice period, which was tough. I'm now probably putting more hours a week into our property business than I ever did for my career.

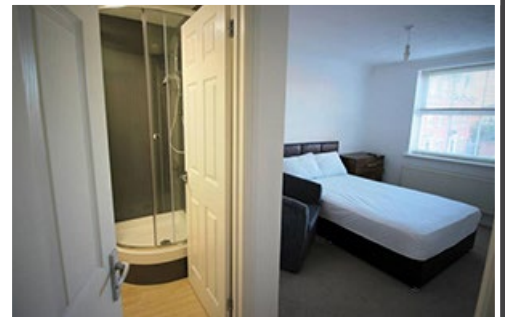
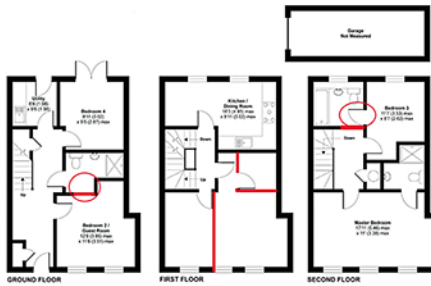
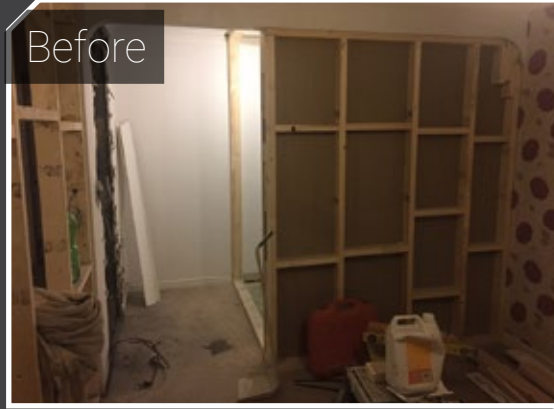
YPN: Earlier, you mentioned that you had single lets but what's helped you replace salaries?

Richard: Essentially, it's been HMOs although we do many other things now. Lots of people say that HMOs are a full-time job etc, but we don't manage any of our properties because it's a business. **However, I do believe that HMOs are the only thing that will get you out of your full-time job.** We ended up doing four at once as we found four that would work! Although our strategy with HMOs has now changed, when we started out we were time poor, so stayed close to home. Initially, we just wanted properties that we could turn around very quickly to give us a return. The sacrifice was leaving capital/cash in the deal because near London you're typically going

CASE STUDY 2

Purchase price:	£244,000
Deposit	£61,000
Building works (labour & materials)	£13,600
Electrical goods	£1,500
Furniture, fixtures & fittings	£3,600
SDLT, legal & professional fees	£13,500
Money in	£93,200
New value	£290,000
Total monthly income	£2,965
Mortgage	£557
MOE & MF	£722
Free cashflow	£1,686
ROI	22%

Before



After

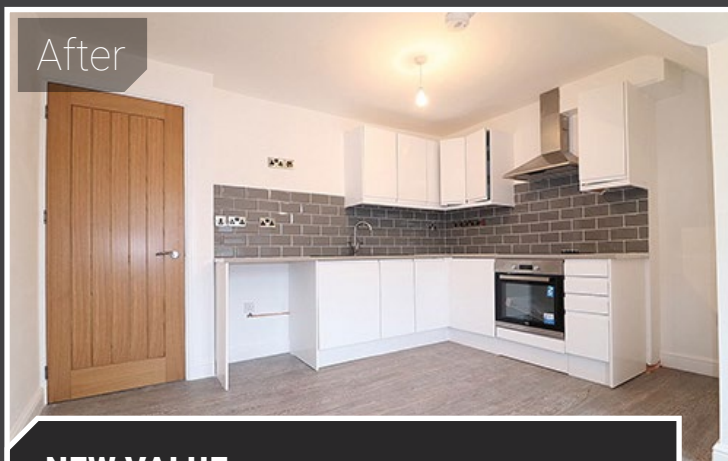


CASE STUDY 3

Purchase price	£500,000
Deposit	£125,000
SDLT, legal & professional fees	£33,900
Conversion costs	£162,000
Holding costs	£9,000
Title split, legals & refinance	£9,700
Money in	£339,600



After



NEW VALUE

Flat A - HMO	£260,000
Flat B - 2-bedroom self-contained flat	£155,000
Flat C - 2-bedroom self-contained flat	£150,000
Flat D - 1-bedroom self-contained flat	£140,000
Flat E - 1-bedroom self-contained flat	£147,000
Total	£852,000

to have to do that. Now that we have more time, we can go further afield and do different projects.

YPN: Even though you are both relative newcomers, what market changes have you noticed?

Richard: There have been so many! The 3% stamp duty surcharge, changes in tax and in addition, the supply and demand cycle are constantly evolving. People are often trained to analyse the deal and if it "stacks" they'll consider doing it. However, basic economics need to be considered, ie supply and demand, and we're constantly market testing to make sure that we don't get caught out. In one of our areas, we've seen a lot of migrant workers moving back to Europe (perhaps due to Brexit) so demand shifts. As an example, I had made offers on three properties to be converted to HMOs but didn't pursue any of them because I could see demand shifting. Unlike 2007/2008,

“Flips in our own area can be difficult, so we went further afield and found strategic partners who could provide a turnkey service”

I am much more involved in property now, so consider deals through careful due diligence.

YPN: Apart from HMOs, what other strategies have you embarked on?

Richard: We made a conscious decision that until our income was stable we would focus on HMOs, but we always wanted to consider

other strategies. We have started doing some flips to create capital, but again I wanted to deploy a hands-off approach. Flips in our own area can be difficult, so we went further afield and found strategic partners who could provide a turnkey service. I am very hands-off, which some would consider risky. In fact, for one of the properties in the case studies, I have only seen it once and that was during the refurbishment. In my career, I empowered people to go and do projects. Obviously, the initial part is about relationship building so we did a small project first. Being able to outsource projects to trusted partners means that I can then focus on the bigger deals.

YPN: You are creating a business that is diverse both in terms of location and strategy – has that been a conscious decision?

Richard: Investing in different locations has been driven by a desire to have different

strategies and a blend of property types and projects in order to spread risk. I'm constantly looking for opportunities where people can source deals for us. The majority of deals don't work for us, so it's making sure that people understand what we need. If I'm in an area, I'll spend some time doing due diligence to ascertain what strategy I might deploy.

YPN: In terms of using sourcers to find deals, what tips can you give to the readers of YPN?

Richard: One of my mentors said to me *"Richard, even if I source you a deal, you need to check the numbers. I might have been doing this for years but my desires or strategies or need for returns might be very different to yours. What I might think is a deal might not be what you think is a deal"*. That really is the key piece of advice. It's not that you don't trust them, but you need to verify all the details and everyone (sourcers) is

“Initially it was all our own cash - a mixture of savings and equity from our first two BTL properties”

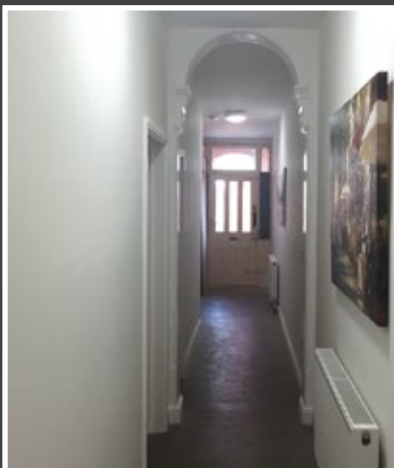
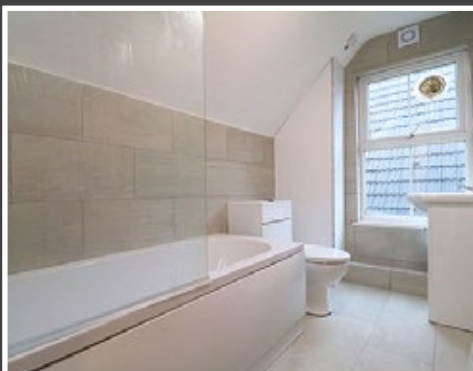
always a little bit enthusiastic! As an example, people will look at the highest price on Rightmove rather than look at 'sold prices'. The gap is sometimes vast. If people are doing deals with only 10%-15% margin on the flip, you could have that discrepancy purely on the difference between the actual for-sale price and sold prices, and it kills the deal.

YPN: What about funding – how did you fund all your early HMOs?

Nina: Initially it was all our own cash – a mixture of savings and equity from our first two BTL properties. We did things in a way that our mentors told us not to do! They all said: *"Don't use your own money."* However, we wanted to prove that we could do it using our own money. We felt it was the best way for us personally. Of course our mentors were right, ie you're always going to come to a point where you can't continue to use your own money. But for us, it was imperative to prove that we could do it. It really worked well in that we could show people proof of what we'd done with our own funds before we then got investment from our investors.

REFINANCE

New value	£852,000
New mortgages (x5 @ 75% LTV)	£639,000
Original mortgage	-£375,000
Original cash investment	-£339,600
Money left in	£75,600



Monthly Cashflow

	Income	Mortgage	Costs	Total
Flat A - HMO	£2,350	-£583	-£635	£1,132
Flat B - 2-bedroom self-contained flat	£725	-£374	-£81	£270
Flat C - 2-bedroom self-contained flat	£725	-£374	-£81	£270
Flat D - 1-bedroom self-contained flat	£625	-£320	-£76	£229
Flat E - 1-bedroom self-contained flat	£675	-£332	-£76	£267
Total	£5,100	-£1,983	-£949	£2,168
			ROI	34.4%



YPN: What about outsourcing property management – what tips can you give our readers?

Nina: In order to find an agent, we started off by walking the streets in our area to see what boards were around. We then contacted the agents and 'interviewed' them over the phone. The first agent was fantastic on the phone, but when we went to see the standard of properties he was looking after, they were not up to our quality so we continued to shop around. I spent half a day with our current agent, going round his properties after I'd interviewed him on the phone. Then we went back to their office and sat down and went through all the costings on a spreadsheet because they had recommended builders that we could use. We got a feel about how they dealt with clients because people were coming in and out, they were taking calls and it made me feel comfortable. So yes, we did invest time into finding the right agent and I think it's imperative to do that if you're going to be hands-off.

Richard: We have adopted the same process for our local properties and also the ones outside of our area. A top tip is to go onto Spareroom, identify properties with an agent and actually go and see the rooms 'as if' you are a potential tenant. Then you'll get to see how the agent behaves with a client/tenant rather than with a landlord who they want on their books. An added bonus is that you get a chance to check out the competition.

YPN: Could you run through a few deals you are currently doing?

Richard: One of the case studies is the conversion of a beautiful large Victorian house that we purchased in July 2017 into five flats. It was horrible inside and we've just gone through the process of converting it. The top floor will have two, one-bedroom apartments and the middle floor will have two, two-

bedroom flats. We've decided to keep the ground floor as a four-bedroom HMO, which can actually house six people. The property is now fully tenanted and we're going through the title split and refinance at the moment, and anticipating leaving £70,000 in the deal. We have decided to keep the whole building rather than sell as we'll be achieving around 34% ROI. The refinance will allow us to purchase the property next door, which we'll convert to six flats (four x one-bedroom and two, two-bedroom).

“Book-wise, Rich Dad, Poor Dad and Property Magic have been inspirational”

YPN: In addition, you have also sent up some Ltd companies – is that to work with JV partners?

Richard: Inspired Equity Ltd is our own business and it provides us with recurring income to replace our own salaries. I've known another very well-established property investor, Tomer Spitkowski, for a while. His strategy, risk profile and deal analysis are similar to mine but he operates in different parts of the UK. With him, we have set up Wealth Equity Partners Ltd, which aims to help people who don't have the experience in property to invest their money and achieve an income through property. Some of the projects will be HMOs but there will also be

much larger ones, eg we're negotiating on a large office block that we'll keep as an office block.

YPN: What are the objectives of your business in the next few years?

Richard: We're being very cautious with HMOs going forward. They really have to work and the demand has to be exceptional. I like creating flats out of residential and Tomer likes creating flats out of commercial buildings. However, if you go and look at a number of one- and two-bedroom flats or apartments on the market in many city centres, supply often outstrips demand. Amongst other things, we're looking at creating office space, which if done correctly works on the same principles as BTL, ie buy it, add value and refinance with a view to having an income for life. The due diligence is much more detailed but with the larger projects, you need far fewer to create some significant returns. In addition, our partnership with Tomer, who has a building business already in the North West, has enabled us to branch out to those areas as well.

YPN: What advice can you offer to people starting out in property?

Richard: As I did, most people starting out will claim they have no time but simple things like switching off the TV, looking on Rightmove instead of Facebook and starting the day much earlier are all easy things to implement. There will be some short-term sacrifices that you need to make, but the returns are significant and life-changing. Yes, it's hard work, but make small steps every single day. I believe that training/education is imperative and can make a massive difference in your life.

YPN: What has inspired you along the way?

Nina: Book-wise, *Rich Dad, Poor Dad* and *Property Magic* have been inspirational. In addition, apart from property training we've also had an equivalent time on business coaching/training as well. Our business coach JT Foxx has introduced us to some remarkable and inspirational people in property, eg George Ross, who's brokered a phenomenal amount of real estate in New York and Hugh Hilton who's brokered \$billions worth of real estate deals in America.



Click here to listen to more from Richard & Nina

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YOU CAN'T DO IT ALL YOURSELF

HOW GRAND PLAN 3 BECAME THIRD TIME LUCKY FOR JAMIE MADILL

Interview: **Ant Lyons and Angharad Owen** / Words: **Angharad Owen**

In this feature on the realities of building a property business, we have spoken to a few investors who have successfully scaled their business from a small idea to smashing their goals.

Jamie Madill is one of these people. He started in property to allow himself the luxury of time. He quit his job, replaced his income, and has now leveraged the business so he only works a few hours a week. We wanted to find out how he got to this point, what challenges he overcame to get there, and how he has set the business up to run in a way that maximises his free time.

WHERE IT ALL BEGAN

Let's start in 2010, when I had zero experience in property. I worked for national newspapers in London, and then moved on to run the European division for a multi-national company. I was in charge of securing advertising and sponsorship.

On paper, it was a good job. My income was good but I didn't have any time, and this was the main thing I needed to get back. I had a young family, my commute was three hours a day and to cap it all off, my annual train ticket cost £5,000.

Back then there were a lot of TV programmes about property and how everyone seemed to be making millions. It looked easy, so I took the plunge.

Looking back, my naivety was quite extraordinary. I'd come from the corporate world, where I had a lot of people to facilitate and support me. With a bit of my own cash and raising some more finance through JVs and loans, my strategy was to focus on single lets. But it was a baptism of fire.

I did some property training and bought the single lets, and spent 2011 trying to work on property alongside my job. It meant working weekends and evenings but I had a mission.

I thought this was the beginning of something amazing, so gave up my job on Valentine's Day 2012 ... which wasn't quite the present my wife was expecting! I thought it would be possible to replace my income within three months.

I started with nine properties, which made a few hundred pounds each per month, but that wasn't enough to replace my income. Although numbers have never necessarily been my strong point, I've always been very enthusiastic – I had the knowledge and vision to build something big, but just didn't think it through.

THE PLAN

My plan was originally to buy 20 single lets. I soon realised the plan was slightly faulty, and that it would take me a very long time to replace my income.

I had decided to invest in Leeds as properties were cheaper and yields were higher. As I was spending more time up there and meeting a lot of people, deals started to come my way through agents and marketing. So I started to package them up and sell them to other investors. It was a good vehicle for generating cash flow.

“Back then there were a lot of TV programmes about property and how everyone seemed to be making millions. It looked easy, so I took the plunge”



THE
HMO
COMPANY

The first lesson was: **a plan needs to be relatively flexible**. It's easy to read books and attend training courses but there's nothing quite like real-world experience. The reality was very different to what I thought it was going to be.

As sourcing and deal packaging seemed a promising way to go forward, I set up a sourcing business with two others. While growing my knowledge about the best places to invest in Leeds at this time, I used my corporate experience and contacts to talk about what I was doing with a view to bringing in some customers to buy the deals.

However, when I went into property I apparently forgot everything I knew about the fundamentals of business! My partners and I hadn't created a proper contract therefore the business wasn't set up properly. They then turned around one day and no longer wanted to source properties. Although my income had been replaced relatively quickly through this method, as soon as the two people I was relying on in Leeds left, the sourcing revenue stopped overnight. There was nothing stopping them doing that, and it fitted their life plan and goals, but it left me in the lurch.

In fact, when I was sourcing, I felt very exposed. I was the front person, the one going out and talking about investing in Leeds, but once we handed a property over, I no longer had any control over it. However, it was still me who got the phone calls when things went wrong. This was a very big learning point.

So grand plan number one was no plan. Plan number two had some flaws but then thankfully plan number three stuck, and I was able to scale and expand from those experiences.

Grand plan number three, a rent-to-rent business, was set up with my current business partner, Steve Mitchell, who I met through the Progressive community. We have completely different skill sets but get on and work well together.

Rent-to-rent means managing other people's properties and renting them out by the room. The idea behind this was to have an element

“ We both replaced our job incomes within a year, and are now scaling up by putting the additional profits from the R2R business towards deposits to buy HMOs ”

of income security. No matter what happened, we'd have a property for a certain number of years and our customers would live there for a minimum of six months.

Learning from previous mistakes, we set up a shareholder's agreement so we knew exactly what our respective roles and responsibilities were. That contains a non-compete clause, so if either of us decides to quit the business, we cannot work in the same area for a year.

We found our patch and fast forward to today, now have 78 rooms. The business provides a good income, and I'm no longer involved in the day-to-day management, which had been one of my aims from the beginning. My business partner is much more systems, detail and money-orientated, whereas my role is to oversee how the business is performing and to build the vision, business and brand.

We both replaced our job incomes within a year, and are now scaling up by putting the additional profits from the R2R business towards deposits to buy HMOs. We've also evolved into helping and supporting others with R2R and setting up HMOs, demonstrating the warts-and-all realities of doing so.

THE FIRST DEAL

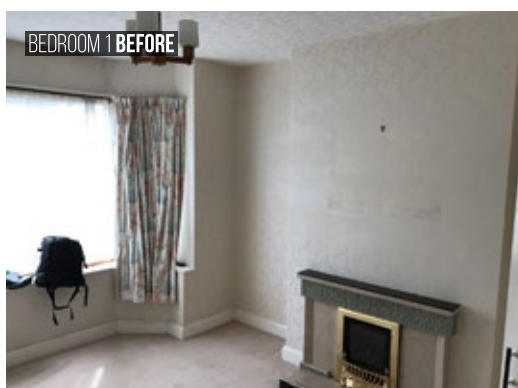
Going back to the start, we had done a one-day R2R training course and thought it was going to be easy. But the first deal was like when you make your first pancake – a complete cock-up. We had the theory

behind it but no practical experience.

From day one, my business partner and I agreed to take on any deal – irrespective of where it came from – as long as it made us at least £500 net income. We accounted for all costs: bills, landlord's fee and void provisions. There's always going to be at least one void, so it's necessary to factor it in – we put away 8% of the monthly income per property into a savings account to mitigate against them. That has completely covered us for the past four and a half years.

When scaling any property business, the more rooms or houses you have, the more uncertainties there are going to be. It's important to have some money set aside for any unforeseen circumstances.

We learned a big lesson on our first deal. We tried to cut costs and do everything ourselves, but by doing so we lost around £7,800 in rent. However, it's worked out okay in the long term as the property now generates £36,000 gross income a year.



Case Study 1

BIGGIN HALL CRESCENT COVENTRY

Type of property:	HMO Conversion (3-bed to 5-bed)
Purchase price:	£140,000
Open market value:	£140,000
Acquisition costs, inc legals, etc:	£7,198
Funding methods:	Mix: JV cash loan (£104,173) & Shawbrook short-term lending (£103,425)
Deposit paid:	£35,000
Borrowing rate:	9.45%
Monthly mortgage/funding payment:	£905
Total money in:	£207,598

COST OF WORKS

Duration of project:	15 weeks (planned 12 but the wet weather delayed the roof!)
Planning costs:	£0
Total costs:	£60,400

VALUATION & INCOME

Post-works valuation:	£287,000
Re-mortgage amount:	£215,250
Rate:	4.86% 5-year fixed
Money back out:	£7,652
Money left in:	£0
Monthly income:	£2,600
Bills included?	Yes
Monthly mortgage payment:	£897
Monthly costs:	£580
Net monthly cash flow:	£1,123
% Return on money left in:	Infinite!

BEDROOM AFTER



KITCHEN AFTER



We found the deal through a lettings agency. The agent was keen to work with us and introduced us to the landlord, who has been in property since the 1980s. The house is an ex-care home with six bedrooms. It had been let to students for a couple of years but they had wrecked it and by the time we got our hands on it, it had been empty for a year. We spent some time with the landlord to work out what his problems were. The property was unencumbered, but it wasn't renting out and therefore wasn't making him any money. So we took on the responsibility of managing the refurbishment with a view to renting it out to professionals.

Because we tried to do everything ourselves, the refurb took ten weeks. That work included, but was not limited to, painting, putting down new carpets, and ten trips to and from Ikea. Building the furniture took us a week!

TAILOR TO YOUR LOCATION

On the training course, we were told that an HMO must have five or more bedrooms, because the profit is in the fifth/sixth/seventh bedroom. Because we had a target of £500 per property per month, we started looking for large HMOs that were already licensed. But because we were trying

so hard to fulfil these criteria, we were ignoring the thousands of terraced houses in Bedford.

Now we look at three-bedroom terraced houses where we can convert the sitting room into a fourth bedroom. Although they might not achieve our initial goal of £500, they still provide a good cash flow.

For example, we would have overlooked a property in Bower St had we followed the five-bedroom rule. But it proved to be a lucrative deal – the refurb cost just over £1,000 and it now makes us over £450 net per month.

MANAGEMENT

More properties inevitably mean more property management. However, between us we have set the business up so that I haven't taken a phone call from a tenant since early 2014. Steve also comes from a corporate background and his strengths are in project management and systemisation. His experience was very useful when we were systemising the business to run with minimum amount of input from ourselves.

For the most part we utilise free technologies and most of our work can be done on a mobile phone. The day-to-day running is outsourced to various contractors. Steve in particular was adamant that we wouldn't delegate any roles until the company could afford the resources from profitable cash flow. Even at this stage, any retained profits go back into expanding the business.

The first person we brought in was a local cleaner. He cleans the communal areas of each house once a fortnight and checks each house weekly. We created a viewing checklist for him to complete, which he uploads to Dropbox. This process ensures that we can be confident that the houses are being inspected and cleaned regularly.

Next, we contracted handymen. These are painters, decorators and carpenters all in one who are responsible for the ongoing maintenance as well as helping us refurbish properties when we take them on. Excellent customer service is one of our key values, so we try to get any issues fixed within one or two days.

Case Study 2 KIMBOLTON ROAD BEDFORD

Type of property:	HMO
Purchase price / Acquisition cost:	Rent-to-rent
Open market value (rental):	£4,000 pcm
Purchase/Acquisition costs, inc legals, etc:	£0
Monthly payments agreed:	£2,000 guaranteed
Funding methods:	Cash
Deposit paid:	£0
Amount of funding:	£0
Total money in:	£2,500 (contribution to decoration & soft furnishings)
Personal money in:	As above



COST OF WORKS

Duration of project:	4 weeks
Planning costs:	£0
Total costs:	£15,000 (landlord contributed £12,500)

VALUATION & INCOME

Post-works valuation:	N/A
Money back out:	£2,500
Money left in:	£0
Monthly income:	£4,500
Bills included?	£602.26 (Wifi, council tax, gas, electric, water, TV licence)
Monthly mortgage payment:	Rent to landlord £2,000
Monthly costs:	£697.20 (BG insurance, cleaner, void provision, furniture leasing cost)
Net monthly cash flow:	£1,200.54
% Return on money left in:	Infinite!

As a result of this value, customers tend to stay with us for a long time.

More recently, we have outsourced a lot of our marketing, such as producing landlord letters, social media marketing and Spareroom advertising.

We've also employed one of our handyman's daughters. She has taken on the role of property manager and works a few hours a week as and when she needs to. She checks that the processes are working properly, the houses are being looked after and that the customers are happy.

Beyond these key people, we then have a wider team of locksmiths, window cleaners and gardeners, etc. Our core team grew organically over time once the business had retained profit. The key is in having the systems in place so that everyone knows what they're doing and when they should be doing it.

HICCUPS

It's normal in any new venture to have some hiccups along the way. One such has been in relation to having to gain planning permission, which can be a challenge on a rent-to-rent property.

The house on Kimbolton Road (see Case Study #2) is a large, seven-bedroom property worth over £2m. The landlord was trying to rent this out as a family house for £4,000 per month but there wasn't much demand in that price bracket. In addition, it was slightly run down. When we took it on, we had to get planning and a licence to convert it into a seven-bed HMO and that went through easily enough.

Over the past few months though, I've been working with our planning consultant to increase the licence to house eight people. We had to apply for planning permission again, but that's gone through and the room generates an extra £650 net income per month.

LESSONS FROM THE COAL FACE OF PROPERTY INVESTING

When I started out, it was with a great vision of building a massive property portfolio. That's not reality. If I was honest with myself, it wasn't really what I wanted to do. What I wanted was time.

I'm now back in control of my time. I have choices and that's one of the most liberating things in the world. At that point what you do isn't a job anymore, it's a passion.

For me, the passion is in spending more time helping other people and seeing the results they get, rather than on the day-to-day of property. That is very rewarding.

One of the main lessons I've learned over the past few years is that I needed to work with others, people who could do the things that I was rubbish at or didn't want to do. You can't do everything yourself, and I proved that very dramatically from day one of going into property full-time.

“The number one tip I give anybody in any business is: don't do it all yourself, because I guarantee you will make mistakes”

The number one tip I give anybody in any business is: don't do it all yourself, because I guarantee you will make mistakes. They will be costly. Your progress will be slower than anticipated and you won't enjoy that part of the journey. It'll be painful, and you'll get through it more easily by working with others who are good at what you're not.

Steve and I have a stop check every six months to pause and evaluate what we've achieved, whether we're hitting our targets or not and how we can move forward. Targets don't always have to be financial. Most people focus on the money, but the lifestyle that property income or business can give you is much more important.

WORK/LIFE BALANCE

On that note, we've become very good at working out who can do what within the time constraints that we have. If we can't do it ourselves, we look at who else we can get to do something.

It's important to be realistic about what you can do in one day. I am not one of those people who can get up at 4:30am and start the day. It's very easy to work yourself to the bone, and to put pressure on yourself. Some people are happy to work all hours of the day to achieve what they want, but that life is not for me. It doesn't mean I'm any less successful.

I'm doing this so I can spend more time with my family (whether they like it or not!). I could spend more time working if I wanted to, but that wouldn't give me the quality of life that I want. Have I got the work/life balance right? No. But it's certainly better now that it has ever been.

WHAT'S NEXT?

R2R was always a means to an end. It was a means of setting up a lettings business that would give us a sturdy income. We've achieved that and the business is currently being run by other people. Going forward, our plan is to increase our wealth by buying HMOs and converting them. Together with our partners, we have 30 so far in Coventry. On the back of that, we've used the experience from the R2R business in Bedford to create a lettings agency using the exact same systems in Coventry. I also want to carry on with the training side of the business as I really enjoy it.

I don't want thousands of properties. I just want a number of good quality, high-end HMOs, completely paid down and unencumbered to give myself and my family security for the future.

YPN SAYS

I hope you've found some inspiration from these investors' stories. There's more to come though – just turn the page for more on scaling up, systemising and developing yourself as well as your business.

The first place to start is, as ever, by being honest with yourself about what you want. While some people, often the serial entrepreneurs among us, thrive on the challenges of creating a scalable business, it's not going to be right for everyone. Decide what you **really** want, not what you think you should want because other people are doing it.

On the practical side, building a business is all about the numbers. You'll need to know your key metrics inside out and measure them as you progress to whichever level you decide is right for you. And whatever that is, remember to enjoy the journey!



This article goes hand-in-hand with things month's podcast!

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RIDING THE ROLLERCOASTER

THE VERY PREDICTABLE HIGHS AND LOWS OF BUILDING A BUSINESS IN PROPERTY

In line with this month's feature on building a property business, I'd like to explore the rollercoaster ride of property entrepreneurship!

This will sound familiar to those of you who are well-versed in business, even verging on the amusing as we explore the realities of going from starting to standardising and then scaling a property business.

If on the other hand you're approaching a property venture for the first time or appraising your current operation to decide how to move forward, this will be insight in to what might lie ahead.

We all have challenges and we all experience difficulties. They just change in shape and size depending which stage you're at on the three levels of the 'Property Entrepreneur's Journey' (PEJ for short).

The "Property Entrepreneur's Journey"

The PEJ and the rollercoaster ride that accompanies it are far more predictable than you might think. Having worked with entrepreneurs on businesses of all shapes and sizes in addition to our own companies, you will be reassured to hear that they all have to overcome similar challenges.

There are very few 'new' problems in business. As we review the three levels you will appreciate that success and failure at each are predictable.

The three levels

From taking the leap of faith and getting started in property, all the way up to becoming a fully-fledged property entrepreneur (should you so choose), you will experience three very distinct levels along the way. Each level has its own set of challenges.

However, once you understand what is required, when it's required and how to execute with a high level of discipline, your PEJ will become more intentional, strategic and effective. That said, the rollercoaster journey will still be riddled with glitches.

Before exploring the step changes through the levels, there are two points to acknowledge.

1. STEP-CHANGING

Businesses do not grow or scale in a smooth or linear fashion.

In the same way that a crab must discard its shell when it reaches a certain size, your business will experience a similar process. You must 'step-change' between the levels, leaving behind some of what works today to adopt what you need to drive your business forward tomorrow.

The journey through the levels is a series of deliberate step-changes. Approach these consciously – each level is a place where you can stop for breath and smell the roses. In other words, they are sweet spots where you can see a balance of reward and return.

Many get this wrong though. They crack on regardless, taking a nice, lucrative, lifestyle business, stick a rocket up it (thanks to an unconsidered or ego-driven desire to scale) then create a mess that's out of balance. Result: the business sits in the no-man's-land between the levels and is no longer as profitable as it was.

I know plenty of people with property businesses of 70 rental units who make more money than those with 200 units. This is due to the vital mechanism of commercial balance. That's something to think about.

2. LIFE BY DESIGN

One of the biggest rewards of entrepreneurship is 'Life by Design'. However, thanks to the in-your-face social media reel (which is particularly prevalent in our industry), many people get confused. Our egos can become seduced by the chest-beating 'bigger is better' influence, or false expectations drawn from how other people's lives/businesses appear.

We're all guilty of this slippery slope, myself included. But the important thing to remember is that one level is not better than the other. It's nothing more than a game and you're creating the rules. You **must** start by answering these questions: "why do you want to do this?" and "where do you want to get to?"

It's life by design, not by comparison. If you set your goals based on the values or aspirations of others, the novelty of posting supercar (etc) photos on Facebook as your measuring stick wears thin pretty quickly. Trust me, I fell for that one hook, line and sinker ... and am currently trying to sell my Audi R8 if anyone wants to buy it!



So, "Life by Design". Not "Life by Comparison".
Let's review the three levels.

The Landlord Level

Self-employed job

POSITION: The Worker

This is the starting block. It's where we get going, make mistakes, dive in the deep end and cut our teeth. At this level you are a one-man-band doing everything required to build the portfolio and keep it going, whether that's sourcing deals, decorating, or emptying the bins.

At first, this is an exciting phase. It's an unknown, you're learning, fact-finding, discovering everything for the first time and it's often a period of optimism about what lies ahead. The core focus here is to achieve what's called 'proof of concept' (finding a way of making money from the proposition), then to establish a revenue stream without losing your shirt in the process.

De-risk through this phase as much as you can. Venturing into the unknown carries the risk of making lots of mistakes. Limit this downside where possible, for example, by leasing properties rather than buying, securing options rather than buying outright, entering into JVs that bring expertise to the table, and so on.

LANDLORD LEVEL PROS AND CONS

Whilst risk, challenge and stress will come at you from every angle as you get going, this can be an exciting time. Start-up landlords and aspiring property entrepreneurs are heading off into the unknown, all guns blazing. Fill your boots!

Working on your own (perhaps for the first time) will bring mindset challenges as you focus on daily survival, making sales (ie, finding tenants), manual operations and delivering your product. As a one-man-band trading daily time for monthly cash flow to survive, you are responsible only for yourself at this level. That has its perks, but it leaves you exposed as the portfolio and business is reliant on you alone and vice versa. Don't take your eye off the ball here.

Despite the benefits, the novelty of being a landlord can wear off pretty quickly as you run out of time/capacity. As the exciting 'high value' start-up phase becomes consumed with high volume, low value tasks, your responsibility evolves to keeping the business going rather than driving it forward.

The Landlord Level is a great phase to experience and experiment in. However, unless your plan is to spend your days as a human Swiss Army knife (reasonable at many things, great at very few), pushing through the challenges and moving up to Investor Level will be far more rewarding and engaging.

RISK: The business is dependent on you for survival

DAILY FOCUS: Working, cash flow, survival, grafting

SUCCESS: Show up and put the hours in

The Investor Level

Engaging and rewarding lifestyle business

POSITION: The Manager

Once you've done the 'heavy lifting' and established your start-up portfolio at the Landlord Level, the next step is the Investor Level. This is where you become more strategic and start to leverage what you do. You begin to treat the portfolio as a business, building a team and introducing systems so that you can delegate your workload, control operations and drive growth.

Bigger projects will generate lucrative revenues, delivering both cash flow for survival and sustainable profits. The business gains capacity and you build expertise. This can be an engaging and enjoyable period.

INVESTOR LEVEL PROS AND CONS

The main benefits include no longer being the single point of responsibility, contact or failure for the portfolio/business. You begin to breathe again as, slowly but surely, you step away from the day-to-day using systems and gatekeepers to keep the noise at bay. Once again you can focus on high value activity, as you did in the early days.

The business can grow at pace as the workload is distributed amongst a high-energy 'band of brothers' team (when you get it right) driven by the entrepreneurial spirit and infectious culture. They might often work long hours for low or medium remuneration.

There will of course be challenges and trade-offs in moving up to this level.

You might initially be able to recruit people who will work for reduced rates or favours from within your immediate network, but they will still need to be paid. At some point you will need to bring in

more experienced people who are better suited to the growing role. Naturally, these will attract higher costs and additional expenses. Be clear on your numbers before you go into this.

At the Landlord Level you were grafting for a (hopefully) well-paid salary; at the investor level you have to 'buy back your time' by building a team, and might soon find yourself with a business carrying overheads and costs. This will be unfamiliar territory to the bootstrapped, hand-to-mouth landlord but it is something that you must grasp quickly. As your costs increase, your P&L takes the hit so you will need to increase revenues fast if you are going to protect the margins of the Landlord Level. Now, you're the last one to get paid!

Another consideration here is that you need new skills. Whereas at Landlord Level you were required to show up, graft, deliver and serve, at Investor Level you must up your game to master the art of recruitment, management and leadership.

If you do this quickly, you will become highly-leveraged and growth will fast track. If you don't, you will end up in a three-legged race where you experience the increased costs of having a team but see only mistakes, confusion and service failure. The business may slow down or go into reverse if you get this wrong.

Get it right and the Investor Level is the lifestyle sweet spot that I'd encourage most people in property to aspire to – and consider staying there. Well paid, well leveraged, easy to control, modest risk/costs and high margins. Good times!

RISK: You recruit wrong or cannibalise your margins with increased costs

FOCUS: Team, systems, profit, sustainability, leverage

SUCCESS: Stand out and refine your position in the business and market



The Entrepreneur Level

Highly scalable and profitable asset and organisation

POSITION: The Leader

Safely arriving at the Investor Level will be enough for most. Financial independence has been achieved, along with relative freedom, an engaging culture and a team who incur manageable problems. Life is generally good and many aspiration boxes are successfully ticked.

About 5%, however, have a further drive and want to head for the dizzy heights of level three, The Property Entrepreneur.

This is not for the faint-hearted and should be approached with caution. But for those of you who have a burning desire, internal drive, insatiable appetite or an itch that needs to be scratched, it may be something you just have to go for.

The Entrepreneur Level provides you with the framework and resources to get out of the day-to-day and start working on the business rather than in it. You will have the resources, expertise and capacity to focus on vision, strategy, partnerships and growth.

ENTREPRENEUR LEVEL PROS AND CONS

Developing a valuable, scalable, tradable business supported by a solid framework of process, systems and operations brings significant benefits and returns. Multiple teams, generating income from revenue streams covering cash flow, profits and assets leverage your capacity. Therefore, you can focus on exciting, project-based tasks as you did in the early days. These will add value to the business and enable you to drive it forward while your teams take care of the back office, service clients and day-to-day operations.

Getting to this level will incur challenges; going from Investor to Entrepreneur should not be approached without careful consideration.

Many of the solutions you implemented at the Investor Level – including systems, the 'band of brothers' team of recruits and a laissez-faire framework geared towards a lifestyle business – will now become problems as you again step-change up. You will need to shed your shell once more.

Taking your business through another phase of growth up to this next level will require finance, resources, time, dedication and focus as you begin to take on the overheads of a big business before you have the revenues to justify them. That creates pressure.

In addition, you must simultaneously overcome the challenges that come with big business and sizable growth. Most of these will be outside your existing skillset and realm of interest, and are likely to include compliance, regulation, governance, management and operations. At the same time as you are tasked with all these undesirables, you must find the capacity, energy and drive to generate enough new business and sales to scale the business up to the third level of safety.

You might feel that you start to lose your identity as an entrepreneur as, with the changes, the fun 'band of brothers' tee-shirt-and-trainer team leave one by one to be replaced with polished (and well paid!) professionals who expect operating procedures, pensions, appraisals, frameworks and the like. This is a tough transition and one that many don't make it through – you have to learn fast and implement faster.

For those who do make it through, the financial rewards are very lucrative, your professional expertise is valuable and you can personally anticipate a strong feeling of achievement.

Approach this level with caution. The journey from Investor to Entrepreneur takes years not months and requires a lot more than optimism and positive thinking to survive it. If you decide to go ahead, it's often all or nothing as opportunity to turn back might be very limited.

RISK: You do not step change quick enough and growing pains including people, systems and/or revenues are cannibalised by costs and take down what was a perfectly lucrative lifestyle business

FOCUS: Assets, scale, structure, management, control and leadership

SUCCESS: Clarity, connection with others, commercial balance, partnerships and strategic alliances



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Ride the rollercoaster!

In summary, whichever level you are currently at and wherever you aspire to get to, you can expect a cocktail of challenges and successes along the way. We're all in the same boat here!

The key to success is to go into this journey with your eyes open, play by the rules, get your head down and roll with the punches. Be considered and strategic in your approach and you will understand the problems when they arise and how to overcome each of them.

You're walking the same path as thousands of Property Entrepreneurs before you. Just master the methodology, execute relentlessly and you will achieve your aspirations.

Success and failure are both very predictable. I wish you the very best of luck!

Daniel Hill

PPN UK

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If you would like to master the Five Problems to get through the Three Levels, order your FREE copy of last year's Property Entrepreneur prospectus, which includes the full blueprint. We'll post it out to you early next week.

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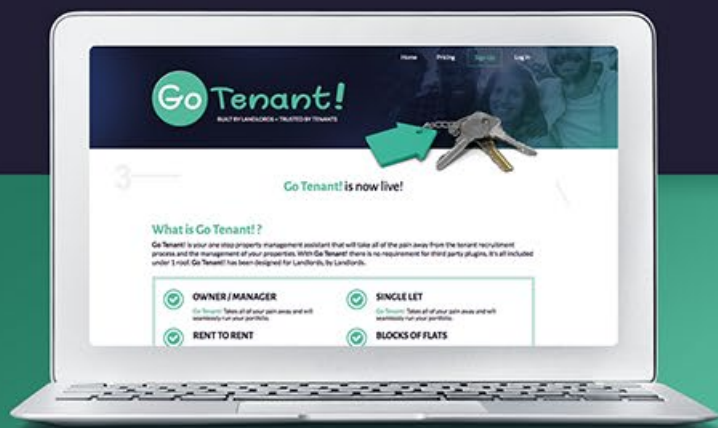
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SYSTEMISING TO SCALE

By **Jacquie Edwards**

Property Go-To Girl



It's one thing to start a property business – it's a whole different beast to continue to grow and scale that business. Often, a lot of the skills you need at the outset are completely different from what you need as you focus on growth and scaling. Suddenly, you might find yourself in a place where what worked on your last deal no longer works this time around, or by adding just one more HMO into your portfolio you've somehow tipped the balance into overwhelm.

Back in May I wrote about how to find the right system and how your systems need to evolve over time as what is right for you in the beginning may not be right for you later on. This month I want to dig a little deeper into that topic: first, because this is what my next book is all about – **Systemising to Scale** – and while it's focused on rent-to-rent, it includes ideas and processes that will span all businesses; and second, because this is one of the areas where so many successful businesses start to fall apart yet it's key to you getting to the next level.

Normally, when you are starting out in your own business and get it up and running, it is you who are doing everything – you are self-employed, the solopreneur. Then you may do a few more deals and realise that it's getting harder and harder to do everything on your own as you've only got so much time. At the solopreneur stage you are usually still trading time for money on some level – the assets underneath may be paying you a regular income but to keep growing those assets and keep them performing optimally, you are in charge and it takes your time to make everything happen.

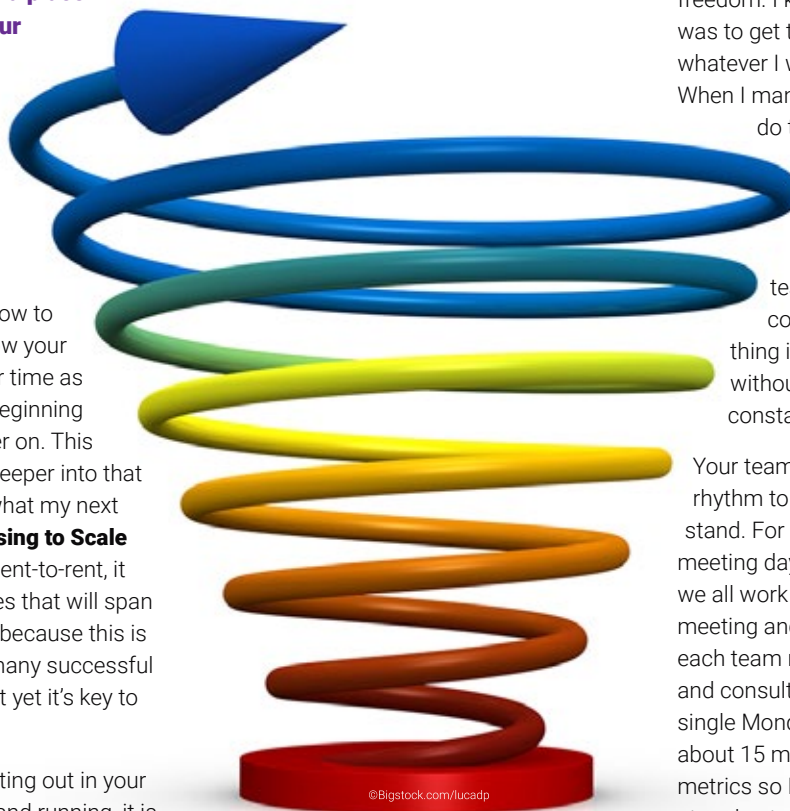
At the next stage you go from solopreneur to business owner. You need to hire a team to help out so you can focus on what you are good at and they can keep everything running day to day.

This means you need to stop doing and start leading and letting others take over, which can be pretty difficult at first because no one can ever seem to do things as well as **you** can, and no-one will care about your business as much as you do. You've likely been eating and sleeping and breathing your

where it is going, you will be able to attract the right team – people who are excited to come and support you working towards that greater vision.

Another change from solopreneur to business owner is in your time. Normally when we get started we are all about freedom. I know I was – my main goal was to get to a place where I could do whatever I wanted, whenever I wanted. When I managed everything myself I could do that. But to grow you've got to move towards a place of rhythm and systems. You need set reviews in place for your key metrics and with your key team members so that you can connect in and make sure everything is running smoothly without having to be involved constantly.

Your team needs that set schedule and rhythm to function and know where they stand. For instance, I use Monday as my meeting day (all via video conferencing as we all work from home). We have a team meeting and I also meet individually with each team member (including part-timers and consultants) with a set agenda every single Monday. Normally meetings are only about 15 minutes and we cover their key metrics so I understand where they are at and get a feel for how things are going. Having these regular meetings is important for my team as well because they know that every Monday they need to have updated all their key metrics. It helps me keep my finger on the pulse without having to do everything myself and while it removes some of my freedom because it's a set structure, it opens me up to more freedom in the long run as my business can continue to grow and expand.



property business and now, all of a sudden, you need to let someone else in and trust that they will notice the tiny details that keep things running while you pull yourself up to a higher level and focus on the bigger picture.

You have to find the right people who can help you, which means you have to build the company so it has a stronger identity than just you. Instead of focusing on how much money you want to make and how many deals you want to do, you need to focus on how many customers the business will have, what revenue and profits the company will generate and then set up projects to support that. Once your business has a strong identity and people can see

Jacquie Edwards is the author of

"Rent to Rent: Your Questions Answered"



HOW TO GROW YOUR BUSINESS ... BY GROWING YOURSELF

By Susan Alexander



How the 'work/life balance strategy' can help you succeed on your property journey

This month, as summer is very much in the air, I want to talk to you about growing. But not about pottering in the garden! I want to talk about growing your business and growing yourself.

And I want to help you find the answer to the big question ... what are you doing right now to help grow yourself and your business?

These two things seem quite different but they really go hand in hand. If you grow your **business** you will also grow **yourself**. But, even more importantly, if you grow yourself you are also likely to grow your business – perhaps without even realising it.

I hope to give you some tips here about how growing your property business and growing yourself can work alongside each other to produce some truly explosive business and personal development.

First things first: I'm going to assume that you've already made a start, that you've had some success along the way and that you're already making some money from what you're doing.

The question you need to ask yourself is ... what comes next? How do you grow to make that all-important step up onto the next level in property and in business?

To find a solution I always ask my coaching clients to consider this: go back and ask yourself exactly what it is you are trying to achieve long term. In other words, what is your **bigger picture goal**, not just your immediate goal?

For example, is making as much money as possible your end goal? If you're already making money you should already have the luxury of choice. But do you want to grow your business and have a chance at making **REALLY** big money? Or do you want a better lifestyle? By which I mean not only money, but the time and the freedom to do more of the things in life that you enjoy.

It is possible to have both. Sometimes it seems like you can't grow your business and your personal life too – but you can. You just need to have a strategy for doing it and a focus on making it effective, with the systems and team to run it all efficiently. This can enable you to have a work/life balance.

When I first started my own property business, this was one of the hardest decisions I had to make. I decided that I really wanted balance – a successful property business that would challenge me and provide a good income, but also a personal life where I could have the time to enjoy experiences with family and friends. This meant it was essential that I didn't have to work 24/7 or have work take over every aspect of my life.

*The next thing you need to think about to achieve your goal is **HOW** you are going to grow. How are you going to put the theory into practice and make it happen?*

It's time to make a choice!



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To make this simpler I'd recommend that you choose one of two different pathways to growth:

- **Become a specialist in just one aspect of your property business**
- or
- **Work across several different kinds of property investment projects**

To make it even more tricky, there are so many different types of property investing strategies you can specialise in. For example: BTL, renovation, HMOs, buying below market value, no money down projects, R2R, lease options, planning gains, commercial conversions, new builds ... to name just a few. Try and narrow it down to the things you're interested in, that you enjoy and are good at.

Both routes on your property journey have pros and cons. By specialising you'll be able to do one thing really well. You'll be able to feed your experience of one project into the next and into the next and so on, to make them better and better. You'll become the 'go-to expert' in that kind of property project. And it's likely to be easier to scale and streamline your business by concentrating on just one thing. The downside is that it may not challenge you personally on a long-term basis. However, this can be overcome by looking at other ways and interests of providing you with personal development opportunities.

On the other hand, doing **several different** types of projects as you grow will broaden your experience, expand your skillsets and challenge you personally as you learn new strategies. You'll have the ability – and flexibility – to tackle a variety of different challenges that come along. The potential disadvantages are that you will need to build a bigger team to handle all the different aspects, create complex management systems to be efficient. And there is of course a danger you spread yourself too thinly, possibly resulting in not doing anything particularly well. But it will give your work a lot more variation and create significant personal development.

In my case the decision was even more tricky. Although I love investing in property, my real passion is in people and helping them grow and develop. I wanted to do coaching and mentoring, because helping people to do the same or better than me is something I enjoy and believe I'm good at.

Although I've done lots of different property projects over the years – and still do –



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I didn't want to specialise in any of these specifically, or even just specialise in property. Instead, I decided to make coaching and mentoring my specialism and have property as the vehicle to do this. I continue to develop myself and my business by choosing a different property investment strategy every couple of years, and in the meantime focus my business specialism on working with other people to develop themselves and their investment portfolios to achieve their goals and dreams. That's my real passion.

And this is the really good thing: by having a core business with some related interests that continue to challenge you, you'll find that one thing will feed into another and multiply your results. For example, coaching and mentoring allows me to grow a business where I can do what I'm passionate about doing. And continuing to invest in property using different strategies over the years gives me the expertise that I need to coach and mentor people as well as allowing me to grow my personal skills, which in turn benefits my coaching business. It's a win-win situation for everybody.

But to answer a question that I'm often asked: won't aiming for a work/life balance harm your chances of success?

In my experience, I don't think so. Yes, bigger can be good. But bigger isn't always better. Bigger usually results in more turnover, more costs, more overheads, more staff – because you will almost certainly need a team to help you – but it doesn't automatically mean more profit. And it certainly does not necessarily mean more happiness!

There's definitely something to be said for maintaining a happy balance. The right balance will feed your personal growth into your business growth and your business growth into your personal growth, creating a real virtuous circle of success.

PUTTING SUSAN'S WORK/LIFE BALANCE STRATEGY TIPS INTO PRACTICE

- First, know where you want to be. Know your goal.
- Next, decide what your ideal work/life balance is. Bear in mind that having as much life as work can, strange as it seems, benefit your business and personal growth.
- Think about whether you will specialise in one type of project or work in several different types of projects. Both give you experience, just different kinds of experience.
- Don't be afraid to focus on whatever you're good at or whatever your passion is. There's a lot to be said for this. It's always easier to do and easier to grow in something you're good at.
- If you have a single core business specialism, don't be afraid to have additional interests to support your main business, as this can help develop your skillsets and benefit the core business. That's even more of a win-win.
- Learn as you go. Learn from the bad as well as the good. Not all the things I've done in property have worked out as well as I hoped. You can still learn from them to grow your business and grow yourself.
- Remember bigger isn't always better. Rather than looking just at the big money, look at the bigger picture. You'll grow more in business and more in your personal life that way.
- Lastly, always keep that end goal in mind. Big business, or lifestyle business – that's a very good way of keeping you focused. If at any point your goal seems to be slipping away, make some 'running repairs' to pull everything back on track.

Whatever you decide to do I wish you all the very best. If I can help you in any way, book a free coaching call at

www.thepropertymentor.com and let us help you really grow your business and succeed in your property journey. Alternatively, get in touch by email at info@thepropertymentor.com or call us on 01244 760213.



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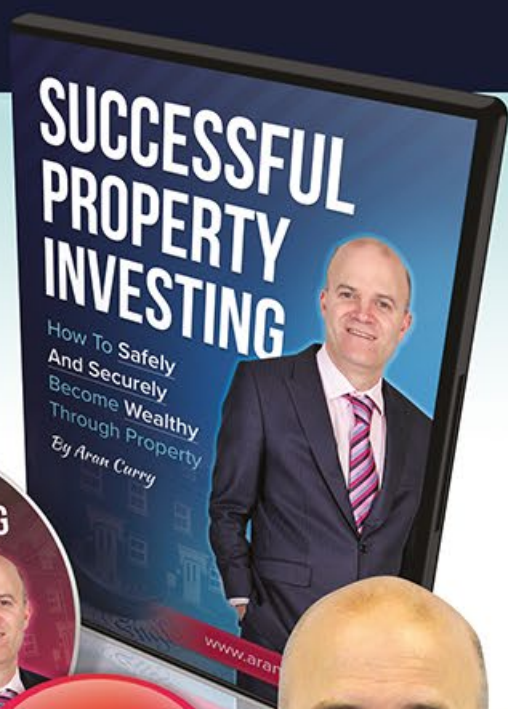
"Well, this book is terrific. Presented in a light style, it bounces along and succinctly covers a lot of ground. There's an integrity to the presenter, you believe him. He comes across as a man who has genuinely created a successful property investment business" **CM**

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OVER THE GARDEN FENCE

A GUEST RANT BY JAYNE OWEN

Before I start, let me point out one thing. Our builders were on site, and it was a Bank Holiday. That's your cue for a sharp intake of breath.

The site in question is a plot of roughly half an acre on which we have planning permission for four units. One of the many conditions of planning is that we strengthen the boundary between this site and the property next door. The surrounding environment is a bit awkward, it's a hillside and our plot is at a slightly lower level than theirs. The existing boundary consisted of little more than an earth bank with overgrown shrubs, a broken post and wire fence, and a hell of a lot of weeds. It wasn't too stable, so all in all, everyone was more than happy that we had to replace this mess with something more secure and permanent.

The only stipulation was that both parties – us and the folks next door (let's call them Mr and Mrs X) – agreed on the type of construction of said boundary.

After a few months of harmonious toing and froing, we concluded that gabions would be the best option. We exchanged emails for documentary evidence. After that Mr X, a fairly genial sort of chap, then became positively enthusiastic as he'd been trying to sort this boundary out with previous owners for over 25 years. Moreover, the whole site had become an eyesore so he was delighted we were making a start at last – anything would be better than what was there now. Each time we saw him, he asked when work would begin, and the eventual words "next week" were met with a glad smile.

Bank Holiday Monday dawned bright and sunny. This is worthy of note because months of rain had prevented any progress at all. The site being on a hillside, sloping access and wet ground made it impossible to get equipment down there. But now we'd had a few dry days, the ground had dried out.

The digger had turned up the previous week. The builders turned up at 8.15am.

We were ready to roll.



15 minutes later, all hell broke loose when Mrs X, clad in her dressing gown (curlers may or may not have been involved), peered over the collapsed fence and started remonstrating with the builders. The Other Half quickly intervened, but the situation escalated. She demanded in great voice that we do absolutely nothing. If we did, she yelled, she was going to call the police. Because she was, she declared, loud enough for the whole village to hear, a member of the RSPB.

One of the very many but perhaps less obvious things that developers large and small need to know is the law around the bird nesting season. During this time (generally March to August but it's not exact) it is an offence to intentionally kill or injure a wild bird or disturb or damage a nest. We'd been concerned about this because we hadn't been able to make an earlier start due to the wet conditions, but advice confirmed we could proceed with caution, halting works until the end of the season if we spotted any sign of nesting activity.

The Other Half's blood was up and so was mine. We double- and triple-checked the legal situation and – just in case – The Other Half pre-empted Mrs X and called the local police himself to ask what they would do if she did contact them. They were bemused to say the least. Still, they asked a couple of questions then reassured us that, well ... there wasn't much at all they would do about it really. (Subtext: we've got bigger stuff to worry about than you and your neighbour squabbling over a few brambles.)

Less than five minutes later, as The Other Half was pacing circles to let off steam, the phone rang. It was Mr X, genial as ever. How,

he asked, were things going? Was there a problem?

HUH???

No mention of the altercation with Mrs X. At all.

He went on to say that of course we must go ahead. That he really wanted the boundary sorted out and wouldn't do anything to get in the way of it (er ... doesn't he ever talk to his Mrs?). In fact, he'd do all he could to help.

Well!

The Other Half and I stared at each other, speechless.

What really bugs me about this is why on earth, instead of coming out and bawling at the builders, didn't she get in touch when she saw the equipment arrive? Why not sit down over a cup of tea and express her concerns in a civil manner?

And why the hell don't Mr and Mrs X talk to each other?

Bloody neighbours. However, we do now have a sound gabion retaining wall and a clear, level site. We are still on good terms with Mr X. But we haven't seen Mrs X since that Bank Holiday morning.



Jayne Owen

Editor | Your Property Network





Need furniture for your investment property?

YES



I want to buy my furniture



Great, we offer a wide range of furniture that we can offer you for your property

YES



I want to finance the cost through my business



Fantastic, we can help you using various rental and finance options suitable for your circumstance

YES



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YOUR PROPERTY PROJECT

Interview: **Ant Lyons and Angharad Owen** Words: **Angharad Owen**



YPN subscribers will recognise **Andy Graham** as one of our regular contributors. So when I saw his project on Facebook, I couldn't resist sitting him down to question him about it. We found out how he achieved the look and feel of the property and how it fits in with the rest of his business, all within budget (ish).

BACKGROUND

Andy buys, develops and holds HMOs through his business Smart Property. Their portfolio extends across the North West and the Midlands, including Manchester, Sheffield and Leicester. While the most of his properties are catered towards students, he also provides some professional HMOs in non-student areas. (You can read his article on student vs professional HMOs in last month's magazine.) All his houses are managed in-house through the management department of Smart Property.

Starting with a small amount of student properties just after he left university, Andy found himself enjoying his property journey and growing passion for business. He no longer wanted to wait for large profits before being able to expand and scale.

While he was researching ways to expand, Andy met his business partner Nick Morris. *"We had a shared interest in property, particularly in the investment side of things. He's an investment guy."* Through their

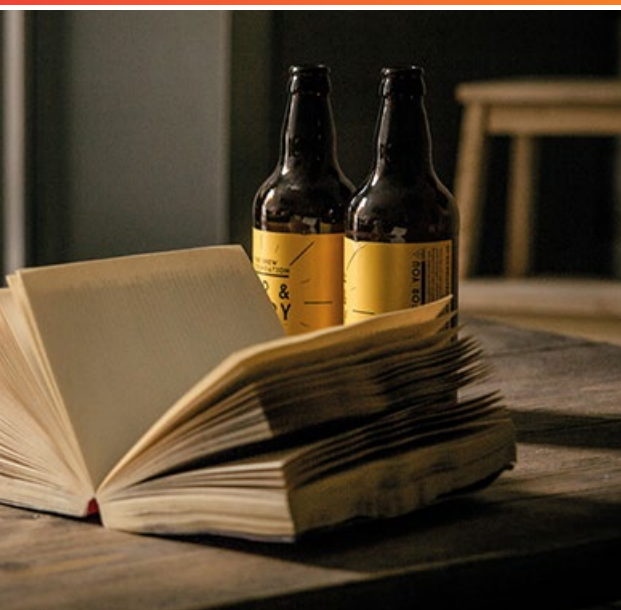
combined ideas for the business and collective past experiences, they became attractive to investors and could use private investment funds to scale the business further. To date, they have received in the region of £10m.

“Although all properties are susceptible to market changes, it's especially true for student properties”

They currently invest using a 12-year model. They plan to keep a property for the full

term, as it allows them to have security and confidence for the foreseeable future. However, no matter how good a student property may look when it's first been refurbished, it will need at least one other refresh within the 12 years. It goes without saying that students are not attracted to tired houses. Andy and his team always allow a budget or a secondary refurbishment when looking at a deal, as they don't want the house to be undesirable, outdated and potentially become a financial black hole.

Although all properties are susceptible to market changes, it's especially true for student properties. The most successful student houses are close to the local university and are priced appropriately for the area. *"It doesn't matter if you have the very best property, if you price yourself £20 out of the market you don't get the occupancy you want."*



THE PROJECT

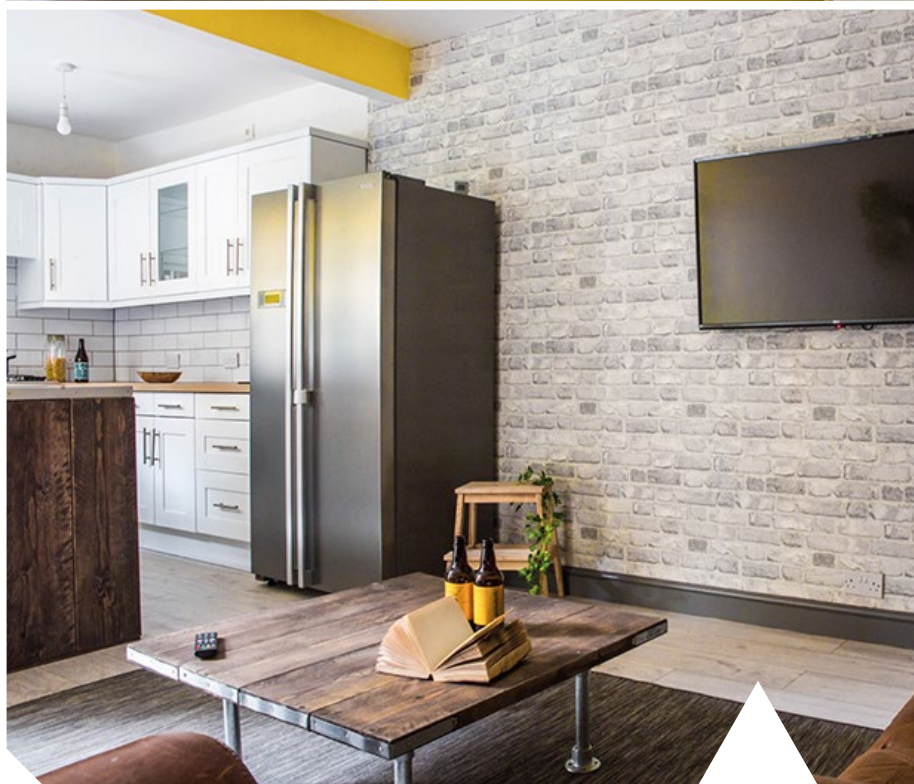
The property we're looking at this month is in a prime student area in Sheffield, not far from the Smart Property office. It's an area that the team know well, as they have several student properties there. In fact, they owned the house next door!

The house was listed for sale with an agency who didn't usually work with student properties. The agency weren't aware of the value of what they were selling, and the listing didn't include terms investors would look for: Article 4, HMO, etc, so it was being ignored.

It didn't appeal to residential buyers either; the house was in a poor condition and had four professional tenants living there. The owner lived abroad, and the property had been overlooked and uncared for.

When their offer was accepted, Andy asked the vendor to collect evidence of Article 4 compliance. The owner found old tenancy agreements and uncovered enough evidence to comply with the council. *"We didn't have it in the form of a certificate of lawful use or an actual planning certificate, but we had it in the sense that we had the physical evidence of every tenancy agreement dating back to 2011, showing continuous use as a HMO, if ever we needed to present it."*

Having the evidence ticked the box to say it was compliant within the Article 4 direction, it gave them the ability to turn the front room into a fifth bedroom. They took out a chimney stack from the kitchen-dining area to reclaim some living space. Increasing the size of the living room meant that they could now fit two sofas, a wall-mounted TV and a large American-style fridge-freezer.



SHEFFIELD (PRIME)

5 BED STUDENT HMO,
A4 COMPLIANT

CAPITAL

Purchase price	£223,000
Legals, survey	£9,650
Stamp duty	£8,650
HMO licence	£700
Refurb	£30,728
Total	£ 272,728

SPACE COST ANALYSIS

Area sq m	105
£ / sq ft	£197
Average £ / sq ft Postcode	£193

GOOD DESIGN, ON A BUDGET

Andy loves architecture. He appreciates good workmanship on both the inside and outside of buildings. He now takes photos of everything that inspires him, and tries to recreate or incorporate his favourite elements into his properties.

In Sheffield, the private rental market for student houses can command a maximum of £110 per person per week for non en-suite rooms (at the time of writing). To achieve this, the team at Smart Property knew that they would have to provide something special to stand out, but within a budget.

Luckily, some of Andy's friends work in the design and interiors industry. One is a store designer for Ikea and another is an award-winning carpenter. Together, the three of them looked at the house and discussed ideas about how they could differentiate themselves from the market.

The finished design is a culmination of Andy's experience over the years. He has taken inspiration from people he has worked with in the past. Andy oversees all projects in Sheffield, this one included.

The design was based around two main features: brick and timber. The brick effect was created using wallpaper, which is a relatively cheap but effective

method of adding something special to the house. The timber element was added through various cladding and *"I then decided last minute to pull up the whole kitchen-diner floor and put a good wood-effect laminate down."* He used 12mm commercial-grade laminate, to be exact. Andy's hoping that he never needs to take the floor up again in the next 12 years!

Other materials, such as wood used for shelves, were reclaimed from scaffold boards and palette timbers.

With the two textures in play, Andy and the team settled on creating an industrial concept for the house. Everything else in the room then played off against those two features.

Smart Property aren't too fussy when it comes to furniture and supply materials. In the past, they have relied on one furniture supplier to furnish the entire house – but they have found that doing it this way tends to define the look and concept of the property. They want to keep their properties unique, so they now shop around and look at individual suppliers, both online and offline.

Finding furniture has now become a role in itself, particularly as they often have several refurbishments happening at any one time – someone needs to negotiate with suppliers and be at the property to welcome deliveries. However, their efforts have paid off as the feedback from customers has been very positive.

In the past, Andy has found that the contingency fund is not enough, and he has had to claw back costs from other areas of the budget – usually the design fund, as it's one of the last things to be done. The small bits and pieces that tenants or buyers love to see gets pushed aside because the developer had to fork out an extra £1,000 on a piece of steel.

As a team, they decided to not touch the design budget. The result – the property that the tenants see – is what they consider to be their identity and brand. *"As soon as we lose our brand, we feel like we're potentially just any student property provider."*

Their aim is to always 'wow' tenants as soon as they walk through the door. Andy wants tenants to appreciate the value for money the property delivers. To give tenants an idea of what it will be like to live there, Andy's team dress the house for viewings. There's even a section of the office dedicated to dressing and photographing rooms!

“As soon as we lose our brand, we feel like we're potentially just any student property provider”

Smart Property have a good reputation in their areas, so tenants know what they can expect before they see a finished product. As a result, the house in Sheffield was fully let before the works had even started. Tenants were shown photographs of previous Smart Property houses, so they knew what quality and feel of house they would expect.

One of the reasons that Andy works so hard to create products that he – and ultimately, his tenants – are proud of is that he has had enough of horrible student lets. Andy wants his tenants to be comfortable in their home. University can be one of the best times in life, and where a student lives can make or break the experience. High-quality accommodation also dictates a better quality of tenant and ultimately, a superior long term investment.



GEARING / FINANCING

Financing

Re-value	£310,000
BTL Mortgage	4%
LTV	75%
Loan Value	£232,500
Annual Interest	£9,300

Capital required

Cash Invested	£272,728
Cash Released on Re-Finance	£232,500
Capital invested	£40,228

INCOME / PROFITABILITY

Returns

Rental Return - Students

Rooms	5
Rent pw	£110
Occupancy (weeks per year)	52

Gross Rent	£28,600
Bills	-£2,500
Mortgage Interest	-£9,300
Repairs and Maintenance	-£550

Net rent (annual cashflow)	£16,250
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Return on equity @ 75% LTV	40.39%
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CAPITAL APPRECIATION

Long term average per annum	4%
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Annual capital appreciation	£8,920
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Total rent and capital	£26,270
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Return on Equity @ 75% LTV	65.3%
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THE FINANCIALS

They purchased the house for £223,000. The total costs including the refurb, stamp duty etc, came to £273,000. They had a budget of just under £31,000 for the refurb.

After the works had been completed, the property was valued at £310,000 on a lender's valuation. *"I think there's a degree of a commercial valuation in there. I don't think the house would sell without tenants in situ and a contract at that price."* Andy has left around £40,000 in the project, and is achieving a gross rent of £28,050 a year. Every investor has a different way of calculating whether a deal will stack up or not, and several elements determine whether Andy will buy a property.

They purchase their properties with cash and the cash yield is an important factor. They aim for 10.5% gross profit, and then costs of management, maintenance, bills and any other costs are subtracted. They also need to see a minimum of 14% on the Internal Rate of Return (IRR) over their term of 12 years. (This is a method of calculating the profitability of an investment without including external factors such as capital growth.) The other crucial factor for Andy is how close to the bricks and mortar value they are paying – they don't rely or gear on commercial valuations.

When they first started, the only financial assistance they had was what they called 'emotional money' from friends and family. As they grew their business and gained credibility, they began to work with more experienced investors beyond their immediate circle.

They are predominantly working with two investors and have set up private funds to deploy money into it. This system has allowed them to keep buying one or two large properties per month.

“ I don't think the house would sell without tenants in situ and a contract at that price ”



COMPETITION WITH PBSA

Student houses have a certain amount of value, and they always have a plan B – if they can't make it work as a student HMO, then it can be placed back onto the residential market.

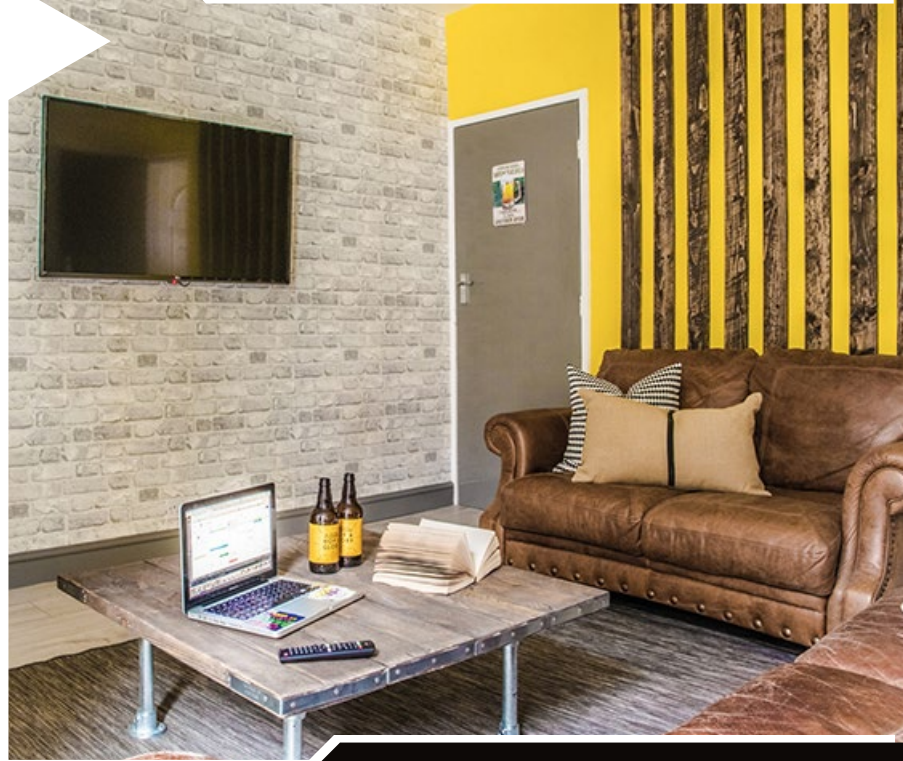
If they were to stray into the purpose-built accommodation sector, they would be taking a leap into the unknown. *"I keep my ear quite close to the ground and I've heard that the big units in Sheffield aren't reaching anywhere near full occupancy. I suspect Sheffield is not the only city where this is happening."*

They hope that the PBSA developers will compete against themselves, allowing businesses that focus on small student houses can continue developing high-end HMOs. Students will always appreciate the choice of living in a house or a purpose-built block, so Andy isn't worried about the competition (yet).

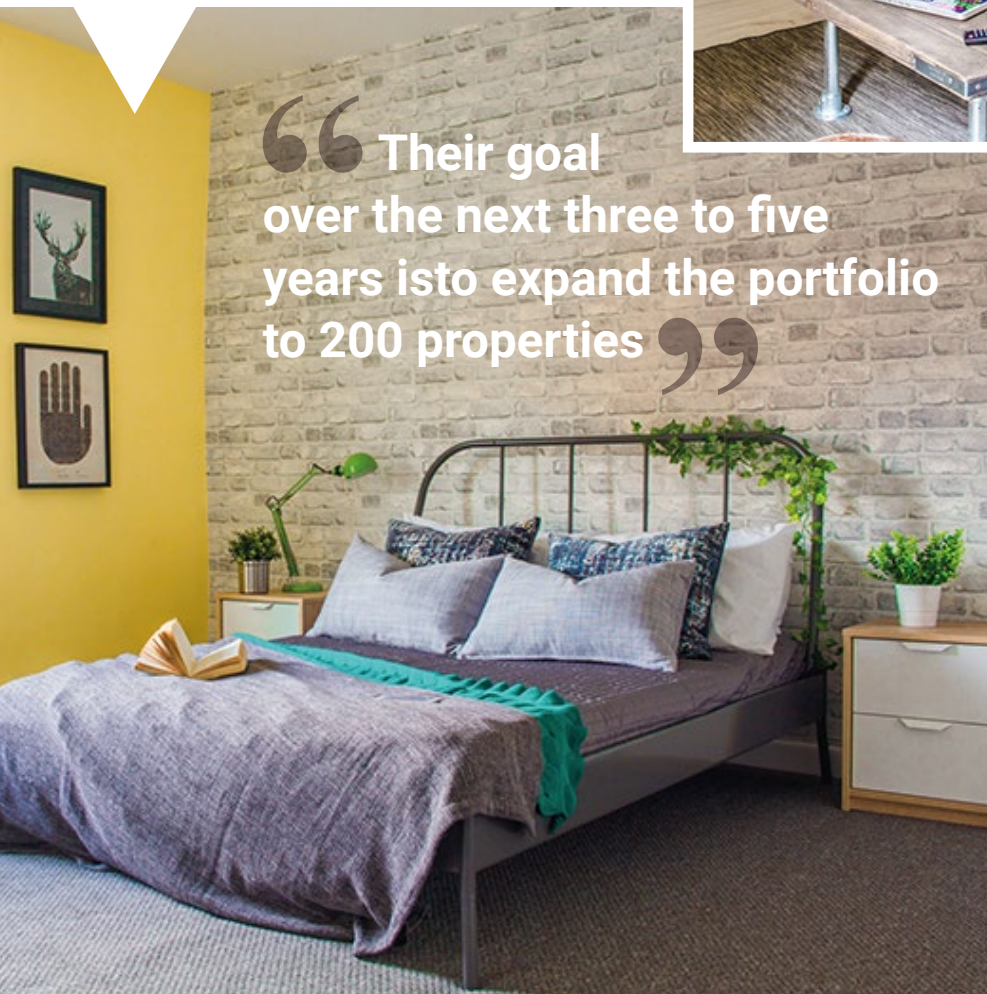
MOVING FORWARD

Along with his business partner Nick, Andy plans to continue expanding their business by purchasing more HMOs. Their goal over the next three to five years is to expand the portfolio to 200 properties and aim to do so by continuing to buy at their current rate along with purchasing portfolios of 10 to 15 properties.

The commercial opinion surrounding HMOs – particularly in the student market – is becoming more and more apparent. The future is uncertain as to whether they will be restricted by the consolidation of the HMO investment market. It may be a case of changing expectations, or even changing their investment model altogether, but they will have to wait and see what the future holds.



“ Their goal over the next three to five years is to expand the portfolio to 200 properties ”



GET IN TOUCH

Andy welcomes YPN readers to attend a discovery day at one of his properties in Leicester in July. A small amount will be charged, and 100% of the proceeds will be donated to charity. Find out more by contacting Andy now.

Email: andy@smartproperty.co.uk

Website: smartproperty.co.uk

Instagram: [smartpropertyinvestment](https://www.instagram.com/smartpropertyinvestment)

Facebook: [Smart Property](https://www.facebook.com/SmartProperty)

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

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JACKIE REEVES

MARK LLOYD

RENT-TO-RENT (R2R)

GETTING DEALS VIA LANDLORD LETTERS

By **Raj Beri** with **Morgan Roberts**



This article marks the start of a series of short, but succinct, one-page articles targeted at the property newcomer. The aims of the forthcoming articles are two-fold: firstly to explain the property or marketing strategy "in a nutshell"; secondly to demonstrate that it works in the current market by showcasing deals acquired in the past 12 months or so. We'll kick off with using landlord letters to acquire R2Rs and other deals.

WHAT IS RENT-TO-RENT?

Rent-to-rent has been covered extensively in the pages of YPN but in essence, one leases an HMO long-term from a landlord who may be struggling with it for a myriad of reasons. The R2R investor offers the 'motivated landlord' a guaranteed rent plus a host of other benefits, eg property maintenance. Using skill and knowledge, the investor is able to achieve much higher occupancy levels and higher rents, and can therefore keep the difference (profit) between the guaranteed rent and the market rent. Done properly and ethically, this type of arrangement can be a true win/win.

HOW DOES ONE GET RENT-TO-RENT DEALS?

There are several ways, eg building up relationships with letting agents, going direct to vendor via online platforms such as Gumtree, Rightmove or via word-of-mouth, network meetings, Facebook groups, etc. Alternatively, one can send letters directly to the owner, commonly known as "Landlord Letters".

TO SEND LANDLORD LETTERS, HOW DOES ONE ACQUIRE THE LANDLORDS' DETAILS?

A good question. The council maintains a database of all Mandatory Licensed HMOs. This database is "Public Information", which means that one can request a copy, though may need perseverance to get it. Notwithstanding the legal confines of GDPR, one can then write a letter to the landlord and offer the services of R2R. The database list could be tens of HMOs to thousands of HMOs depending on the council.

WHAT'S THE BEST MARKETING PROCESS FOR LANDLORD LETTERS?

This often varies and we're not sure if anyone has "tested & measured" response rates using the different methods. Let us explain. One school of thought says each envelope should be handwritten and colourful, to grab the attention of the landlord. However, faced with 1,000 letters to send out, you may opt for online tools, eg Docmail. Ideally, the letters should be sent to the landlord's home address but if this is not possible, send letters addressed to the landlord to the HMO itself. **The most important thing is to get started and perfect the marketing as you go along.**

If the list of HMO landlords is long, it's sometimes prudent to break it down, eg a list of 800 landlords could be broken down into sending 100 letters every week. Don't expect a response straight away – you need to send letters regularly, perhaps tweaking it a bit every time you send a batch. Some landlords will ring or send a text asking you to **STOP** sending the letters. Be respectful and compliant and remove them from your list.

WHAT SHOULD THE LETTER SAY?

Introduce yourself and then carefully highlight the services you are offering. These vary from one R2R investor to another but at the most basic level, a guaranteed rent is offered during a three-five year lease. Additional benefits could include: undertaking some (or all) repairs, refurbishing the property etc. Next would be meeting the landlord at the property, building up rapport and structuring a solution that suits both parties.

CAN YOU DESCRIBE A RECENT DEAL USING LANDLORD LETTERS?

For this case study, Morgan obtained the HMO list quite easily from his local council. As it contained the landlord's home address, he sent the letters there. The original list had over 2,000 licence holders but as he was only interested in certain areas of his city, he whittled it down to 600 landlords. Morgan used 'mail merge' to merge his letter template and spreadsheet and

sent the letters every seven-eight weeks. He printed the letters himself and signed them in blue pen so they would stand out. He also put each letter into a coloured envelope and handwrote the landlord's name and address before posting. He wanted to use a more personal approach but has now outsourced the envelope writing to his willing niece!

Morgan used a more 'generic' Landlord Letter – he has already bought an HMO as a JV, signed off a PLO (ie a R2R with an option to buy) and is finalising a R2R deal at the time of writing (this vendor has two other properties but wants to see how Morgan gets on with property #1). For the PLO, the landlord was in negative equity but wanted to retire so Morgan was able to structure a win/win deal.

So it's clear that Landlord Letters do work if you are persistent and you come across a 'motivated landlord', ie one who has a problem that needs a solution. Morgan has certainly been persistent, and this has paid off!

CASE STUDY	Initial Option Fee:	£1,300
	(to cover vendor legal fees using a solicitor on his recommended list, key to securing the deal)	
	Legals:	£1,000
	Monthly option fee:	£620 pcm
	Refurb cost:	£12,000
	Gross rental income:	£2,550 pcm
	Annual net profit after bills/maintenance/voids:	£12,900
	ROI:	90%
	Option term:	3 Years
	PLO worth:	£38,700
	Agreed purchase price:	£180,000
	GDV:	£190,000-£200,000

If you want further details about Morgan's R2R strategies or the opportunity to work with him, please contact him directly via email or his website.



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BUYING AT AUCTION



By **Max Scott**

PART 3 ON THE DAY



In the final instalment of this short series on buying property at auction, investor Max draws on his experience to give 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 ...

Over the past two months, I have outlined a brief summary of the current property auction market in the UK and discussed the due diligence that you need to undertake before you consider buying at auction. This month, we'll run through what happens on the day itself.

In addition to getting to the venue early to check the Addendum (see the Legal pack section in Part 2), at most auctions you will need to bring:

- ID
- Proof of address
- A payment method

Different auctions accept different payment methods so it's worth making sure what you'll need with your auction. If you are bidding on behalf of or via a company, you may also need:

- The incorporation certificate
- Proof of directorship/authority to bid

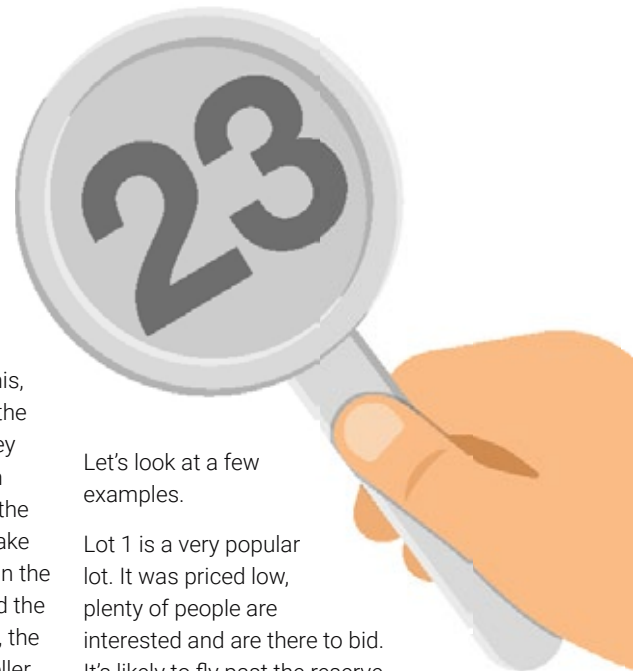
I would also advise allowing plenty of time to get there, because if you suddenly hit traffic and struggle to park, it can be very stressful – and I am talking from experience!

BIDDING

This may surprise some people, but it is absolutely standard that auctioneers take artificial bids (from the flower pot, wall, hanging picture, etc) up to the reserve price.

The reason they only take these fake bids up to the reserve and not beyond this, is simply because neither the seller nor the auctioneer are incentivised to do so. They are going to achieve a sale if one person steps up and takes the next bid beyond the reserve. If the auctioneer took another fake bid on top of the one from a real bidder in the hope of driving up the price for them and the seller, then there were no more real bids, the property would be sold to no-one, the seller would still own the property and the auctioneer would get no commission. It's simply not worth it.

So why take fake bids in the first place? It depends very much on the particular lot.



Let's look at a few examples.

Lot 1 is a very popular lot. It was priced low, plenty of people are interested and are there to bid. It's likely to fly past the reserve. The auctioneer may start off asking for the guide price. If no-one steps in they may lower it slightly and wait a few seconds – in a lot like this, chances are a real bidder will step in. If they don't a fake bid will get the room going and then the real bidders are likely to step in.

Lot 2 has set a comparatively high guide and reserve price and based on the viewings, legal pack downloads, etc, the auctioneer is not sure if it will even pass the reserve price. Perhaps there are one or two people in the room there to bid, which certainly isn't enough between the bidders to drive the price up with haste.



So when the auctioneer starts the bidding and no hands go up, they start taking fake bids. The patterns are much easier to spot on lots like this. Say the reserve is £220k and the guide was £200k. Bidding may start at £170k, it may go at a reasonable pace with fake bids being taken to £180k > £190k > £200k. If no real bidders are stepping in they may start moving up in £5k increments, £205k > £210k > £215k. Just as the next bid approaches the likely reserve price of £220k, there will be a pause, fake bidding has stopped and the auctioneer is waiting for a real bidder to meet the reserve price. If they do, great. If not, the next step is to take smaller increments, a fake bid may go to £218k, and again there is a pause waiting for the real bidder to step in.

In the second example, the auction room may never have got going past £170k at all as bidders often don't want to be the first to bid, instead preferring to see other interest. If something fails to sell and the last perceived bid is £218k vs £170k – the offer an investor makes post-auction will also be very different.

If you are interested in lot 2, hold your nerve and you may pick it up post-auction for a great price.

A word of warning though...

I have seen the situation where I thought there were no real bidders ... and then the gavel has gone down and the property is sold. Some auction rooms are relatively small and all bids are accompanied by a clear bidding number being raised in the air; others are a simple nod to the auctioneer – much harder to spot at the back of the room!

This is one reason why it's good practice to go to your local auctions and see if you can spot any of these patterns.

Given this, the best place to stand in my opinion is at the back side of the room. This gives you the widest view of the room, enabling you to spot most people without turning around.

YOUR MAXIMUM BID

Like with any offer, it is important to make sure you include all the costs applicable to a property and work backwards to your maximum bid. You do need to keep an eye on costs when buying at auction; there are auction house fees, the legal pack can include any fees they want (typically searches and often a contribution to the seller's legals), bridging finance can also have a lot of different fees – so make sure you factor them all in.

It is essential that you decide on your maximum bid the day before the auction and stick to it. It's common for people to get emotionally attached to a property, and then get carried away on the day and bid beyond what they had set as their maximum bid the day before.



BIDDING NOT IN THE ROOM

If you can't make the auction, there are several other ways to bid: online, over the phone or by proxy.

Be warned, the few days leading up to an auction are manic for auctioneers and so for these types of bidding you generally need to have submitted your bid forms and a deposit at least a day before the auction.

This is one of my main issues with not bidding in the room. In order to send 10% deposit of your maximum bid, you're giving the auctioneer, who acts for the seller, your maximum purchase price. Whenever I've needed to bid remotely, I disguise my maximum bid, perhaps by saying I'll send 10% of the guide and if I bid more than that, call me and I'll pay over the phone – they won't like it but there is an element of flexibility and it can generally be negotiated.

Given this, I would flat out never bid by proxy. This is where you tell the auctioneer your maximum bid and they bid on your behalf up to that price. For me, there is too much conflict of interest here. At the very least, the auctioneer can be slow and patient with the bidding, knowing that one other bidder in addition to the proxy bidder will mean the price keeps going. At a more extreme end, who would ever know if the auction took fake bids between the reserve and the proxy bid? Or if a friend of the auctioneer bid to one below the proxy bid? Not for me, thanks.

Phone and online bidding are okay, but you don't get a feel for the room and you can't tell if there are fake bids up to the reserve or not.





BIDDING PRE- OR POST-AUCTION

Pre-auction offers are normally only accepted when the seller needs the certainty of a sale and/or the interest hasn't been what they'd hoped for. Try and get a feeling for the level of interest from the viewings/auctioneer.

Most auctioneers don't like bidding pre-auction, they work hard to fill their catalogues and having several lots sold prior isn't as good for them as selling on the day – therefore if you do bid prior, make sure you ask for confirmation that the offer has been forwarded to the seller.

A more genuine concern for seller and auctioneer is the fact that if you are offering £200k pre-auction, surely you would bid to that on the day or perhaps higher? Coupled with other potential buyers, surely it will sell for more in the room? Therefore if I bid pre-auction, I'll always say I can't attend the auction and won't bid if I'm not in the room.

Trying to buy a lot post-auction is of course risky in that it may sell. However, there are many advantages; the seller is discouraged, you are likely to buy at a better price and under the original reserve. Also you may be able to negotiate terms, which can be particularly useful if you are new to auctions, for example, a six-week completion, subject to survey, or perhaps even a mortgage – all dependant on the seller's attitude and circumstance.

If you have a feeling a property won't sell and you would like to buy it post-auction, it can be a good idea to put a very low offer in pre-auction. They'll reject it, then hopefully it won't sell, but the only offer on the table would have been yours and you look generous increasing it after the auction.

SUMMARY OF KEY POINTS FOR BUYING AT AUCTION

- 1 **Ignore the guide price**
- 2 **Do the numbers and make sure you have included all extra costs**
- 3 **Do your due diligence carefully, and with tenanted properties, make sure you have additional documentation and check the arrears**
- 4 **Arrange insurance before you bid**
- 5 **Decide your maximum bid the day before and stick to it**
- 6 **Know the completion date**
- 7 **Make sure you have the money**

Whether you are a seasoned or a new investor, considering buying at auction or not, go to your local auction! It's fun, you build rapport with the auctioneers and you'll learn about your local market. You should also subscribe to your local auctioneers' catalogues. Going through them is a great way of getting creative and thinking what you would do to each property to maximise value and income. Auctions may seem daunting at first, but they are a great way of finding value once you understand them.

CASE STUDIES

DODD'S COURT, DOVER

This was my first auction purchase, and my first title split project.

Purchase price: **£474,000**

SDLT and fees: **£8,000**

Improvements (the only work was on the outside – painting car parking spaces and making the rear garden maintenance free): **£3,000**

New valuation: **£600,000**

- 3 x 1-beds @ £90,000 **£270,000**
- 3 x 2-beds @ £105,000 **£315,000**
- Freehold **£15,000**

Profit: **£115,000**

Rental income pa: **£40,500**

Yield on cost: **8.23%**

BLATCHINGTON ROAD, HOVE

This is a mixed use property, and the flats are now used as serviced accommodation.

Purchase price: **£440,000**

SDLT and fees: **£16,500**

Improvements (loft conversion and refurbishment of one flat): **£45,000**

New valuation: **£620,000**

- Shop **£80,000**
- Ground floor flat **£260,000**
- Top floor flat **£270,000**
- Freehold **£10,000**

Profit: **£120,000**

Click here to 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.

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STAR PROPERTY
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THE POWER OF A PROPERTY SSAS PENSION

Howard Cain & Kathy Bradley, Asana Property Investments

PROPERTY & PENSION INVESTMENT SUCCESS STORY

Property investors Howard Cain and Kathy Bradley, hosts of the renowned Bolton based Asana Property Meet, are benefiting from the power of a Property Pension technically known as a SSAS Pension to grow their property business.

Howard and Kathy invited Mike Holt of The Landlord's Pension to speak at their highly regarded Asana Property Meet in the North-West to share information on SSAS Property Pensions in early 2017. Since then they have decided to move their old pension funds together into one single Property Pension and are now reaping the rewards.

Although a former financial advisor, Howard was never a specialist in the SSAS property sector and commented "Despite being qualified, SSAS pensions are a specialist area and I didn't fully know how they work or realise how they could help us build our property business. Traditionally, financial advisors tend to stay away from SSAS pensions but I believe they are the best type of pension that any SME business owner could have" He continued "We invited Mike to present at the Asana Property Meet and he delivered a really sharp and informative session demonstrating just what could be done with a SSAS".

"My 'advice' to anyone in property considering a SSAS pension is to get it started now"

After discovering the benefits of SSAS pensions and seeing how these funds could be used to grow his property business and increase his pension fund, Mike worked with Howard and put together a plan outlining the various strategies for investing in property using pension monies that were current-ly tied up in an old company pension scheme.

"Mike took the time to explain everything to us in plain English and we felt confident we could better utilise our pension fund by taking control and investing in property".

As a Director of his own property company, Howard was eligible for a SSAS pension which gave him the control and flexibility to invest in property in a variety of ways and even to lend money back to his own business. "The team at The Landlord's Pension made the process of establishing my SSAS pension straight forward and kept me informed through the entire process".

Howard now has a SSAS pension and with the help of The Landlord's Pension is investing in various property investment strategies. "My overall experience working with The Landlord's Pension is that they have been extremely helpful and pro-active throughout the process. The continued professional service and ongoing support I have received has been exceptional and I would not hesitate to recommend their services. My 'advice' to anyone in property considering a SSAS pension is to get it started now - no need to wait until you're my age! "

When Mike Holt spoke to YPN he confirmed "It has been my pleasure working with Howard and Kathy. I meet property investors and business owners up and down the country who often overlook historic pensions they have contributed to. At The Landlord's Pension we are changing people's perception of pensions. Rather than seeing this as money that you cannot touch until you reach the age of 55 we encourage our clients to see their pensions as assets which can be utilised to build or grow their property business today."



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PROPERTY HORROR STORIES

PART 1

By Richard Brown
aka



Property projects and property people – they are always good and always go according to plan, right? Well, let's look at the elephant in the room and call it what it is ... an elephant! Projects and people in property don't always go to plan. I know that's a shock to hear, isn't it? Don't get me wrong, there is plenty of good and when you find good, hold onto it. That's because besides the good is also the bad (and the downright ugly at times) as well ... sadly.

I have been holding onto a few real-life stories of property projects, some are my own and some are from people close to me, that have not gone all that well. Over the next couple of issues, I plan to share some of those stories with you in a kind of mini-series, where you can see some of the darker side of property and people within property ... perhaps as some kind of therapy for me at the same time. However, I will also share some of the lessons learned or steps to take to help protect ourselves against these sorts of issues arising. I have removed the names of the companies to avoid 'naming and shaming' them, although I am comfortable to let you know personally if any company that you are thinking of working with is on my personal 'black list', as a part of your own due diligence.

HORROR STORY NUMBER 1

A turnkey property management company is one that offers everything an investor needs from a single source. It could include some or all of:

- **Sourcing a property, often at 'below market value' or capable of being converted to improve its value or return**
- **Undertaking the project management of in-house or external trades**
- **Acting as main contractor for works in some cases**
- **Obtaining all necessary paperwork, such as planning and licenses**
- **Referrals to in-house or recommended external professionals, like solicitors or mortgage brokers ... please don't say 'power team' though**
- **Ongoing lettings and property management**

So, to the time-poor or less experienced property investor, using such a 'done-for-you' property partner can all sound very appealing.

If it goes well, and I am aware of some companies where it does seem to go well at least most of the time, then great; what's not to like? However, let's be realistic. Things can and indeed do go wrong in property projects, sadly it's the nature of the beast.

The idea is to undertake sufficient upfront research, inquiry and investigation that it minimises the likelihood of things going wrong later. However, some things can still catch us out and that's why it's always a good idea to have a contingency, both financially and in terms of alternative exits for your project.

Then, there are just those bad apples; people or companies that try to cut corners, cover things up or even operate in the shadows of our business. This is such a story. In this case, several years ago, I was looking to expand my portfolio into HMOs to access higher income / ROI projects. At the time I was working full-time and had never yet undertaken an HMO conversion myself. So, I was looking for a way to obtain an HMO without having to buy a ready-made one, which allowed me to better use my capital. A number of companies were offering a 'full turnkey service' and so I looked into them for my project.

After some research and investigation, including visiting their offices, meeting the team and one of the directors and speaking to some existing clients, I settled on one company to work with. In fact, I had already worked with them on a full-service flip project, so they were already known to me in a different segment. On that first project, there were a couple of small challenges that arose, but the most important thing was how these were handled by the company. They jumped on problems once identified and came up with a suitable workaround or solution, which I really appreciated. As I said, things can happen and whilst we want to try to plan so that they don't, if things do go awry, then it is the response that counts the most. This is a test of values and character, which runs deep I believe.

So, with that experience and the checks that I made, I felt them capable of delivering a more complex project; a full HMO conversion along with planning approval. But one swallow does not make a summer as Aristotle mused.

I was offered a property, which could be either converted into a six-bed or potentially a seven-bed, subject to planning approval. It should be noted at this point that their fee was directly linked to the expected GDV after works and refinancing; **verified by a RICS survey**. However, the fee was actually paid in advance and was calculated based on the higher seven-bed version. Planning permission was later refused, due to the property being in an 'area of restriction', which is similar to, yet distinct from an Article 4 Directive. Whether the turnkey company should have known this before suggesting the seven-bed option is up for debate. But what is not up for any debate is the fact that the GDV would be lower for a six-bed HMO than a seven-bed, would you agree? This meant some of their GDV-based fee was due to be returned. After quite a lot of discussion and disagreement, the director of this turnkey company agreed to refund part of the fee based on a revised RICS valuation.

Yet, they have not repaid this partial fee, despite promising to do so in writing and of course it is plainly clear that it is tied to the GDV and so due because the seven-bed option was simply not possible. **Sharp practice #1 then.**

When I originally bought the property, I used bridging finance and the turnkey provider started with the project. They acted as the main contractor in this case too and we agreed a Works Contract accordingly. The contract had certain stipulations, such as a definite project completion date, a fixed cost and certain warranties underwriting the quality of the work. All well and good.

Essentially, the project suffered a number of delays and issues as it progressed. In no

“Essentially, the project suffered a number of delays and issues as it progressed”

particular order, there were 'extras' added into the budget for 'unforeseen work'. The scope of works was quite broadly defined and did not fully specify the detail of certain works to be undertaken. For example, 'upgrade the gas central heating system and replace the boiler' omitted to mention the fact that it would actually be tagged onto the existing pipe work and radiators; 'adding seven en-suite bathrooms' omitted to mention that two existing and rather tatty bathrooms would essentially be left as is; and a 'full conversion' did not include fixing damp or rotten floor joists, which was apparent to a trained eye. Many of these points became bones of contention, resulting in additional costs being requested and problems being left to resurface later once the property was handed over.

Besides these issues and delays, after final handover, it became apparent to me that the property was not as it should be. The same company was also managing the tenants, so I was unaware that they were complaining about some faults, repairs and maintenance issues ... repeatedly. I became suspicious, as I was being asked to pay for repairs that I believed should not arise on a newly refurbished property. So, I instructed a trusted friend of mine to visit the property to inspect the work. He duly visited and came back with a snagging list of works extending to 54 separate items, which is a lot! It included items that I had paid for, which had not been done, and a long list of poor workmanship or faults to remedy too.

After some debate, the turnkey company finally accepted most of these items and then started to remedy them under their legal written warranty.

However, things went from bad to worse when a ceiling collapsed from an upper floor into one of the bedrooms below!



That should not happen, just in case there is any doubt. It appeared that some bathroom fittings had not been properly secured causing a leak into the floor / ceiling recess. This was exaggerated by the fact that the builders had simply swept debris under the floorboards rather than cleaning it out. Of course, this became heavy when soaked with water, leading to the ceiling collapsing. I had to put the affected tenants up in a hotel and eventually lost them as they were quite traumatised over the incident.

In short, after some argument (a recurring theme), the turnkey company agreed to fix the ceiling and to compensate me for loss of rent for the gap in tenancies whilst the work was undertaken and new tenants found. **I never received the agreed compensation despite it being agreed to by a director in writing. Sharp practice #2.**

Returning to the snagging list, whilst it was a painful exercise for all concerned, we managed to narrow the list down to six final remaining items. The turnkey company had clearly become frustrated by now and were complaining of losing money on the project, so they offered a very small sum for me to fix the remaining items myself. Sadly, their offer was not sufficient to cover the cost ... so we entered into yet another lengthy discussion around this point. Naturally, I suggested they just fix the issues, after all they caused them and were accepted by them and were also covered under their warranty, but they wanted none of this. In short, I had no option but to complete the work myself, of course costing me more than they had offered to fix those remaining six items and you guessed it: **I have never received any payment, not even the amount originally promised in writing. Sharp practice #3.**

The final straw came when a second ceiling collapsed, and I then heard directly from the tenants that there were many issues with the property and how poorly the turnkey company was managing it and also them.

So, I decided I needed to take back control of my property and duly served notice to the letting agent, which was a separate subsidiary of the turnkey company. I then self-managed the property and steadily returned it to a stable condition, managing to retain some of the by now very frustrated tenants, some of whom are still with me several years later.

However, the response of the turnkey company was quite immature and spiteful, to be perfectly honest with you. They simply stopped all communications, refused all calls, failed to answer emails, that sort of thing. Of course, they never paid any of the previously agreed sums they had agreed to in writing and simply turned their backs on me.

The situation right now is that I have had to resort to legal action to reclaim the three separate sums of money previously agreed. The court case is pending and my claim totals around £7,000 including interest. It has also cost me several thousand pounds in legal fees, which I do not know whether will be recovered or not ... that's at the court's discretion. Since then, the turnkey company has incredibly fully denied liability, despite previously accepting it in writing! So, it will be interesting to see how the court views this when it gets there, which is taking some time, sadly.



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LESSONS LEARNED AND STEPS TO TAKE TO HELP PROTECT OURSELVES...

1. Always do your research and due diligence on people you plan to work with. I had followed this step, but at least I can help to warn others through my personal experience.
2. Make sure all your agreements are in writing, full and complete, including specifications, timescales and warranties. I had undertaken this step, but due to a knowledge gap around scoping out works, it had some holes in it. So, I now always get a second pair of more experienced and independent eyes to assess my scope and schedule of works.
3. Document all correspondence in writing, even if that means summarising telephone calls on contentious items, as you never know if you will need to prove what's been agreed later. I had done this, fortunately.
4. Have your own independent inspections undertaken on projects. I adopted this one but sadly too late in the process.

Have you had any property horror stories?

Drop me an email admin@thepropertyvoice.net if you have, or if you want to do some due diligence on potential turkeys!

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".



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An introduction to

NO. **6**

HEATING & HOT WATER

How to choose the best hot water and heating system for your property.

Interview & Words: **Heidi Moment**

WHEN DO YOU NEED TO REPLACE A HOT WATER SYSTEM?

1. It's too old and is at the end of its life.

How to spot if it's on its last legs:

- Check the installation date of the boiler (usually on a sticker on the back of the front cover). If there's no date on it you can almost certainly assume that it's over five or six years old. Otherwise you might need to take advice from a plumber to give you an idea as to how old the boiler is and how much life's left in it.
- Look out for evidence of corrosion on radiators. In reality if the pipes aren't leaking, there's probably nothing wrong with them, but you may need to replace the rads.

Don't feel you need to rip out the whole lot and start afresh.

You may just need to replace the boiler (and sometimes the radiators). In many cases, there's no reason to touch the pipework.

2. You plan to upgrade the system or reconfigure the property.

If you're going to do significant improvements or upgrades to a property, it's sometimes easier to take the whole lot out and replace with new, because otherwise you end up with lengths of pipes that aren't getting warm because the circuit isn't the best.

3. You need to create more heat. This is often the case in older buildings where radiators are smaller than they need to be, or in strange positions so you need to move them, or perhaps there isn't a radiator in every room.

WHO DO YOU NEED TO HELP YOU?

A **plumber** and a **gas engineer**. Sometimes this could be the same person.

Plus an **electrician**, if you're having to reconfigure the electrics, to get an electric connection to the boiler.



DO YOU NEED ANY SAFETY CERTIFICATES?

Always make sure you are employing someone who is a Gas Safe Engineer and make sure they register the boiler with Building Control. On completion of the project you'll receive a certificate through the post to confirm it has all been registered.



USE YOUR OWN KNOWLEDGE — TRADESMEN ARE EXPERTS IN THEIR TRADE, NOT IN HMOS

Always take advice from your plumbing and the heating engineers, but don't be pushed into a corner to make a decision. You know more about how your tenants are going to use the house.

A few years ago I converted a property into a nine-bedroom, nine- en-suite HMO. The plumber said to us, "You'll need two boilers in this property to get enough hot water for nine bathrooms". We decided that our HMO tenants don't all get up at the same time. They often work different shifts, different hours, and therefore there was never a time where all nine showers were going to be in use at the same time. So we said to the plumber, "Just put in one boiler". The plumber was adamant that it wasn't enough, but here we are now three and a half years later, with only one boiler and we've never had a complaint that there isn't enough hot water. The plumber was right that in theory - for nine bathrooms we needed two boilers - but our experience told us otherwise and this saved us money.

WHAT TYPE OF BOILER?

You're going to come across two types of gas boiler – combination (combi) boilers and system boilers. There's a big difference between the two.

Combi boilers: A combi heats up water for the taps and central heating *on demand*. Effectively you turn on the tap, it fires up the boiler, and the boiler heats up water and delivers warm water to those taps. The same with the heating - the thermostat says the temperature in the room has dropped, which fires up the boiler, it generates some hot water and warms everything back up again.

Combis are really good for smaller properties, but they don't work well once you've got more than a couple of bathrooms and a kitchen sink because they can't generate enough water quick enough for them. They're nice small units, really good for flats and small houses.

System boilers: System boilers include a storage cylinder to store an amount of hot water. The boiler is set by a clock to heat the water, usually in the morning and in the evening for a few hours at a time, so there is always warm water available.

These are great because you can store more water, so you can have more bathrooms and more usage - great for a larger HMO. The cylinder takes up more space, of course, so you'll need a cupboard to put the cylinder in, as well as somewhere for the boiler to go.

WHAT TYPE OF SYSTEM?

When we first started putting in central heating, we used vented systems, which had an expansion tank up in the loft, so if the system got too hot the water just expanded into a tank. It was all gravity fed. They worked all right, but were no good for volume and you had to introduce pumps for powerful showers.

More recently, we've been putting in unvented or pressurised systems. The advantage of a pressurised system is that the water is 'on pressure', which means it is stored in a pressurised system so the hot water gets to taps really quickly, and you get nice powerful showers.

HOW TO CHOOSE THE RIGHT BOILER AND SYSTEM?

It's pretty simple really. In most modern properties, we would put in a pressurised system with a system boiler, but in flats and smaller houses, we would tend to go for a combination boiler. It all depends on the number of bathrooms and the number of people using those bathrooms.

“Less than three bathrooms you can use a combi boiler but anything more will need a system boiler”

A GUIDE TO TYPICAL BOILER & HEATING INSTALLATIONS

Rental type	Tenants	Number of bathrooms	Type of boiler & system
Single let	Family	1	Combi boiler
Single let	Family	2 (with 2 baths)	System boiler with either a traditional unvented or pressurised system
1-bed flat	Couple	1	Combi boiler
2-bed flat	Couple with 1 child	2 (with 1 bath)	Combi boiler
HMO	4 tenants	1	Combi boiler OR system boiler with either a traditional unvented or pressurised system
HMO	6 tenants	2 showers	Combi boiler OR system boiler with either a traditional unvented or pressurised system
HMO	6 tenants	2 baths	System boiler with either a traditional unvented or pressurised system
HMO	4 tenants +	All ensembles	System boiler with a pressurised system



HOW MUCH DOES IT COST TO REPLACE YOUR HEATING AND YOUR HOT WATER SYSTEM?

It's quite difficult to provide a benchmark here, because there are a lot of factors that come into it. You need to think about how much work there is, how many bathrooms there are, the size of the boiler and system, how big the cylinder will need to be etc.

- **A boiler for a smaller property**
£700 - £1,000
- **A boiler for a larger property**
£1,200-£1,800

Always take your plumber's advice, as they will advise on the right boiler for the property and they'll be able to get a good deal from their regular supplier.

- **To fit the boiler**
£300 upwards

It all depends how much work is involved. If it's a straight swap the fitting cost will be low but if you are completely changing the location you'll also incur costs for replumbing to the new position.

- **Replumbing the whole system**
£3,000 - £6,000

If you're doing a big HMO or more commercial type installations, don't be at all surprised if the cost is more in the region of £10,000 or £12,000, depending on how much plumbing work is needed and how complex the job is.

- **A new cylinder**
£1,000+

“ Like the saying goes, *‘if it ain't broke, don't fix it’*. Work with what you've got and add on to it ”



HOW LONG DOES IT NORMALLY TAKE TO REPLACE THE HEATING AND HOT WATER SYSTEM?

If you're replacing the central heating, then the plumber will come in for a number of shorter visits:

- **Visit 1 – First fix:** all the concealed pipework (1 week - 10 days)
- **Visit 2 – Second Fix:** put boiler and storage cylinder in (2-3 days)
- **Visit 3 – Final fix:** connect it all up and make sure it all works (2-3 days)

If it's a larger property, such as an HMO, these timings will be longer. Always ask your plumber for a timeline so you know what's happening and when.

ANYTHING ELSE TO BE AWARE OF?

Replacing some floorboards. Floorboards will invariably get broken when checking and replacing pipework, so don't be surprised when you need to get a carpenter to spend a day repairing things.

Modifying pipework and decorating touch ups.

Modern radiators are never the same dimensions as the old radiators so there's always going to be a bit of pipe modification needed to make it work. You may also need to patch up some walls too.

Always speak to your plumber and your gas safety engineer. Take some more advice and try to make it work properly for your property.

YPN SAYS

This section is all about helping you to look at potential opportunities.

As we're limited on space it isn't possible to cover everything in much depth, so make sure you listen to the audio as it contains much more information. And always take Martin's advice on who else to get to help you.

Good luck with your refurbishments!



Click here to listen to more from Martin

CONTACT

Contact Martin with any questions you have regarding refurbishments.

martin@refurbishmentmasterclass.co.uk
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LISTED BUILDINGS

THE PITFALLS AND THE POTENTIAL

By **Graham Kinnear**



Most of us will at some stage want to progress to bigger or more complicated developments. It's all part of our personal development throughout our property journey.

With this in mind, I am going to share with you this month a cautionary tale of a developer who had undertaken a couple of property conversions and developments, who then wanted to take on a listed building project.

We had project-managed two schemes for this developer, both of which went according to plan. He then announced that he had agreed terms to buy a Grade II listed property, which required comprehensive renovation.

Based on the figures incurred on the previous two non-listed projects, he had a figure and a timescale in mind. The discussions that followed served as a sobering lesson that listed buildings require a different approach.

The first thing to factor in is the time involved in pre-construction work. With a standard property you may get some pre-application advice from your local authority and then submit your planning application. The building regulation requirements are readily available, so you can have a good understanding of what is likely to be required to get that all-important completion certificate.

This is not the case with a listed building. Aside from a planning application you are

also obliged to submit a listed building application. This is likely to involve significant dialogue with the local conservation officer, who has a veto over the requirements of the building control officer. You will have to allow an appropriate period of time to navigate your way through both parties to achieve a satisfactory solution for them, and of course one that meets your own aspirations.

You may be required to undertake works that are different to those stated in the building regulations. These may require additional time, money and/or require specialist contractors. The conservation department view may differ, depending on the building you have selected to renovate, so it would be naive to think that what was permitted with the last listed building you refurbished, will necessarily be acceptable in the next one.

The timescale can also be extended. With non-listed projects, some works that the local authority state require a standard consent, may be allowed to commence with the application being retrospective. This will never be the case with a listed building as works to such a building without appropriate consent will always be an actionable offence.

For these reasons you should allow for a longer funding period for such a project whilst the paperwork is processed and the various parties involved consider your proposals. This is possibly less critical in a rising property market but will be

particularly worrying in different market conditions.

A further surprise for our client was the likely costs of the works themselves. In our particular example, the conservation officer wanted all the internal doors and architraves retained. My client took the view that this would represent a cost saving. This is rarely the case as the refurbishment of a 100-year-old door, which has had numerous locks and catches fitted over the years, is more costly and time-consuming than a replacement. Furthermore, you must allow for increased costs for lathe and plaster repairs, refurbishment of period windows and specialist plastering as opposed to the speedy and cost-effective process of boarding and skimming and the installation of new fittings. In our case, this represented an increased cost even allowing for the fact that the Conservation Officer did not want the internal walls lined with insulation.

Set against the requirements for the building will be your own considerations for any future occupier. The building needs to work for those who live in it so you will need to be able to strike a sensible balance in terms of retaining character as well as providing some thermal benefit, sound insulation and fire precaution. Such solutions can be far from easy to achieve!

Specialist paints, intumescent coatings and bespoke manufacture of fittings can prove very expensive.

I don't want to deter you from such projects. Indeed in my experience not only is it hugely rewarding to bring these period buildings back to life, but the end capital values are also normally impressive given the character, charm and sought-after nature of such properties. Furthermore, given the challenges involved, I believe fewer developers search for listed buildings so you may have a greater chance of landing a bargain.

All I suggest is that you carefully gauge the amount of time and money that will be required and assemble a team of professionals who have experience with listed buildings, to make your project a success.

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"**.



THE BUY-TO-LET MARKET OVERVIEW



By **Chris Worthington**

In a recent article, *The Times* reported that according to the ONS, pay packets are growing at their fastest rate since 2015. Earnings in the first quarter of 2018 were up 2.9% compared to the first quarter of 2017. By contrast inflation is slowing down with prices up by 2.5% in the same period. This follows several years of pay lagging behind inflation. Good news for people who are in work and also possibly for landlords in terms of a slight boost in achievable market rents. However, as we will see in this article the scope for rent increases may be limited.

Let's look at the subject of rents in more detail. First the average annual increase or decrease in rents in the UK as reported for the first quarter of 2018 from various sources:

- The ONS reported an increase in average rents of **1%**
- The Rent Index published by the DPS reported a fall in the average rent of **0.54%**
- The Rental Index published by peer-to-peer lending company Landbay recorded a fall in average rent of **0.64%** in England if London is included and an increase of **1.19%** if London is excluded. Rents in London fell **0.27%**
- Insurance company Homelet recorded a rise in rents of **0.9%**

Note: The reason for the fairly minor variations in the change in average rents between the different sources is probably because they are based on different data sets.

My conclusion from the above statistics is that average rents in the UK in the past year have been fairly static. Martin Totty, Chief Executive of Homelet, commented "the rental market is going through a period of stability with rents rising slower than consumer price inflation while house prices have continued to rise. The data shows that a year into the three-year phasing in of changes to BTL landlord taxation, rental inflation has so far remained steady rather than increasing as some commentators had predicted."

However, there are wide regional variations:

- The ONS found that rents increased by 1% in England, 1.3% in Wales and 0.6% in Scotland while in London rents were unchanged
- The DPS report found rental growth in only four regions: the South East, the East Midlands, the North West and Wales, and rents fell by **1.39%** in London
- The latest Rental Index published by Landbay also found wide regional variations with the highest increase in rents in the East Midlands, the East of England and the South West
- Homelet reported that rents had increased in all the regions apart from Wales and the North East. Rent increases were highest in Scotland (**5.6%**), the East Midlands (**3.3%**) and the West Midlands (**2.4%**). Rents in London increased by **1.5%**

Note: The reason for at least some of the difference between regional variations is probably because they are based on different data sets. At regional level this effect will be greater because the sample size will be smaller. This may obscure genuine differences that otherwise would be more consistent across regions.

At the regional level this presents a very mixed and confusing picture, a view that is echoed by John Goodall, CEO of Landbay. He commented "rental growth may not be what it used to be but the pace of change varies widely between regions. Consistent rental demand will drive return in the long run but by selecting the right location yields will be even greater."

In search of greater clarity I turned to sources that provided data at city or district level. A report from estate agents Your Move found that some of the highest increases in rents, of around **3.2%**, were in the East Midlands region in Derby, Leicester and Nottingham. Landbay also reported high rent increases of **3.3%** in Nottingham and **3.4%** in Leicester.

In London Landbay reported that 11 of the 33 London boroughs have seen rents fall. Kensington and Chelsea had the biggest fall at **1.4%** followed by Kingston upon Thames (**1.0%**) and Hammersmith and Fulham (**0.8%**). Just six boroughs had rental growth ahead of the Landbay average of **0.64%** for England. The top three boroughs were Bexley (**1.4%**), Havering (**1.3%**) and the City of London (**1.2%**).

The latest BTL Index Report published by property finance company Lend Invest also offers some pointers. The report uses a model that aggregates yield, capital gains, rental price growth and transaction volume to provide a composite index for BTL investment. In the latest edition the top locations for rental price growth are **Brighton, Leicester, Truro, Shrewsbury, Romford, Newport, Birmingham, Bristol, Dorchester** and **Luton**. Geographically this is a very mixed group but there are no London boroughs and the only location in the South East is Brighton. The top three locations are Brighton (**5.0%**), Leicester (**4.4%**) and Truro (**4.2%**). The bottom three are Luton (**3.7%**), Dorchester (**3.8%**) and Bristol (**3.9%**).

For BTL investors, the overall picture is low to moderate rent increases in most locations and a fall in rents in parts of London where there is little doubt that rents have reached the limit of affordability. Earnings for most tenants who are working have only recently exceeded inflation and then only by a small amount. This may limit the scope for passing on the increased costs from changes in taxation. BTL investors in search of higher returns should consider the options for higher rents such as investing in an HMO.



THE BUY-TO-LET MARKET IN *Aberdeen*

Aberdeen is sometimes known as the silver city because the high level of mica in the locally mined granite causes the buildings to sparkle in the sunshine. The city is set between two rivers and is on the coast, with a long sandy beach. It is an attractive and pleasant place to live with a population of around 230,000.

Before the start of the North Sea oil industry in the 1970s, the main industries in Aberdeen were fishing, textiles, shipbuilding and paper-making. The development of the oil industry supported a 30-year boom in the local economy. However, in recent years employment in the industry has started to decline and it is gradually being replaced by employment in high technology industries, renewable energy, financial services and office jobs in corporate headquarters. That said, the oil industry is still very important; companies in the industry include **National Oilwell Varco, Chevron North Sea, Drill Quip Europe, Halliburton** and **Faroe Petroleum**.

Transport links are generally good with frequent rail services to Edinburgh, Glasgow and London and the UK's longest direct rail journey to Penzance. There are six major road links to the city and Aberdeen airport serves a wide range of domestic and international destinations. The heliport that serves the oil industry is one of the world's busiest commercial heliports.

There are two prestigious universities, the **University of Aberdeen** and **Robert Gordon's College**. Both have strong links to local industry including the **James Hutton Institute for Agricultural Research** and the **Rowett Research Institute**, a world-renowned centre for research into food and nutrition.

Aberdeen has a wide range of cultural activities and museums including the **Maritime museum**, the **Gordon Highlanders Museum** and the **art gallery** with a collection of Impressionist, Victorian and Scottish paintings. The city is famous for parks and gardens and has won the "Britain in Bloom" best city ten times.

There are conflicting views on the future of the oil industry in Aberdeen. Following a decade of steadily rising oil prices, statistics released in 2016 found that since the oil price started to fall, **the population of the city had fallen by 15%** and the number of visitors coming through the airport had **fallen by 17%**. However, a recent report in the Daily Telegraph included the following quote from Faroe Petroleum boss Graham Stewart: "People have the impression that the North Sea is on its last legs. That's not the case. The message from



the North Sea is clear: learn to cut the fat and operate as leaner enterprises regardless of the oil price. There is a lot of life left in the North Sea. Some of it will be decommissioned but I think there are green shoots coming out of the downturn."

The latest UK Cities Index published by property market analyst Hometrack found that average property prices in Aberdeen **fell by 6.9%** in the year to March 2018. This compares to the average increase in the 20 major cities of the UK of **4.6%**. The only other city where house prices fell was Cambridge with a fall of **1.2%**. The fall in property prices in Aberdeen in the past year continues a trend that has been evident since the fall in the oil price started.

"The latest Aberdeen Housing Report published by the University of Aberdeen Business School presents a more optimistic picture"

The report found that in the past year house prices fell in Aberdeen by **3.3%** and the latest quarterly house price change is positive at **0.5%**. Statistics in the report also show that property in Aberdeen is relatively cheap. The **average price for a flat is around £137,000, semi-detached houses are available for around £193,000 and the average price for detached houses is £293,000.**

The report concludes that "There are indications that oil exploration and production in the North Sea will increase in activity to a modest extent and there

have been rises in the oil prices in international markets. House prices in our area are now very competitive and sellers are being realistic. Mortgage rates are at a low level and appear to be relatively stable. The coming quarter could be a good time to buy." Chris Comfort, partner in local property company Aberdeine Considine, added: "There are certainly signs that the market in Aberdeen is picking up and the improvement in the oil and gas sector has had a positive effect on the rental market, which is normally where we see the first changes."

Aberdeen is a city where the local economy has been heavily dependent on one industry and is therefore subject to volatility in that industry. That has had a knock-on effect for house prices and rents. It is an extreme example of the clumsy but valid slogan from Bill Clinton's 1992 USA election campaign, "it's the economy, stupid!" Aberdeen is successfully diversifying the local economy away from the oil industry but it will take time for the new industries to grow. There are signs that the oil industry will recover but it will always be a cyclical industry dependent on the global oil price. The key question for BTL investors is therefore, "is the oil industry and the housing market in Aberdeen at or close to the bottom of the market?" A detailed analysis of that question is beyond the scope of this article but it could be a very worthwhile exercise.

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

5 TOP TIPS TO STREAMLINE YOUR HMO MANAGEMENT



By **Arsh Ellahi**

Hi Arsh,

I have recently purchased my first HMO and decided to self-manage the property to save costs. However, I am finding the management increasingly difficult and can't help but think I have just created another job.

Can you advise how I can streamline the process?

Mr G. Buckingham

Thanks for getting in touch Mr G, and I would like to congratulate you on your first HMO purchase.

It is true that HMOs require a little more management and attention, especially for your first one, as you need to find what works for you in terms of processes and procedures.

It is interesting that this question has popped up. Over the past few weeks I have read quite a few posts on social media, similar to this one raised by Mr G, and some landlords are finding HMOs a grind to manage. This has inspired me to write this hints-and-tips article, to help make your journey a little smoother. With over 1,000 tenants (approximately 50% on benefits and 50% workers), it's fair to say that I have seen a fair share of everything tenants have to offer, so I hope you find these of use.

Tip No 1:

Know the difference between a tenant and a customer

To key to a successful HMO is to understand the person who is living in the property and their requirements. Buying an investment property can be financially rewarding. However, what many fail to understand is that they are also a service provider and are now operating in the service industry. The service you offer to your client (the tenant) will determine how smooth the transaction goes, ie how the tenancy is conducted.

We as landlords have to think about this logically. I like to take a step back and think: **How would I feel if I was the tenant living in my property?** With this in mind I create a product and service, which I believe serves our clientele in the best possible way.

Often, the tenant/customer will stay with you as long as they are treated right. This means:

- **You respect their privacy**
- **You respect their right that the property they have rented is now their home**
- **Maintenance issues are dealt with promptly without causing the tenant any unnecessary inconvenience**

You can measure the result of your success simply by having a look at the length of each tenancy. Have they only stayed the minimum term of six months, thus creating a high turnover in your property?

I have hundreds of tenants who have stayed for many years – my longest serving tenant to date has been 38 years in the same room in a HMO. He was my father's first tenant, and sadly passed away in his room due to old age.

Tip No 2: What makes your HMO/room any different to the hundreds within your vicinity?

I ask myself this regularly and am always looking at new ways to remarket our stock.

For example:

- **Taking new photos and updating when renewing the adverts**
- **New descriptions**
- **Experimenting with removing the financial barriers by implementing a trial period of taking no deposits**
- **Guarantors – taking homeowner guarantors only**
- **Pricing – understanding where we sit within the market place: are we the most expensive, the cheapest or do we sit somewhere in the middle?**

It's fair to say that the standard of rooms and HMOs in general has increased massively. What may have seemed a good standard five years ago is now equivalent to basic/poor in today's market, and the demand for the property and the price you can command will also reflect that.

As with any product, the way it is presented will also attract its own clientele. If you wish to attract high-end professionals, naturally you have to offer a high-end product, including elements such as:

- **High-end finishing and furnishing**
- **All-inclusive rents**
- **Cleaning services**

We have to move with the times. More investors coming into the market and setting up high-end HMOs will create more competition and as a result, the standard-looking rooms will get left behind with longer void periods. That will ultimately result in the owner reducing the rents and attracting a lesser quality of tenant. From there, it's pretty much a downward spiral.



Tip No 3: Work smart, not hard

I used to be a hands-on landlord, trying to offer my customers a good experience whilst living in our properties. However, I did sometimes feel like a busy fool as I took all the calls, attended all the viewings, did all the paperwork, collected all the rent ... does this sound familiar to how your business is running?

Two years ago, I decided to experiment and take a much more hands-off approach to see how the business would perform 'without me'. I am pleased to report that it has not fallen apart ... and I actually have a life again and time on my hands. That has allowed me to create new businesses, and I am enjoying every minute of it.

Here's the formula I adopted for viewings:

I have not done a single viewing for a prospective tenant for nearly two years. Instead, I have allocated a head tenant in each HMO, who either has a rent reduction incentive or is paid for each viewing they conduct. The head tenants enjoy the viewings process as they are able to provide feedback on the prospective new tenant. If the head tenant does not feel the viewer will fit harmoniously in the property, I would not let to them. The head tenant is also paid a small incentive for every room they let.

Tip No 4: Maintenance

Dealing with maintenance issues when they arise is the secret of a harmonious HMO.

I have picked up lots of tenants who have left their previous property due to the landlord not taking care of their customers. One informed me that their previous landlord refused to repair their boiler because he blamed them for having it on constantly, and then left the tenants with no hot water or heating for a month. As a result, the tenants left the property to find a more responsible and caring landlord.

It is important to communicate with tenants frequently to ensure everyone is ok. Lots of people have set up Whatsapp groups for communication with each HMO and I think this is brilliant – but on a larger scale, can you imagine having to monitor 100+ Whatsapp groups? This would draw me back into the business and make me a busy fool once again.

If there is a maintenance issue, I ask tenants to log it with the head tenant, who will then appraise the problem and get in contact with the handyman team (who we have on a full-time basis).

Of course, if it is urgent, I would expect them to call me directly.

Tip No 5: Cleanliness

Properties that are regularly kept clean will have an impact on the tenants you attract and the rents you can charge.

On our adverts, we state that a cleaner comes in to clean the communal areas once or twice a week (depending on the size of the HMO). The 23-bed HMO is cleaned three or four times a week due to the amount of traffic in the communal hallways.

Now, here's the clever thing. We also ask the cleaners to act as our eyes and ears on the ground in that property. They hear all kinds of things – even to the point of tenants potentially planning to leave without giving notice, which allows us to act quickly. We also ask the cleaners to complete a mini-log and take a few photos each time they attend so that we have a regular report of what is happening in that property. This means we can see if tenants have left furniture or other items in the hallways, which could be blocking fire escape routes. If the cleaners feel the matter is urgent, they call us directly.

From experience, we have found the best cleaners to be school cleaning ladies who tend to work at the school first thing (before they open) and then after 4pm. They tend to have some free time in between so this works perfectly for them, fitting around their other commitments, and makes it easier to clean the property while tenants are out during the day.

These are my top five management tips and I've got plenty more that I'll share with you over the coming months. HMOs can be challenging but providing you treat them with respect and also as a business – and yes,



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Arsh Ellahi is the author of
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THE POWER OF COLLABORATION AND SYNERGY

Words:
Angharad Owen

Over the years, we've done lots of articles about joint ventures and how you can get further in property by teaming up with someone else, someone – or sometimes more than one – who complements your skillset and shares your goals and outlook on life. Some of these JVs are intentionally short-lived and last only for one project, a few are disastrous, but some property partners go on to take a step further and set up in business as well.

When you take that step – to build a property business or scale up the one you are already running – one of the most important things you can do is to work with the right people. We're talking here not just about the pooling of knowledge, skills and experience, but about synergy.

Synergy as defined by the Cambridge English Dictionary online is *"the combined power of a group of things when they are working together that is greater than the total power achieved by each working separately"*. That definition in itself is fairly common knowledge in the property sector but capturing the essence of synergy can be more elusive. When you do encounter it, it's high-octane stuff that can propel your business forward.

Recently we discovered that regular columnist **Mark Lloyd** and his business partner **Jackie Reeves**, co-founders of Property Mastery Academy, have joined forces with **Peter Licourinos**. Naturally we were curious to find out what they're up to, but we also wanted to take the opportunity to explore that idea of synergy, and how collaboration affects the customers of a

business as well as the partners who are coming together. Because ultimately, it is the customers who will benefit from the greater pool of experience that the service providers are able to draw upon.

In this article with Mark, Jackie and Peter, we talk about their individual property experience, their approach to their new combined business and their thoughts on property investing in general. But first, a little background ...

Mark and **Jackie** have been business partners for 20 years and in that time have been involved in several ventures. Not all of those have been related to property, but they each spent many years investing in property before forming Property Mastery Academy (PMA) in 2011. The idea of PMA was born from the challenges they had experienced and mistakes they had made, and a desire to share their knowledge to help prevent others from falling over the same stumbling blocks.

Peter has been full-time in property for the best part of 20 years, both investing himself and going on to help others invest over the past 10 years. He has branched out into other aspects of the property sector beyond investment, by establishing a development company and more recently a sourcing company, and has also created a series of property events. He plans to launch fresh new networking event very soon.



YPN: Tell us a bit about some of the investing challenges you have experienced over the years.

Jackie: As very hands-on directors of our businesses, Mark and I found it difficult to find the time to put into property. We also thought we would need a bottomless pot of cash to get started. Perceived lack of time and money delayed our start point by several years. But knowing what I now know, we could have started much earlier and built the property business alongside the other business.

Mark: As Jackie says, we weren't really sure where to start at first. When we did take a step, it was to buy an off-plan property in Bulgaria, which sounded very good in principle but the reality was totally different. It was rarely rented out and we eventually sold it for a small loss. Not the most auspicious beginning!

For our second property, we turned to a BTL in the UK. We bought that through an email circular and worked out that it would make us the grand total of £50 pm, which believe it or not we thought was quite good. In the end though, we did a flip on it but didn't make any money from it. At that point, we realised that this property business was not as straightforward as some of the television programmes made out!

Peter: I've made lots of mistakes but one of the biggest was trying to invest in an area that I didn't know, and so didn't understand the demand. I was trying to follow the herd instead of doing my own research. That was ridiculous.

Another big lesson I've learned over the years is that you make your money on property when you buy, not necessarily when you sell.

YPN: Where are you based and are there differences between working within your local areas and venturing out to other parts of the country?

Mark: I'm based in Farnham, which some people might consider to be an exclusive area. But we also have small portfolios in Hull, Scotland and Hampshire.

“ To invest successfully, you really need to be aware of what's happening in the outside world ”

Peter: I now invest in Berkshire, Surrey and Hampshire. I've worked in those areas for 20 years, I understand the market and I like to think I know what's happening in the foreseeable future. But my philosophy is that you can successfully invest in any part of the UK. The key is to really get to know and understand the area.

My first property was a flip up in Newcastle 12 years ago. I bought it with friends – an electrician and a carpenter. The three of us went up for a week, filled a skip and did all

the necessary works. It sold pretty quickly once it was finished. Although it was more of a gamble than I'd like to make now, it was a good investment. It was also a lot of fun.

These days I'm much more cautious with regard to my investments. In particular, I like to know the areas that I work in. One of the reasons for that is that I don't need to rely on other people as much.

YPN: If you had your time over again, what would you change?

Mark: We have a large residential portfolio but looking back I think we could have benefitted from going into commercial property much sooner, particularly on the land and development side. This sector of the market is ripe in certain areas at the moment because of where we are in the economy.

To invest successfully, you really need to be aware of what's happening in the outside world and to look at and be able to understand the bigger economic and political picture to see what strategy fits in at that time. It's not just a matter of following what you're told, as that particular strategy or action may not be relevant to your area.

One of the points I do my best to highlight in my regular articles is that investing is not merely about buying a property and hoping that someone comes along to rent it. You have to understand both the national and regional agendas and micro-economies.

YPN: You've all been involved in training and supporting other people to invest in property. How has this evolved over the years as this part of the industry has matured?



Peter: I've worked with investors for a long time, and have probably also informally mentored people for a long time without being aware of it. It's something I'm extremely passionate about because I love property and I also love working with people. I enjoy helping others and seeing them succeed. To do that on a more regular and consistent basis is a no-brainer for me.

Mark: I'm a firm believer in practicing what you preach if you want to pass knowledge on to other people.

Going back to when we started out, we did some training with a quite a large organisation. All in all, it cost us £40,000, and while we did make our money back relatively quickly, we didn't feel we had the level of support we'd have liked.

As we became more active ourselves, we gradually built up a small following of investors, all very informal, who would contact us for advice. Eventually we came to realise that we were giving away our knowledge and experience for free. Also it was taking up quite a lot of my time, which Jackie wasn't too happy about because we were supposed to be putting the time and effort into building our portfolio. As a result and after a few discussions, we started putting on one-day Q&A events, and the training evolved from there.

We didn't set out to run a training company at all but what we were doing gathered some traction.

Not long afterwards, I went on holiday with my wife, and to stop me working and going through emails, she locked my phone in the hotel safe so that I could be 'present'! I just got bored though, so bought a notepad and wrote down what became the initial business plan for PMA. When I got back home, I spoke to Jackie about how we could develop this properly into a business.

YPN: Why have the three of you joined forces at this stage?

Peter: What struck me was the fact that Mark and Jackie are people who care. Then as I started getting to know them better, I discovered that Mark is one of the best analysts of a deal that I've ever come across, and Jackie is one of the best

coaches I've ever had the pleasure of working with. We gelled well and working together felt natural.

Mark: We all have the same outlook, and the same ideas of how we want to move the business forward.

Jackie: I believe there is a synergy in our approach. The preferred method of working for all of us is with clients in small groups. That way, we have a closer relationship with them and can understand their individual issues.



“Choosing a property and a strategy that suits you as the investor and your situation is extremely important”

YPN: Do you see any patterns of common mistakes emerging as you support people with property investing?

Peter: I find that a lot of investors tend to rush. It's very important to take your time and make the right, informed decisions for you.

Choosing a property and a strategy that suits you as the investor and your situation is extremely important. The best way for people to make those decisions is with ongoing training and support, and we try and provide that. It can help give an external perspective, which isn't always apparent when you're in the midst of a transaction or busy with activity.

Mark: One of our bugbears is that there is a lot of information out there that says that it's possible to get involved in property without any money, that a house can be bought for £1, and so on. It all sounds really easy, but when someone starts working in property, they realise that it's not that simple. Some of the heavily promoted strategies are outdated in today's market. As investors, we need to move on.

YPN: Do you still invest alongside the training?

Mark: Like I said earlier, you must be doing it if you want to teach it.

Peter: Between the three of us, we're probably viewing at least one or two properties every week. And individually we're always on the lookout for good opportunities as well. I'm speaking for all three of us when I say we're always investing and always looking for the next deals.

Mark: We all look for properties, deals, land, commercial, whatever it might be, individually. Then, if and when we find something, we all go and have a look at it.

YPN: Property education can be an emotive subject and there are plenty of stories of when things have gone wrong. To avoid an expensive mistake, what should people look for in a mentor or trainer?

Peter: For me, it's people that care. If the trainer/mentor doesn't care, they will only take you so far. Working in small groups is important too. I've been lucky enough over the years to work with some of the best people in property – there are a lot of really good training companies out there but a lot of the time you can be lost in a huge group of people.

For the three of us, working with small groups is a value that we share and it means being able to offer people more time and support.

Jackie: I definitely agree with that. It's a way of working that's in line with our ethos and we've found it works for our clients as well.

Mark: And I think that just about says it all!



PROPERTY MASTERY ACADEMY

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Jackie: jackie@propertymasteryacademy.co.uk

They're also running a series of discovery days: <https://bit.ly/2JOWvIL>
7th July, 12th July, 22nd September, 27th September

WHAT CAN I DO WITH SPARE FUNDS HELD IN MY PROPERTY COMPANY?



By specialist property accountant **Stephen Fay FCA**

Many property investors now operate a limited company but may not be able to tax-efficiently take all of the company's profits out, due to their personal income. This article looks at what options are available to company property investors who want to be tax-efficient by retaining spare funds within their company.

Spare funds in a property company? That sounds nice, how does that happen?

Many residential landlords now invest in property via a company, or may have a property management company, and may have personal income that is already at or above the Higher Rate income tax threshold (or, the investor may have a well-paid non-property PAYE employment role and property investing is a side-line).

If the director has a director's loan account in credit – meaning, the company owes the director back for initial funds loaned to the company – the director can then access the company's profits by treating funds taken from the company as a director's loan repayment, which is tax-free.

However, eventually the director's loan account will be repaid, and then the director would need to take taxable dividends to personally access the company's profits (for 2019 onwards, only the £2k/person dividend allowance is tax-free). Basic Rate dividends are only taxed at 7.5%; however Higher Rate dividends are taxed at 32.5% – which, combined with the 19% corporation tax payable, makes for an excessive tax burden.

1. Use spare funds to buy new properties

It sounds obvious, but if the company has spare funds, these can be used as deposits for more properties owned by the company. In a company, all the mortgage interest payable is fully tax-deductible so all the usual benefits of using leverage (mortgages) to buy property apply. As the funds are not being extracted from the company, there is of course no tax charge to use the company's spare funds to buy more property.

2. Make pension contributions

The company can make a gross pension contribution of £40k/person, which is a tax-deductible expense for the company. This can be a very smart use of spare company funds, because the company not only gets a corporation tax deduction for the pension contribution, but the funds within the pension are then very Inheritance Tax-friendly, as pensions can be passed to dependents tax-free. Potentially, over £1m of property profits could be transferred to a pension, and then the pension could be allocated IHT-free to dependents – effectively 'converting' IHT-unfriendly profits into IHT-friendly funds.

3. Pay down company borrowings

Most property investors reach a portfolio size that they are happy with, and decide not to expand the portfolio. At that point, spare funds can be used to make lump-sum mortgage repayments, or interest-only mortgages can be converted to repayment loans.

For many investors, a modest debt-free property portfolio is the ultimate goal – for Higher Rate taxpayers, not extracting company profits and instead paying down debt tax-efficiently, is a great way to achieve their ultimate goal.

4. Invest in the company's properties

It's a rare property investor who hasn't got some repairs to spend money on! There are the usual very visible (to tenants) repairs, such as decorating, carpets, kitchens and



bathrooms, which can alone add up to serious investment – but also the less noticeable investment into the fabric of the building itself, such as brickwork, pointing, roof, gutters and fascias, electrics, plumbing, etc.

For properties that are planned to be held for the long-term, spending spare funds on protecting the building is usually money well spent, and usually pays for itself in terms of lack of future leaks, tenant complaints, voids, rental levels, etc.

5. Pay yourself claimable expenses

Some funds can usually be taken from a company as legitimate expenses, which are not taxable income for the director in any event. Such expenses might include business mileage (ie the company is paying the director to hire the director's personal car for business use, usually @ 45p/mile), home office allowance (ie the company is paying the director to use the director's home for business use), interest on a director's loan, reimbursement for expenses incurred on the company's behalf, etc.

6. Pay salaries to family and friends

It is possible to involve family members or trusted friends / business partners, if those individuals do genuine work for the company – such as: property management, refurb advice and monitoring, insurance and mortgages review, book-keeping and financial management, etc.

A 'Lower Earnings Level' (2018: £5,876) salary can be paid to a person without the company needing a formal PAYE scheme, and any self-employed person can invoice a company for services provided. Of course, the recipient of the company's funds ought to declare that income as income, but that is a matter for the person concerned.

7. Use the company's spare funds as your personal savings

Although dividends can't be permanently taken from a company without tax being paid, it is possible to run up a director's loan account 'debit' (overdraft) with a company, ie to borrow money from your company on a non-permanent basis.

'Non-permanent basis' means that the funds have to be repaid to the company within nine months of the company's year-end (not within nine months of having borrowed the money). So, for example, borrowing money



8. Buy new consumable assets

All companies need 'consumable' assets to operate and a property company is no different. Such assets would be computers, phones, tablets, printers, scanners, monitors, office equipment, etc. And, even luxury pens (eg Mont Blanc), folders, briefcases, etc, are allowable expenses if genuinely used for business.

The key is that there is a credible reason why the item is a business expense – there is no specific amount as an allowance, although it's unlikely that a diamond-encrusted solid-gold iPad is likely to be accepted by HMRC as having no personal 'dual purpose' whatsoever!

in July 2018 from a company with a year-end of 31st March 2019, would mean that the loan from the company needs to be repaid by 31st December 2019 to avoid a tax charge on the loan, ie the director has 17 months to repay the loan. (Note: some interest must be paid to the company to cover the 'Benefit-In-Kind' tax that would otherwise arise, but this is very minimal, ie 3% per annum.)

“Using a company is often a very tax-efficient way to invest in property”

9. Lend funds to other investors

Many company directors with spare funds are investing those spare funds with other property investors, typically those at an earlier stage in their property investing career, and have made good profits as a result. Sometimes this will be for a fixed % rate return, and sometimes it will be for a share of the anticipated profits of a development of rental investment.

10. Finally – don't buy or lease a company car!

A fairly common question is, 'should I buy a company car?' – the answer is almost (99.9%) always a resounding 'no!' The reason is that company cars are taxed on both the director **AND** the company, which

makes for a prohibitive tax bill, unless the car in question is an electric car of very low CO2 emissions. In practice, most reasonable cars are far better owned personally by the director, and mileage of 45p/mile charged to the company (note – this is an important topic and will be covered in depth in the September 2018 edition of YPN).

In summary ...

Using a company is often a very tax-efficient way to invest in property, or manage property, following the 'Section 24' mortgage interest relief restrictions that started in tax year 2018. However, for many property investors who use a company and have exhausted their in-credit director's loan account, paying 32.5% Higher Rate dividend tax on funds taken from the company isn't an attractive proposition. This article sets out a number of ways in which such investors can retain funds within their company and so grow their wealth as a result.

It may well be that at some future point in life such investors may revert back to being Basic Rate taxpayers, and so extracting company funds at that point becomes much more acceptable. Or it may be that such investors decide that their personally-held portfolio profits are for day-to-day spending, and that their company is for long-term wealth-accumulation, perhaps with estate-planning and succession planning in mind. Either way, Higher Rate taxpayers have to make the classic investment decision – do I take more income from my company and just pay the extra tax, or do I retain profits within my company to build wealth rather than spending it now?

MORTGAGE UPDATE

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

There have been very few changes to the BTL and specialist mortgage market over the last month, so I thought this might be a good opportunity to cover a few different areas of interest.

HMO LEGISLATION

One area due for change later this year will be the impact that the new HMO legislation will have on buy-to-let borrowing.

As you will no doubt be aware, mandatory licensing of HMOs and minimum room sizes comes into effect on 1st October, so landlords planning to purchase a new HMO or refinance an existing HMO will need to know how these new rules will impact on the finance available. The mandatory licensing is being extended to include properties occupied by five or more people forming two or more separate households, regardless of the number of storeys. As usual, there are a few exceptions so I would recommend taking time to read the full document.

The RLA estimates an additional 177,000 HMOs will become subject to the new licensing in England. This will have a big impact on the buy-to-let market.

The new legislation will introduce a minimum bedroom size within an HMO, according to the current proposals:

Bedrooms used for sleeping by one adult will have to be no smaller than 6.51 square metres, and those slept in by two adults will have to be no smaller than 10.22 square metres. Rooms slept in by children of 10 years and younger will have to be no smaller than 4.64 square metres.

The HMO licence must specify the maximum number of persons (if any) who may occupy any room and the total number across the different rooms must be the same as the number of persons for whom the property is suitable to live in.

These changes will have an impact for all HMO investors who are looking for finance as the valuers and lenders will be assessing under these new rules.

How will this affect lending?

LOSS OF RENTAL INCOME

Rooms that do not meet these new minimum sizes cannot be let, so this will have an impact on lending and also on the value of properties for those valued on a commercial investment basis.

HMOs that are already licensed will only have to comply when their licence is renewed, and local authorities will allow landlords reasonable time to meet the requirement.

At this stage we don't know if the lenders will offer a same extended period to rectify so we recommend that you act now to find out if you are affected.

If you need to raise funds to complete alterations to ensure you

are compliant, I would recommend that you consider this as soon as possible.

From a lending point of view, there are many unknown factors as we await feedback from the lenders about how they will assess lending, and also how this will impact on portfolio landlord underwriting when a lender is assessing the rental achieved from a portfolio. If this portfolio includes HMOs with rooms that no longer comply then the rent from these may be excluded, which could have an impact on lending.

We will also have to see the guidelines that are issued to the valuers from the lenders, and how these will impact upon new and existing HMO mortgage applications.

As we hear more over the next few months I will keep you updated so you can prepare for these changes as best you can.

If you have any questions or would like to look at any HMO finance in the meantime, please feel free to contact me.



LENDER FOCUS

I also thought this month that I would take a look at a lender that doesn't come under the new PRA regulation, and how they might be able to help you when other lenders perhaps won't consider lending.

Fleet Mortgages are a specialist BTL lender that lend outside the PRA regulation. This means that they have some flexibility for portfolio landlords and also with rental stress test calculations, which can help if your loan amount is being restricted by the rent received.



SOME KEY CRITERIA

- Rental income assessed at 125% @ 5% interest rate for all standard individual and limited company products
- Improved rental stress test on a 5-year fixed product of 135% @ 3.99%
- Lending available to personal borrowers or limited companies for single lets, HMOs and multi-unit blocks
- Lending available up to 75% for loans up to £750,000
- Minimum valuation of £75,000
- Minimum income of £25,000 to be verified
- Multi-unit blocks considered with up to ten individual units
- Lending available in England and Wales
- Freeholder/leaseholder connections not acceptable
- Refinances within six months' ownership considered
- No overall portfolio requirements on individual stress tests or loan to values

RATES

Their rates include the following.

Standard individual buy-to-let products

75% loan to valuation/purchase price

- **2.99%** fixed until 30/6/2020 – 1% arrangement fee – max loan £200,000
- **3.39%** fixed until 30/6/2020 – 1% arrangement fee
- **3.75%** fixed until 30/6/2023 – 1% arrangement fee

Limited company buy-to-let products

75% loan to valuation/purchase price

- **3.59%** fixed until 30/6/2020 – 1.25% arrangement fee
- **3.89%** fixed until 30/6/2023 – 1.25% arrangement fee

HMO and multi-unit block buy-to-let products

75% loan to valuation/purchase price

- **3.69%** fixed until 30/6/2020 – 1.5% arrangement fee
- **4.09%** fixed until 30/6/2023 – 1.5% arrangement fee

Fleet mortgages are a good option if you have a property you are looking to finance that doesn't fit the new PRA rental stress tests, or if you need a lender option that doesn't work to the new PRA portfolio landlord regulation.

If you have any questions or would like an individual illustration, please let me know.

BRIDGING UPDATE

Interbay commercial have some interesting bridging options that are available for buy-to-let, HMOs, commercial and semi-commercial properties, at some very competitive rates.

One of the products that some investors have taken advantage of is the option for a developer exit loan on residential properties.

The developer exit loan is secured on a property that has reached practical completion with all consents and a warranty or professional consultant's certificate in place. The property/properties must be marketable and only recently offered for sale, but this can be used to replace other short-term finance which is ending or needs repaying.

The interest rates are competitive, and interest is rolled until

repayment of the loan on sale, so this can be a handy product if you have completed a project and want to release some funds while the sales are progressing. Rates start from ...

- **55% loan to value**
0.44% per month – 2% arrangement fee – no exit fee
- **65% loan to value**
0.54% per month – 2% arrangement fee – no exit fee

OTHER KEY CRITERIA

- Lending available in England and Wales
- Maximum term 18 months – minimum one month
- Minimum loan – £100,000
- Available for personal names, non-trading limited companies or LLPs with full personal guarantees

If this is of interest, please contact me and I will be happy to provide you with an individual illustration.

LIMITED COMPANY MORTGAGE OVERVIEW

The limited company mortgage enquiries are continuing to increase. See the table for an overview 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

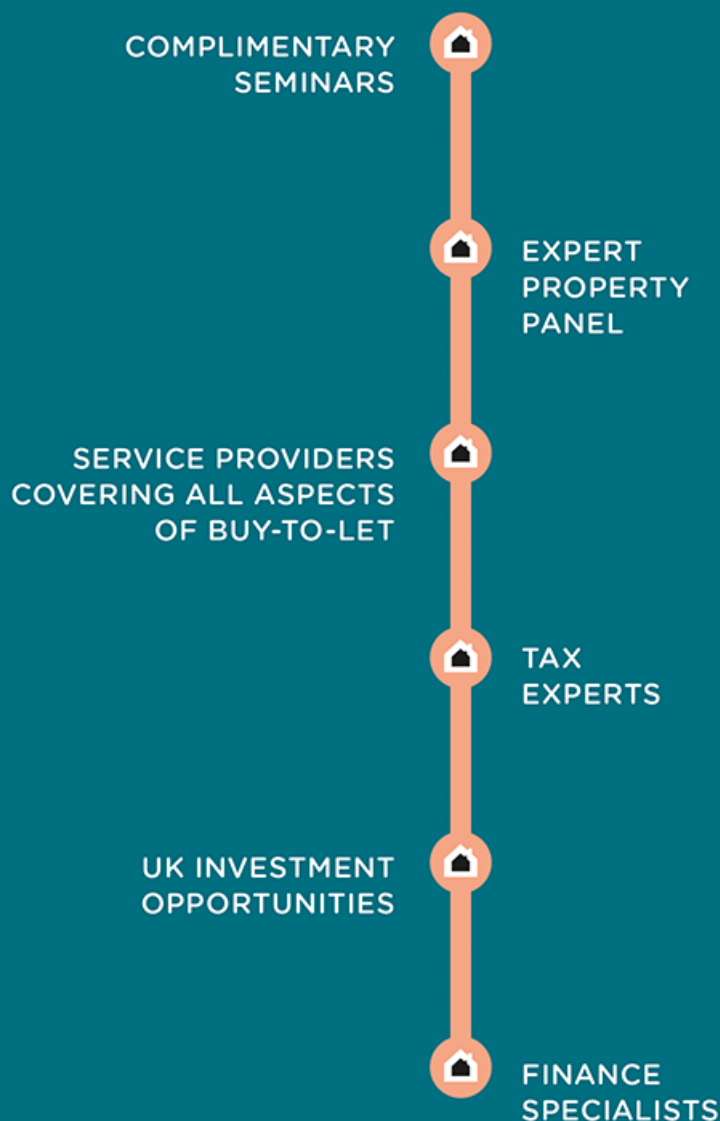
As always, I am available to chat if you require any advice on a BTL or residential mortgage, or commercial, bridging or development finance. I work with investors throughout the country with property investment opportunities, from those buying their very first BTL property to experienced landlords,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

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WHERE DOES THE FINANCIAL BUCK STOP?

By **James Davis**, Portfolio Landlord and Property Expert



You're a landlord and everything is going smoothly until the day that either your tenants or yourself receive a visit from the bailiffs.

You know that you're not behind on any repayments and your tenants can evidence being up-to-date with all their financial commitments too. So, what's happened?

It turns out that a previous tenant wasn't so on top of their finances and they'd accrued debts whilst in situ in your property ...

Such a scenario is likely to throw you in to something of a tailspin. Your mind will be awash with questions and queries: did I let the council know there was a change of tenant? Had I double-checked they were up-to-date with all the utilities when they vacated? And did I temporarily put these all back in to my name during any void period? Were there, in fact, any charges that were indeed my responsibility, which I had overlooked? Above all else, do the bailiffs now have the power to force their way into my property and cart away the furniture? Worse still, could they take the new tenant's belongings too?

Quite simply, landlords are not responsible for tenants' unpaid council tax and utility bills as long as they follow a number of key steps:

- **In the case of council tax, ensure you inform the relevant department when there is a change of tenancy. Provide them with the name of the new tenant and, if possible, contact details for the outgoing tenant**
- **Inform water, gas and electricity providers of a change of tenancy and provide meter readings for the end of the previous tenancy and the start of the new tenancy, where applicable**
- **Make sure you have a clause in your tenancy agreement making it clear that the tenant is responsible for council tax and utility bills – it's obvious, but you'd be surprised how often this is overlooked**
- **Keep a signed copy of the tenancy agreement on file in case of any dispute**

If you follow the steps above, you'll have little to worry about should a tenant run off without paying for their utility bills. Nor should the council pursue you for unpaid tax.

However, it's worth stressing the word 'should' here. Simply because when a council is attempting to retrieve unpaid council tax and it moves as far as appointing bailiffs, it's likely that those bailiffs will go to the last known address for a tenant to attempt to recover the debt. What that means for you and your new tenants, therefore, is that even if you do all the right things, there's no guarantee you won't get a bunch of heavies knocking on the door.

If this happens, don't let their less-than-friendly demeanour put you off though. Bailiffs must ensure that the person named on the enforcement notice is still living in the property before removing any belongings; and they must not barge their way in or smash down doors, unless they are chasing an unpaid magistrate's court fine or they have been given a court order allowing them to use 'reasonable force' to enter the property to collect debts owed to HMRC. However, even then, they can't push anyone out of the way and simply stride in, so you and your new tenants can feel duly justified for demanding a certain level of manners when they come knocking.

So, if you get a call from a tenant saying there are bailiffs on the doorstep chasing money owed by a previous resident, the best advice is to tell the tenant not to let them in, but to ask for a copy of the enforcement notice so that you can find out who owes what and inform the relevant organisation that the debtor has moved on.

“Take a deep breath and count to ten. The good news is, so long as you aren't in default on any bills, you won't be the one in trouble.”



TENANT DEPOSIT ALTERNATIVES

By **David Lawrenson**

In this article regular columnist David Lawrenson of www.LettingFocus.com looks at the alternatives to taking deposits.

Landlords will soon be limited to taking no more than a six-week tenancy deposit. This is just one more on top of the many changes that we have had to put up with in recent years.

Six weeks' deposit is what I have always charged. In the 30 years that I have been a landlord I have only had to make deductions from deposits on less than 3% of our lets. And only once was this for more than £200, with the bulk of deductions being for cleaning. None of the deductions were disputed by the tenant, who all recognised that some deduction had to be made and that I was being fair and reasonable in doing so.

By and large, our tenants try their best to leave our places clean and in good order at the end of the tenancy – and that is because we carefully manage the end of tenancy process. A key aspect of this process is that we send the tenants a list of things they need to do before the tenancy ends. This includes giving them a cleaning guide, highlighting the things that most tenants often forget to clean. (The full guide is in my book "Successful Property Letting – How to Make Money in Buy to Let".)

“ Just under £4bn is held by the various deposit protections schemes in the UK ”

Typical deposits in England and Wales are now a little under £1,000, though in London the figure is around £1,750.

Many tenants naturally complain that they have to put up a deposit on a new tenancy before they have got their deposit money back from their previous accommodation. Though deposits should be returned within ten days of a tenancy ending, disputes can mean that monies for damages, cleaning,

etc, are held up for much longer as resolution can take months. (*Note that any non-disputed element of a deposit must still be returned in ten days. Also, a landlord cannot make a deduction for anything that constitutes fair wear and tear.*)

Many big build-to-rent operators now often heavily market the fact that they don't require tenants to put up a deposit.



TENANCY DEPOSIT ALTERNATIVES

THE WARRANTY APPROACH

But there are some schemes around that offer deposit-free renting. These always involve the setting up of some kind of insurance or warranty policy. Most such schemes use a subrogation clause, which allows them to legally pursue the third party – in this case, the tenant – to recover any claim for damage against the deposit or, in some policies, any unpaid rent.

The firms marketing such schemes say the claims process is quick for landlords, with the added advantage that landlords can advertise a property as being “*deposit free*” – which will be attractive to many tenants.

FCC Paragon has been offering a product of this nature, called Smart Deposit, for many years. Their warranty covers damages as well as up to two months of unpaid rent.

Back in February, Zoopla finally launched its much delayed Zero Deposit Scheme. To qualify for this, tenants pay one week’s rent. This is non-refundable, however, so it is actually a sunk cost to the tenant. The tenants also pay a £25 admin fee in each subsequent year. The scheme gives landlords the same amount of cover as a six-week tenancy deposit (though there is no rent cover). Any disputes are sent to the dispute resolution firm, The Dispute Service. If they rule that the landlord is owed the money, they pay out promptly to the landlord and make a recovery from the tenant.

The downside for the tenant is the non-refundable one week’s rent cost plus the ongoing annual admin fee – a real consideration when you think that most tenants in the private rented sector actually get their deposits back in full anyway, with no deductions. That said, the Zoopla scheme does of course help with the tenants’ cash flow. So, clearly there is a trade-off for tenants here.

Another benefit that marketers of these sorts of schemes sometimes claim is that tenants will be less likely to damage a property or not pay rent if it is covered by a warranty type scheme. Why? Because the tenants will think that “... *a big company like Zoopla will have more time and resources to pursue a tenant than a landlord acting on their own will*”. I find this argument a bit dubious, because, where a landlord did not use the Zoopla scheme but did have a proper independent and thorough inventory done at the start and end of a tenancy, he will always win a case at one of the tenancy deposit services, providing his claim is valid. With regard to losses of rent, claims are very easy to pursue these days, either on one’s own or with help from companies like Landlord Action.

In conclusion, I’m happy to rely on our own, very thorough tenant checks to ensure that we don’t end up with a bad tenant. I have only ever had one bad tenant – and that was 20 years ago now, so I must be doing something right. I learnt my lesson then and that experience led to me writing my first book, partly so that other landlords would not also suffer the terrible experience of a tenant from hell.

I regard a deposit as just another tool to make sure that I am getting tenants in my properties who “*have enough about them*” that they can afford a deposit and to pay the rent. If they cannot even afford a deposit, then one could rightly question whether they can really afford to rent the property anyway. I really would never feel comfortable with putting a tenant in one

of my properties who could not afford a six-week deposit, as this would suggest that they are only six weeks away from being broke. What a mad risk that would be to take, when I know that the slow court processes around recovery and eviction for non-payment of rent could easily mean me losing six to eight months’ rent.

So, I will keep charging deposits of six weeks’ rent for that reason for now, thanks very much!

Plus, I also rather like the fact that in the insurance-based versions of the authorised tenancy deposit schemes, for a one-off fee of about £20 one gets to keep the deposit money for the whole duration of the tenancy. We can earn interest on that money to give back to tenants, if we so wish, or use it towards our surplus and to help us keep rents low and stay competitive. That seems a good deal to me!

(Note: the insurance versions of the tenancy deposit schemes are not available in Scotland as a result of diktat of the often landlord-hating Scottish government.)



STOP PRESS: Just in the past few days the tenant-loving Labour Party have proposed an amendment to the bill going through Parliament to restrict tenancy deposits to three weeks. This is unlikely to succeed, but is one to watch out for, just in case.



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**”.





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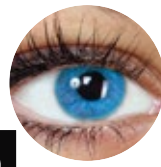
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LEGISLATION UPDATE



IS THIS THE CALM BEFORE THE STORM?

By **Mary Latham**

At the time of writing (May), we are in a waiting period where Bills are going through Parliament, consultation results are being analysed, and committees are doing due diligence ...

While all this is going on, there is an opportunity to look at what we know is coming and speculate how the PRS might change over the next five years as the tax changes, new legislation and regulation begin to make an impact.

WILL THE TRADITIONAL BUSINESS OF BEING A LANDLORD CEASE TO EXIST?

It might be hard to imagine but until the 80s it was common practice for people to put a For Sale board outside their homes and advertise in local newspapers. Some used estate agents, especially for more expensive properties, but thousands did not. I can't remember why or when all that changed but suddenly almost everyone was using an estate agent. Agency offices sprung up all over the place, often dominating parts of high streets, and remained unchallenged until online agencies emerged. Many high street letting and managing agents are also losing business to online services but – **are letting and managing agents about to experience a renaissance?**

These days, the term *"landlord"* is used to describe a person or entity who both owns and offers a building for rent/lease. We are considered investors rather than businesses because the property that we buy/own is expected to increase in value without any effort on our part, just as shares might. That is of course one element of our business. The other element, which certainly is not effortless, is offering the property in exchange for rent. As the law stands, even where we engage a managing agent to let and manage our property, we as the landlord always remain legally responsible for the letting element of the business.

What if the government intended to "discourage" owners from letting and self-managing properties?

What if they want to divide the two elements of our business, so that owning property for rent and letting and managing that property were distinctly separate – the ownership being the *"investment"* element and the letting and management the *"work"* element – just as share ownership and stockbroking are two separate elements? Stockbrokers are regulated, but those who own the shares/stock are not. Imagine how much control the government would have if a similar situation existed in our business? Central and local government would no longer be *"herding kittens"*, but have a smaller number of regulated letting and managing agents to deal with. They would also appoint a regulatory body that would be answerable for the ethical and legal compliance of those agents. The biggest problem is that, at the moment, even *"professional"* letting and managing agents are unregulated, untrained and uninsured; there is no appropriate legislation for letting agents as there is for estate agents.

There are two Bills in progress that will change all this.

Is this the beginning of a bigger agenda?

TENANT FEES BILL 2017-19

- 1st November 2017 – draft Tenant Fees Bill was published
- 29th March 2018 – DHCLG Select Committee published their Pre-Legislative Scrutiny of the Tenants Fees Bill
- 2nd May – Government response to DHCLG Select Committee Report was published
- During May – the Bill's first and second reading in Parliament: <https://services.parliament.uk/Bills/2017-19/tenantfees.html>

"1. The government is committed to rebalancing the relationship between tenants and landlords to deliver a fairer, good quality and more affordable private rented sector, including:

- *Insisting that all landlords are members of a redress scheme so that tenants have quick and easy resolution to disputes;*
- *Ensuring that all letting agents are registered and are members of a client money protection scheme to provide assurance to tenants and landlords that their agent is meeting minimum standards;*



“What if they want to divide the two elements of our business, so that owning property for rent and letting and managing that property were distinctly separate”

- *Introducing banning orders and a database of rogue landlords and agents to make it easier for local authorities to act against them to protect tenants; and*
- *Consulting on the benefits and barriers of longer tenancies in the private rented sector and what action could be taken to overcome these barriers.*

2. *An integral part of this work is our commitment to ban letting fees to tenants and cap tenancy deposits."*

The government's intention regarding the ban is to prohibit all fees except those that are explicitly permitted. These are referred to as **"permitted payments"**.

The report went on to respond to each recommendation made by the Select Committee.

Varied rent level. It was confirmed that landlords would only be able to charge a varied level of rent if agreed with the tenant **subsequent** to entering into the tenancy. This is intended to prevent landlords and agents loading the first month's rent to cover admin fees.

Maximum deposit. They declined to reduce this from the equivalent of six weeks to five weeks, because they were convinced by the argument that this would make it more difficult for **"higher risk"** tenants to find accommodation.

Retention of holding deposit if tenant provides false or misleading information (without the need to show this is reasonable). This too was declined but guidance will be given on situations where some of the holding deposit can be retained. A civil penalty of up to £5,000 can be charged to landlords who unlawfully withhold this money.

The government did not accept the recommendations that a landlord can withhold the holding deposit where the potential tenant had failed to provide the Right to Rent documents. They believed this was covered by the provision that a tenant must take reasonable steps to ensure the tenancy begins before the deadline for agreement.

Default fees. The Bill allows for some **"default"** fees to be charged during the tenancy to cover issues caused by the tenant, for example, loss of keys. The Committee recommended:

"The government issue guidance on what constitutes a reasonable default fee and guidance to tenant about how to challenge the inclusion of such fees in tenancy contracts. The reasonableness of both the type and the amount of fee should be considered."

The government confirmed this will happen, and also that any amount **exceeding the**

landlord's actual loss would be prohibited.

I think it very unlikely that the landlord's time will be claimable. This could result in increased costs to tenants, where landlords send in a contractor whose time they can claim back from the tenant. The issue of default fees was raised again as a cause for concern for tenants during the Bill's second reading on 21st May.

Tenant refusal to pay default charges.

I was very pleased that the government did not support the Committee's concerns that landlords might commit **"retaliatory"** evictions where tenants refused to pay default charges. The committee wanted a similar situation to where a valid Section 21 cannot be served if a local authority has served an Improvement Notice on the landlord following a valid complaint from a tenant. I have a feeling we haven't heard the last of this but for now the government do not intend to make the change. Unfortunately, Section 21 did not get away untouched:

"We accept this recommendation and the Bill has been revised to stipulate that a landlord will not be able to gain possession through the Section 21 ('no fault') process set out in the Housing Act 1988 if the landlord has unlawfully required the tenant to pay fees which have not been repaid. This is similar to measures that prevent landlords from serving a Section 21 notice if they have failed to provide the tenant with a copy of the 'How to Rent Guide' and gas safety certificate or in relation to an unlicensed House in Multiple Occupation (HMO)."

I have spoken about the demise of Section 21 in previous articles. This is one more reason for a tenant to challenge the validity of a notice.

Variation in contract. The government took this opportunity to say they intended to put a cap on a charge for a variation in the contract requested by the tenant – ie change or addition of tenant. The cap will be £50 **"or reasonable costs if greater."** (That sounds well thought out!)

Green Deal. On the ill-fated Green Deal charges to tenants, they had this to say:

"We welcome the Committee's support of Government's intention to clarify that Green Deal payments are permitted under the legislation. We have further clarified the Bill to be clear that landlords and agents are permitted to charge tenants for payments in relation to utilities, communication services and council tax payments."

Alternatives to cash deposits. The Committee suggested an exploration of alternatives to cash deposits, which has already been talked about. The government agreed to report back within six months (by November 2018).

Single housing ombudsman. In response to the Committee's suggestion that tenants need a quicker way to get justice, the government replied that they are exploring the case for a **single housing ombudsman** (discussed in a previous article). Consultation closed on 16th April and they are analysing responses.

The response ended by saying that they are keen to bring this legislation into place as quickly as possible. The first and second readings took place in May.



THE REGULATION OF LETTING AND MANAGING AGENTS (ENGLAND)

- 2nd October 2017 – announcement that regulation of letting and managing agents would be introduced (“Protecting Consumers in the letting and managing agent market” – a call for evidence)
- April 2018 – the government published the response to the consultation
- 16th May – draft Bill published: <https://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN06000#fullreport>

“The Government is committed to ensuring that those living in the rented and leasehold sectors are protected from abuse and poor service. In October 2017, the Secretary of State for Housing, Communities and Local Government announced his intention to regulate letting agents and crack down on abuses in the leasehold market, adding to previously-announced plans to ban letting fees to tenants.

A lack of minimum standards has allowed unscrupulous property agents to enter the market. Currently, anyone can become a property agent regardless of their background, skills or experience.

In this document, we use the term ‘letting agent’ to refer to businesses and individuals who provide letting and management services in the private rented sector.” (No mention of landlords who self-let and manage.)

A **mandatory** Code of Practice will apply to both letting and managing agents, and managing agents who manage leasehold properties. In my opinion, this will be confusing because they are very different businesses and need separate regulation. The confusion begins with the items that will be included in the Code of Practice:

- transparency of potential conflicts of interest
- transparency of current and future financial commitments to which clients are agreeing service charges
- communication and customer service
- handling of clients’ money
- dispute resolution

Agents will be required to be **“qualified to practice”** and, like other professionals, will need to keep up-to-date by meeting CPD criteria. The government will also consider introducing a **Fit and Proper Person test** at point of entry to the business. There will be a **national Code of Practice**. All of this will be controlled by a **national regulatory body**, which will oversee

content and delivery of the training programmes and, where necessary, exercise powers to ban an agent from practising. There will be criminal sanctions against an agent who ignores the ban.

They are confident there is plenty of relevant training available (from trade bodies) at the moment, but want to pull it all together to ensure consistency in covering **law, financial management, customer service and ethical conduct**.

Commenting on the response to the consultation:

“This was clear in the responses received and the strong view that no letting or managing agent should be excluded from the scope of a new regulatory framework.”

A one-man-band will be regulated in the same way as a large company, apart from the fact that company employees will not be individually responsible – that will fall on those who run the company. Initially the intention is for those who run companies to ensure that staff undergo appropriate training for the specific work they do. Sole traders will be expected to undergo full training on the basis that they will deal with every aspect of the business.

A working group will be set up to investigate the detail of how these requirements will be met.

They will also look at how to control fees for the regulation/training but it is clear that the government expects letting and managing agents to cover the full cost.

These two pieces of legislation should have been in place years ago. Having said that, in my experience smaller agents with one branch and a few staff are often better to deal with than larger agencies. I particularly like agencies where the owner works alongside their staff, due to their level of commitment, knowledge of the area/market and incentive to gain my business. It will not be good if such smaller agents are driven out because of prohibitive costs.

Returning to my original train of thought – **Is the government going to introduce all this legislation and regulation, then simply allow individual private landlords to continue to let and manage our own properties?**

Given that this is about the government being *“... committed to ensuring that those living in the rented and leasehold sectors are protected from abuse and poor service”*, this would not be achieved unless all rented properties were covered under the proposed legislation. It was announced at the Conservative Conference, October 2017 that all landlords will be required to join a Property Ombudsman Scheme



and we have heard nothing since.

The intention is to give tenants free access to a service which will deal with their complaints against the landlord, as they have now for complaints against a letting agent. I can see where this would be helpful for tenants with landlords who do not respond to requests for repairs or who have never seen their landlord since the day they moved into the property – more common than you would think. Obviously, landlords are included in the tenants’ fees ban but what about the other issues covered by the proposed legislation? The most obvious being the requirement to know the law around letting property, to keep up-to-date (CPD) and to work to a Code of Practice.

There are several accreditation schemes around the country, most of which teach the same or similar content. I have been a delivery partner for six separate accreditation schemes since I delivered the first seminar launching the London Landlord Accreditation Scheme in 2004. Since then thousands of landlords have decided (with no legislation to force them) to become educated and accredited through one of the schemes. Each scheme requires the landlord to be a fit and proper person and to sign a Code of Practice/Conduct.

Launching a national compulsory scheme for landlords based on accreditation would be easy. I hope the government chooses to do that rather than clean up the letting and managing agent sector, then force us all to use it. I suspect that a move as radical as that would force many landlords to sell up, especially those already struggling with the tax changes.

Mary Latham is the author of **“Property for Rent - Investing in the UK: Will You Survive the Mayhem?”**



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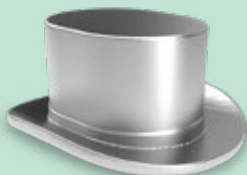
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Thanks in advance!

Arsh Ellahi



PROPERTY INVESTING SUCCESS! HOW TO BE FINANCIALLY FREE BY INVESTING IN PROPERTY WITH NO CASH OR EXPERIENCE

By Pete Rowan

This book is very well written and very well organised, which is something to be expected from an ex-teacher like Pete Rowan.

Pete's story starts dramatically with him being told that the bank would be calling in a loan of a million pounds for his hotel. As well as investing in the hotel, Pete had invested abroad, but 2008 had arrived and the overseas companies were bankrupt. Pete lost pretty much everything. Helped by his carpet cleaner cousin, Pete began cleaning carpets to support his family and pay back loans.

Hearing about the adversities that a certain J.K. Rowling went through was a turning point for Pete and he started to re-explore property investing; **Pete knew "Jo" many years before when she was a struggling single mum! WOW!** Following a period of property mentorship, Pete has built a sizeable portfolio with good cashflow.

In **Chapter 1**, Pete highlights the shortcomings of pensions and the continual "exchanging time for money". He discusses the many benefits of investing in property but describes his first stint into property as 'profitable but lucky'. His second stint was attempted after receiving property education. Pete also offers some of his many top tips, which he shares throughout.

Chapter 2 covers buying property using equity in your own home, doing JVs or via investor finance, using lease options, etc. He describes an HMO deal he did by borrowing from an investor, then refinancing onto a mortgage to repay the investor and achieve infinite ROI with a healthy cashflow. With respect to finding investors, he suggests extensive networking and provides great networking tips together with a 'script' you could use. To get the experience to attract investors, Pete suggests starting with something like R2R.

Cashflow should be maximised via an HMO strategy as these provide a higher cashflow and better ROI than BTs. You can either quickly set up a house as an HMO by converting one of the reception rooms into a bedroom or undertake more extensive works, eg add en-suites, to perhaps achieve a commercial valuation. Pete suggests that for him, ROI is the deciding factor and illustrates this with a case study. Although due diligence is required, Pete suggests that demand for HMO rooms will continue because the alternative for tenants, eg a one-bedroom flat, will be too expensive. Top tips include: buying

in the best locations, best broadband, etc. Pete completes the chapter by covering planning and licensing requirements.

Chapter 4 covers Purchase Lease Options (PLOs) and Pete reminds readers that as **no deposit or mortgage** is required for PLOs, one can start with a lot less money than a standard

Not all deals will be suitable for you and in **Chapter 6** Pete covers how to make money from brokering/packaging deals. The amount you charge should reflect the deal, eg £3K for portal deals where you have done the viewing and negotiation and up to £10K for a PLO where the cash flow and equity gain could be significant. If you do start brokering deals make sure you are compliant.

If you can't afford to buy a property immediately, focus on generating cashflow to use as a deposit and Pete covers R2R and SA in this chapter. He explains R2R in detail and advises that you only take on properties after careful due diligence and with a minimum of five lettable rooms. If the property needs a significant investment you should try and recoup your investment within 12 months for a five-year deal. Similar to R2R, some properties may work for SA and Pete suggests checking the council's planning requirements, checking the competition, checking the lease and assessing what occupancy levels would work.

Pete completes the book by advising that the best investment you can make is in yourself, through education and personal development. The key to success? Persistence!

WHO IS THIS BOOK FOR?

This is an excellent book, which flows really well from start to finish. It's professionally written and provides an inspirational story of how to achieve property success from a standing start, with little experience and using other people's money. The great thing about the book is that once Pete has mentioned a concept or term, he goes into great length to explain it. The book is mainly targeted to property newcomers but it will appeal to the more experienced and it has an excellent selection of case studies throughout.

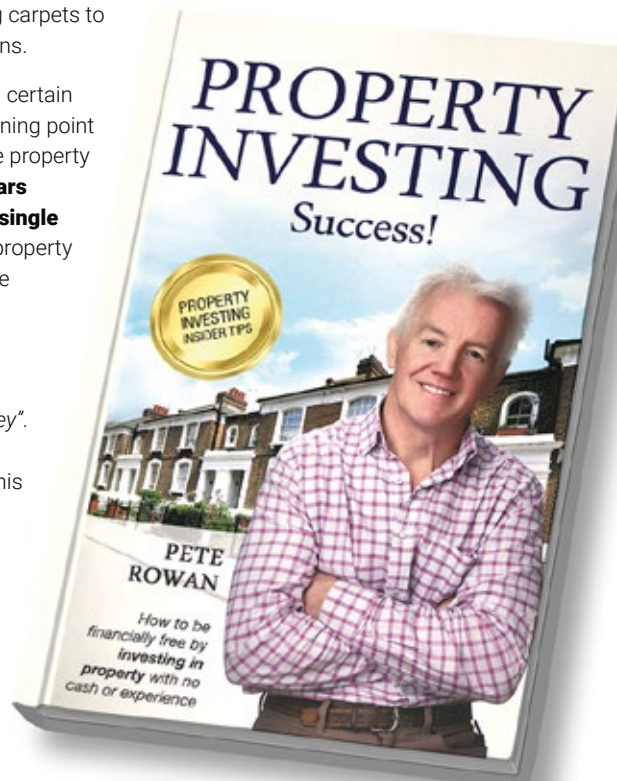
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www.rajberi.co.uk

Email: raj@rajberi.co.uk



purchase. He suggests identifying the seller's pain points to see if a PLO will work and he illustrates the strategy with a personal case study (newspaper advert) and one from a mentee based in the North of England (leaflet). Another deal was agreed because Pete identified a property being advertised 'For Sale' and 'To Let' via an agent. On PLOs he offers a fully repairing and insuring lease so the owner can truly walk away during the lease period.

To monetise any property deal, you need to find the right property, and this is covered in **Chapter 5**. The 'right property' will be dictated by what you are planning to do with it, eg an HMO needs to be in the right location. Don't dismiss using agents as they often know the vendor's circumstances – if you do get a deal via an agent, make sure they are paid quickly. Also consider other ways to find properties – landlord letters, newspaper adverts, leaflets etc.

20 REASONS

WHY THE STOCK MARKET IS A GREAT WAY TO MAKE MONEY

By Marcus de Maria



These '20 Reasons' outlining why trading on the stock market is a great way to make money are excerpts from Marcus's book *The Lunchtime Trader*.

1 It is not hampered by other people

Imagine this - no staff, no customers, no boss. That should be enough in itself - no staff expenses, training or aggravations; no customers to have to please, win over and retain; and no colleagues or boss telling you what to do.

2 It is accessible to all

Regardless of how old you are, whether you are male or female, regardless of your physical ability, anyone can do it. That is not the case with property or starting your own business.

3 It requires surprisingly low starting capital compared to property or business

This is usually a surprise for people. While you have to spend thousands on property and thousands on a business, in the stock market you can start with about \$2,000 or £1,200 - that's a lot less, isn't it?

And you don't even need that - you can start practising and improving your skills on a simulator or virtual trader. It is the same as the real thing: you enter and exit the trades, based on market prices, but the money is not yours, it is virtual money.

Also, there are no up-front fees (for example, for transferring money), no legal fees, marketing fees, mortgage brokers, and if you are investing in US, which we suggest, then no stamp duty.

4 It has total time flexibility

This really does depend on your lifestyle - there are daily strategies, weekly strategies, monthly strategies and yearly strategies. The trick is to choose one that fits into your lifestyle. If it doesn't fit your lifestyle, you won't do it consistently well.



5 It has total location flexibility

Since all we need is the internet - you have total flexibility. You can be in any room in the house, in any house in the world, or be travelling.

6 It requires minimal training

You don't need an MBA or PhD to do this; you just need a good course to teach you the basics ... and then practice, practice, practice.

7 It is guaranteed to exist in the future

They are not going to decide to cancel the stock market.

8 There are no competitors - in fact the more who buy, the better

There are no competitors - you are not fighting against anyone else but yourself and remember: the more people buy the stock you are in, the better.

9 It is recession proof - you can make money faster when stocks go down

Did you know more millionaires are made in a recession than at any other time? So if a stock, or a sector, industry or the entire market starts to go down, this is when you can make the most money fast.

And get this - when the market goes sideways, when normally you think you can't make any money, this is when you can make a lot of money in the stock market.

10 There is no product/stock holding required

You don't need to purchase any inventory or have a garage full of stock.

11 It has low overheads and easy admin

The only overheads you have are your internet connection, your brokerage fees and if you have to pay for it, your charting software. That's it!

12 You don't have to borrow money

You can if you want to, but you don't have to, whereas this is usually the case in property and sometimes in business.

13 There are no meetings

The biggest time wasters in the world, which are needed for business and property, are not needed in the stock market.

14 There's no physical labour

Unlike in property and some businesses, because there is nothing to build or maintain.

15 You are in control at all times

This surprises some people. Let's imagine you have a stock and you decide you want to get out. You click a button and five seconds later you are out. Can you do that with a property? In ten minutes, days, weeks? Can you do that with your business?

16 There's potential for a huge profit margin

One of the reasons is the small starting capital, but it's also because you can buy something and sell it almost immediately when the stock goes in your direction (see above).

17 It's passive income: you can earn it whilst you're sleeping

There are two reasons for this: the first is after-hours trading - the institutions trade when the market is closed to us mere mortals. The second is that you can sell options, which allow you to take advantage of time ticking - literally amazing!

18 You can teach your children

Imagine learning this when you were much younger! We have graduates who get their children to do the filtering of stocks for them. It is like a game for children because looking at charts can be highly visual. Then the parents can come along and do the rest while the children play with other, less educational toys.

19 It develops an Abundant Mentality faster

With the stock-market you can measure whether you are doing well or not within a very short period of time. This way you can change your approach and correct any mistakes you are making much faster than you could in your business and certainly much faster than in property.

20 The better you get, the more ££s you make

This is incredible – can you imagine being in a job and your boss rewarding you every time you get better? And promoting you above him when you are better than he is? In the stock market this is the case – you can make more money, the better you get – and there is no ceiling.

Have you ever practised a computer game and become so good after practising for hours? So you can keep practising and getting better. That is precisely why you want to go on a virtual trader before committing your real money.



The stock market is by no means the only vehicle to get you where you want to go. However, I believe it is the easiest for beginners to access and the simplest, fastest way to get started, especially if you are serious about making money.

And this is on top of everything else you are doing – you don't have to stop or change anything you do. This is just 20 minutes a day, tops.

There are several ways to become wealthy. Normally, although not always, it involves you doing something outside of your daily activities.

During the day you work hard for money but in your spare time in just 20 minutes a day (mornings, lunchtime, evenings or weekends), you must ensure your money works hard for you. That is the basic premise for becoming wealthy.

(You might want to read the above paragraph again.)

The stock market is a great way to do this. In fact, I believe it is the most misunderstood of all the wealth creation vehicles. If you ask the average person in the street, they will not know about it. They will have ideas about business and property but when it comes to stocks they will not know.

Comparison Chart	Job	Business	Property	Marketing on Internet	Stock
1. Is it free from being hampered by other people?	No	No	No	Maybe	Yes
2. Is it accessible to all?	No	No	No	Yes	Yes
3. Does it require only low starting capital?	-	No	No	Maybe	Yes
4. Does it have total time flexibility?	No	No	No	Maybe	Yes
5. Does it have total location flexibility?	No	No	No	Maybe	Yes
6. Does it require minimal training?	No	No	No	Maybe	Yes
7. Is it guaranteed to exist in the future?	No	No	Yes	No	Yes
8. The more competitors there are the better?	No	No	No	No	Yes
9. Is it recession proof?	No	No	No	No	Yes
10. Is there no product or stock holding?	-	No	No	Maybe	Yes
11. Does it have low overheads and easy admin?	-	No	No	Maybe	Yes
12. Can you do it without borrowing money?	Yes	No	No	Yes	Yes
13. Are there no meetings?	No	No	Maybe	Maybe	Yes
14. Is there no physical labour required?	Maybe	Maybe	Maybe	Yes	Yes
15. Are you in control at all times?	No	No	No	Yes	Yes
16. Is there a huge potential profit margin?	No	Yes	Yes	Yes	Yes
17. Can you earn money whilst you are asleep?	No	Maybe	Maybe	Maybe	Yes
18. Can you teach your children to do it?	No	Maybe	Maybe	Maybe	Yes
19. Does it develop an abundant mentality?	No	Maybe	Maybe	Maybe	Yes
20. Do you make more money the better you get?	Maybe	Maybe	Maybe	Maybe	Yes

To get your **FREE** copy of "The Lunchtime Trader", please follow the link below ...

www.investment-mastery.com/yipmagbook

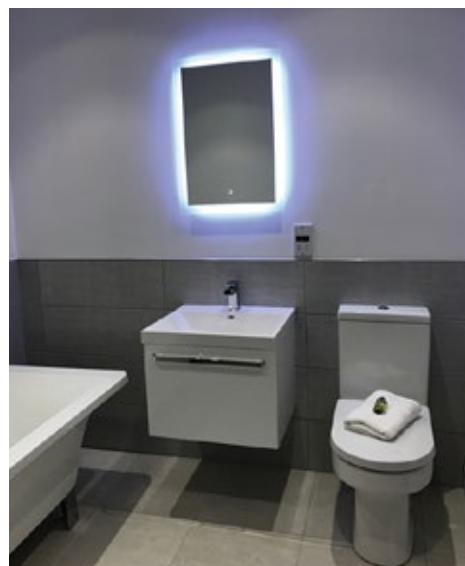
The YPN team's latest news and updates on our development projects.

Whilst we may have been quiet in the pages of YPN about what's new and what's happening with our development projects we've been busy bees in the background.

10 AND 11 THE CRESCENT

Our development of 10 luxury apartments is now complete and we have sold 7 out of 10 apartments at full asking price!

This project was funded through a combination of Crowd Property and a select number of private lenders who loaned money into the project at an interest rate of 1% per month.





PEARN HOUSE

The development of this former convalescent home into 10 luxury apartments for over 55's is now 70% complete and build work is due to finish in early August.

At the time of writing we are 72 hours away from our show flat launch, where the great and good of the South West (plus the YPD team) will be sharing a glass of bubbly and canapés at the show flat opening.

60% of apartments have been reserved off-plan and since going live on Rightmove four days ago, we've seen 23 viewings have been forward booked.

Once again, this project was funded using a combination of crowdfunding (thanks to crowdproperty.com) and private loans to the development business.

Our finance partners loaned a total of £762,000 at fixed interest rate of 1% per month for the duration of the project (18 months). Estimated payback in early September.

WHAT'S NEW?



Massively exciting news!

Just over one week ago we signed terms on this truly magnificent building.

This Grade 2 listed building has been operating as a hotel for the past 20 years. It enjoys a beachside location and gorgeous uninterrupted sea views.

We are now applying for planning permission for conversion of the hotel into luxury apartments **PLUS** a new build element of eight four-bedroom detached houses with roof terraces enjoying unbeatable views.

It's early days but we are hugely excited by this project.



THE KEY TO MASSIVE SUCCESS IN PROPERTY!

By **Simon Zutshi**



In this month's article by Simon Zutshi, who is the author of Property Magic, founder of the property investors network and one of the UK's most successful property mentors, we have asked him to share with you what he believes are the keys to achieving massive success in your property investing.

Next month marks the 23rd anniversary of my first property investment. It took me eight years to completely replace the income from my job as a full-time senior manager at Cadbury, with passive income from my property portfolio. Since 2003 I have helped thousands of investors also replace their income – but much faster than I did it, because they have had the benefit of learning from me exactly what works and what does not work. In the past 15 years, I have been fortunate enough to observe what traits make people massively successful in their property investing.

In a nutshell, the key to massive success is in making baby steps every day, working on the right things and continually moving forward until you achieve the success you desire. I'm going to explain this in more detail to give you a much better chance of being more successful.

Your success in anything starts with your reason **why**. If you want to achieve anything, then you need to take action, which will require some time and effort from you. Unless you have a clear reason **why** you want something, you won't be motivated enough to take that action or even be prepared to carve out the time from your already busy life. So I recommend that you get really clear on **why** you want to invest in property and set precise goals of what you want to achieve. If you are too comfortable in life, then it can be very hard to motivate yourself to take the necessary action.

Once you know what you want and why you want it, you need to gain the specialist knowledge to learn what to do and how to do it, in order to achieve the success that you desire. From personal experience, I can tell you that it took me eight years to replace my

“ Your success in anything starts with your reason why. If you want to achieve anything, then you need to take action ”

income doing it the hard way, on my own, learning by trial and error. Why would you waste time, money and effort, making mistakes and trying to work it out for yourself, when you could quickly learn from someone

who has already achieved what you want? Investing in yourself and in your own ongoing education is the very best investment you can make. It will open your mind, expand your horizons, build your personal belief and should teach you exactly what to do, so that you can fast track your success and avoid the expensive mistakes most people who try and do it on their own will make.

However, please be careful who you choose to learn from. Make sure they have personally achieved the success you want and have become really good at transferring their knowledge to other people. You can check this by looking at the number of people they have trained, who have then gone on to be successful in their own right. If they are confident in their ability to transfer their knowledge to you, then they should have no problem offering you a money back guarantee on the training they provide to ensure you get value for money on your investment in education. They can't guarantee what action you will take but they should be able to guarantee the quality of the training they provide.





Once you have gained the specialist knowledge and know what to do, then it comes down to you implementing your learnings. One of the best ways to integrate your knowledge is by actually doing it and learning through experience. You don't need to know everything before you start. I have been investing for over two decades and I don't claim to know everything. I am still learning every day. You will learn so much by actually doing it, so you need to start taking action.

Taking action is really important, but it is critical to make sure you take the right action. I meet lots of people who appear to be doing lots of things but not getting the results they want, simply because they are not doing the right things. This happens for a number of reasons:

- **Lack of clarity:**
where people are not really sure what they should be doing or what is most important so they do lots of things without necessarily doing the right things.
- **Lack of knowledge:**
where they don't know what they should be doing because they have not learnt the strategy properly.
- **Lack of focus:**
because they get easily distracted by their environment and social media or decide to run after every new shiny penny they see, rather than Following One Course Until Successful.
- **Lack of discipline**
where people just don't do the things they know they should be doing.

Sometimes people will use lack of time as a reason why they do not achieve the results they want. It is not so much the amount of

time you have, but the quality of time and how you use it. Most of the people who participate in my 12-month Property Mastermind Programme already have full-time jobs or run their own busy businesses, and yet in just eight to ten hours of focused time, they achieve incredible results in just a year or two, often with no prior property investing experience. Usually, some of my top performers are ones with full-time jobs who seem to achieve more than the people who are supposedly doing property full-time! The main challenge faced by those people who do property full-time, is that the tasks they have expand to fit the time available. My biggest tip for any property investor (either part-time or full-time) is to use a default diary to carefully plan your time, so that you know what you are doing and when you are doing it. It is a bit like a school timetable, which will give you structure to your day and help to keep you focused. Just like a school timetable, you need to plan in some free time so that you have capacity to deal with emergencies that come up and require your attention. Otherwise, if your diary is completely full, you won't have space to cope with those emergencies, which means things could easily slip in your diary.

“ You need to keep going, keep going, keep going. Persistence is key to your success ”

Be careful what you put in your diary in the first place. Make sure everything you do is going to move you closer to your goals before you put it in your diary, and if it is in

your diary then make sure it happens. Don't allow things to slip.

When you have a list of 'to do' tasks on your action list, it can be very tempting to do the easy and quick ones first, so that you can tick them off your list and feel good that you have made some progress. In reality, this is often not the best use of your time. What you should do, is to look at your list of tasks, work out which is the most important task and do that one first. You need to prioritise your tasks, and then focus until they are completed. Only once you have finished the most important task should you move onto the second most important task. If you keep switching from one task to the next without completing them properly, you will not be very efficient.

One of the most important keys to massive success is your ability to be persistent, to keep going even when you don't seem to be getting the results you desire. Too many people give up too soon because they are unrealistic about how long it will take to start getting results. In this microwave society we live in, most people want instant results – and if they don't get them, they assume that what they are doing does not work, so they jump to the next thing that they hope will give them instant results for very little effort.

Let's be realistic here. Property investing is not like that. You need to put in time and effort, which unfortunately many people are just not prepared to do. However, if done correctly, the time and effort you put into your property investing will be the best paid work you will have ever done because you can gain a monthly passive income and also benefit from long term capital growth.

You need to keep going, keep going, keep going. Persistence is key to your success. If all this seems overwhelming then my biggest tip goes back to something I mentioned at the beginning of this article, which is to do something every day. Some days you may be able to have a few hours to focus on your property investing and other days you will only have a spare ten minutes. But if you do something every day, the right things, over time you will start to gain traction and eventually momentum, which will help you to keep going. Make it a daily habit to do something to move you forward in the right direction to your property goals.

Invest with knowledge, invest with skill.

Wishing you all the best on your property journey.

Kind regards,

Simon Zutshi

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 Ikhinmwini

www.canarywharfpin.co.uk

Clapham pin

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

PPN London St. Pancras

04/07/2018

The Wesley Euston Hotel & Conference
Venue, 81-103 Euston St, London
NW1 2EZ

Hosts: Jamie Madill & Steve Mitchell
[progressivepropertynetwork.co.uk/
stpancras](http://progressivepropertynetwork.co.uk/stpancras)

PPN London Knightsbridge

10/07/2018

Michelin House, 81 Fulham Road,
SW3 6RD

Host: Pippa Mitchell
[progressivepropertynetwork.co.uk/
knightsbridge](http://progressivepropertynetwork.co.uk/knightsbridge)

PPN Canary Wharf

11/07/2018

One Canada Square, Canary Wharf,
London, E14 5AB

Hosts: Ozan and Oktay Redjep
[progressivepropertynetwork.co.uk/
canary-wharf](http://progressivepropertynetwork.co.uk/canary-wharf)

PPN Mayfair

26/07/2018

The Washington Mayfair, 5 Curzon St,
Mayfair, London W1J 5HE

Host: David Seigler
[progressivepropertynetwork.co.uk/
mayfair](http://progressivepropertynetwork.co.uk/mayfair)

PPN Blackfriars **NEW EVENT**

09/07/2018

Crown Plaza, 19 New Bridge St, London,
EC4V 6DB **Host:** Kevin McDonnell
[progressivepropertynetwork.co.uk/
mayfair](http://progressivepropertynetwork.co.uk/mayfair)

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

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](http://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 Filmanavičiute
[www.meetup.com/Love-Property-
in-N1-Meetup-Group](http://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://webuy
houses.co.uk/rick-otton-meetups](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 Altire 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/Kensington
ChelseaPropertyNetwork](http://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/CentralLondon
PropertyNetwork](http://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/CentralLondon
PropertyNetwork](http://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, Sut-
ton, 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](http://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](http://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 Martand 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](http://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/](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/](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/GICLondon> **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

PPN Ipswich
09/07/2018
Best Western Ipswich Hotel, Old London
Road, Copdock, Ipswich, IP8 3JD
Host: Halstead Ottley
[progressivepropertynetwork.co.uk/
ipswich](http://progressivepropertynetwork.co.uk/ipswich)

PPN Peterborough
16/07/2018
Holiday Inn Thorpe Wood, Peterborough
Host: Dennis Hedges
[progressivepropertynetwork.co.uk/
peterborough](http://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, C01 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
17/07/2018
Mercedes - Benz World, Brooklands
Dr, Weybridge, KT130SL
[progressivepropertynetwork.co.uk/
brooklands](http://progressivepropertynetwork.co.uk/brooklands)

PPN Portsmouth
16/07/2018
The Langstone Hotel, Northney
Road, Hayling Island, Portsmouth,
PO11 0NQ **Host:** Angie Lacoste
[progressivepropertynetwork.co.uk/
portsmouth](http://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://webuy
houses.co.uk/rick-otton-meetups](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/property
hubsouthampton/?fref=ts](https://www.facebook.com/propertyhubsouthampton/?fref=ts)

Thanet Property Network
Second Wednesday of the month
- 7pm - 9pm St Georges School,
Broadstairs **Hosts:** Ryan Fitzpatrick
& Jason Hulott
[https://www.facebook.com/
thanetpropertynetwork/](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

Hosts: David and Beverley Lockett
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

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

17/07/2018

The Ocean Beach Hotel & Spa (Formerly known as Cliffside Hotel) East Overcliffe Drive Bournemouth BH1 3AQ.

Host: Leigh Ashbee
progressivepropertynetwork.co.uk/bournemouth

PPN Swindon

10/07/2018

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

11/07/2018

The Chairmans Lounge, Edgbaston Cricket Ground, Edgbaston Stadium, Edgbaston Road, Birmingham, B5 7QU

Host: Kirsty Darkins
progressivepropertynetwork.co.uk/birmingham

PPN Wolverhampton

03/07/2018

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

10/07/2018

Nelsons Solicitors, Sterne House, Lodge Lane, Derby, DE1 3WD
Hosts: Mike Alder & Jamie Hayter
progressivepropertynetwork.co.uk/derby

PPN Northampton

17/07/2018

Hilton Hotel, 100 Watering Lane, Collingtree, Northampton, NN4 0XW
Host: Kim Hendle
progressivepropertynetwork.co.uk/northampton

PPN Leicester

04/07/2018

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 **Hosts:** Billy Turriff, Julie and Oliver Perry
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

26/07/2018

Best Western Plus, Pinewood on Wilmslow, Wilmslow Road, Cheshire SK9 3LF **Host:** Mike Chadwick
progressivepropertynetwork.co.uk/wilmslow

PPN Blackpool

23/07/2018

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

Chorley

The Lock and Quay, PR6 9AE.
Host: André Simm



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

(Formerly 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 & 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

25/07/2018

Mercure Hotel, Britannia Way, Catcliffe, Rotherham, Yorkshire S60 5BD (formerly the Aston Hotel)

Host: Kevin McDonnell
progressivepropertynetwork.co.uk/sheffield

PPN York

16/07/2018

Hilton Hotel, 1 Tower St, York, YO1 9WD

Host: Laura Patterson
progressivepropertynetwork.co.uk/york

PPN Leeds

10/07/2018

Novotel Hotel, 4 Whitehall Quay, Leeds, LS1 4HR **Host:** Mo Jogee

progressivepropertynetwork.co.uk/leeds

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

THE PROPERTY HUB

1st Thursday of the Month (unless stated)

<http://thepropertyhub.net/meetups>

Dubai The Scene, Dubai Marina Mall

Host: Chris Battle

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

02/07/2018

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

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, Swansea, 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>

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

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 Guarín

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 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

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?

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:

London	Leeds	Bristol	Birmingham
20th-22nd July	28th-30th September	2nd-4th November	16th-18th 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
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LONDON

Allsop Commercial 03/07/2018

The Berkeley, Wilton Place, London, SW1X 7RL

McHugh & Co 04/07/2018

The Montcalm Hotel, 34-40 Great Cumberland Place, London, W1H 7TW

Lambert Smith Hampton (National)

09/07/2018 11:00 Le Meridien Piccadilly Hotel, 21 Piccadilly, London, W1J 0BH

Acuitus 11/07/2018 Radisson Blu Portman Hotel, 22 Portman Square, London, W1H 7BG

Phillip Arnold Auctions 11/07/2018

Doubletrees By Hilton, 2-8 Hanger Lane, Ealing, London, W5 3HN

Harman Healy 12/07/2018 12:00

Kensington Town Hall, 195 Hornton Street, London, W8 7NX

Network Auctions 12/07/2018 12:00

Grosvenor House Hotel, 86-90 Park Lane, London, W1K 7TN

Strettons 16/07/2018 11:00

Grand Connaught Rooms, Great Queen Street, London, WC2B 5DA

Barnett Ross 17/07/2018

Radisson Blu Portman Hotel, 22 Portman Square, London, W1H 7BG

Auction House London 18/07/2018 12:00

London Marriott Hotel, Regents Park, 128 King Henrys Road, London, NW3 3ST

Andrews & Robertson 18/07/2018

The Montcalm Hotel, 34-40 Great Cumberland Place, London, W1H 7TW

Allsop Residential 19/07/2018

InterContinental Hotel London Park Lane, 1 Hamilton Place, Park Lane, Mayfair, London, W1J 7QY

Savills (London - National) 24/07/2018

The London Marriott Hotel, Grosvenor Square, London, W1K 6JP

Barnard Marcus 30/07/2018

Grand Connaught Rooms, Great Queen Street, London, WC2B 5DA

NORTH WEST HOME COUNTIES

Auction House Thames Valley 10/07/2018

12:00 The Pinewood Hotel, Wexham Park Lane, George Green, SL3 6AP

Martin & Pole 11/07/2018 14:30

Sonning Golf Club, Duffield Road, Reading, RG4 6GJ

Romans 25/07/2018 13:30

Green Park Conference Centre, 100 Longwater Avenue, Reading, RG2 6GP

SOUTH WEST

Countrywide Exeter 05/07/2018 13:00

Sandy Park Stadium, Sandy Park Way, Exeter, EX2 7NN

Hollis Morgan 18/07/2018 19:00

All Saints Church, Pembroke Road, Clifton, Bristol, BS8 2HY

Auction House Bristol & West 19/07/2018

Ashton Gate Stadium, Winterstoke Road, Ashton Gate, BS3 2LQ

Phillips Smith & Dunn Barnstaple 24/07/2018

13:00 Barnstaple Hotel, Braunton Road, Barnstaple, EX31 1LE

D J & P Newland Rennie Wrington 24/07/2018

19:00 Mendip Spring Golf Club, Brinsea Farm, Honeyhall Lane, Congresbury, Bristol, BS49 5JT

David Plaister Ltd 24/07/2018 19:00

The Imperial Brasserie, 14 South Parade, Weston-Super-Mare, BS23 1JN

Auction House Devon & Cornwall 25/07/2018

14:00 Penventon Park Hotel, West End, Redruth, TR15 3AD

Clive Emson West Country 26/07/2018 11:00

St. Mellion International Resort, St. Mellion, Saltash, PL12 6SD

Moore Allen & Innocent 26/07/2018

Norcote Sale Rooms, Burford Road, Norcote, Cirencester, GL7 5RH

Symonds & Sampson LLP 27/07/2018 14:00

The Memorial Hall, Digby Road, Sherborne, DT9 3NL

Auction House Devon & Cornwall 27/07/2018

Exeter Golf & Country Club Ltd, Topsham Road, Exeter, EX2 7AE

NORTH EAST

Cumbrian Properties - The Agents

Property Auction 04/07/2018 19:00

Newcastle Marriott Hotel, High Gosforth Park, Newcastle upon Tyne, NE3 5HN

Great North Property Auction - IAM Sold

04/07/2018 Ramside Hall Hotel, Carrville, Durham, DH1 1TD

Auction House North East 24/07/2018 19:00

Ramside Hall Hotel, Carrville, Durham, DH1 1TD

Agents Property Auction 30/07/2018

Newcastle Marriott Hotel, High Gosforth Park, Newcastle upon Tyne, NE3 5HN

NORTHERN IRELAND

Wilsons (Northern Ireland) 26/07/2018 19:00

Mallusk Auction Complex, 22, Mallusk Road, Newtownabbey, BT36 4PP

EAST MIDLANDS

Shonki Brothers (Narborough Road)

11/07/2018 17:30 Leicester City Football Club, Filbert Way, Leicester, LE2 7FL

Auction House Copelands 11/07/2018 19:00

Chesterfield Football Club, 1866 Sheffield Road, Chesterfield, S41 8NZ

The County Property Auction 11/07/2018

19:00 Doubletree by Hilton, Brayford Wharf North, Lincoln, LN1 1YW

Bagshaws Residential 25/07/2018 11:30

Derbyshire County Cricket Club, Nottingham Road, Derby, DE21 6DA

SDL Auctions Graham Penny (Derby)

26/07/2018 11:30 Pride Park Stadium, Pride Parkway, Derby, DE24 8XL

WEST MIDLANDS

John Shepherd Chartered Surveyors

02/07/2018 18:00 Nuthurst Grange Hotel, Nuthurst Lane, Solihull, B94 5NL

Boot & Son 02/07/2018 19:00

Oak Farm Hotel, Watling Street, Hatherton, Cannock, WS11 1SB

Knight Frank 04/07/2018, 18:30

Crown & Sandys Hotel, Main Road, Ombersley, WR9 0EW

John Earle & Son 10/07/2018

Henley Golf & Country Club, Birmingham Road, Henley-in-Arden, B95 5QA

Cottons 12/07/2018 11:00

Aston Villa Football Club, Trinity Road, Birmingham, B6 6HE

Loveitts 18/07/2018 18:30

Village Urban Resort, Dolomite Avenue, Coventry Business Park, Coventry, CV4 9GZ

SDL Auctions Bigwood 18/07/2018

Aston Villa Football Club, Trinity Road, Birmingham, B6 6HE

Butters John Bee 30/07/2018 18:30

The Best Western, Moat House Hotel, Festival Way, Stoke-on-Trent, ST1 5B

IRELAND

Hopes of Wigton 03/07/2018 13:00

At the Auctioneer's Offices

REA Leinster Auction 18/07/2018 15:00

Killashee Hotel, Kilcullen Rd, Naas

O'Donnellan & Joyce 20/07/2018

The Harbour Hotel, The Docks, County Galway

DNG Maxwell Heaslip & Leonard 26/07/2018

15:00 The Galmont Hotel, Lough Atalia Road, Galway City

SOUTH EAST HOME COUNTIES

Pearsons Auctions 04/07/2018 11:00

The Hilton Hotel at The Ageas Bowl, Botley Road, Southampton, SO30 3XH

Hobbs Parker 04/07/2018 14:30

Amos Hall, Monument Way, Orbital Park, Ashford, TN24 0HB

Auction House Sussex 05/07/2018 14:30

The Villas, 21-23 Clarendon Villas, Hove, BN3 3RE

Auction House Essex 10/07/2018 19:00

Marks Tey Hotel, London Road, Colchester, CO6 1DU

Parsons Son & Basley 11/07/2018 11:00

Sussex County Cricket Club, Eaton Road, Hove, BN3 3AN

Dedman Gray 11/07/2018 14:00

Holiday Inn Hotel, London Southend Airport, Southend-on-Sea, SS2 6XG

Nesbits 12/07/2018 11:00

Royal Marines Museum, Eastney Esplanade, Southsea, PO4 9PX

Hair & Son 12/07/2018 15:00

Saxon Hall, Aviation Way, Southend on Sea, SS2 6UN

Auction House Essex 12/07/2018 19:00

Park Inn Palace, Church Road, Southend-on-Sea, SS1 2AL

Town & Country Property Auctions South East

18/07/2018 19:00 Holiday-Inn London-Gatwick Airport, Povey Cross Road, Horley, RH6 0BA

Lambert & Foster 19/07/2018 14:30

Grange Moor Hotel, 2-8 St. Michaels Road, Maidstone, ME16 8BS

Clive Emson Essex, North & East London

23/07/2018 11:00 The Chelmsford City Racecourse, Moulsham Hall Lane, Great Leighs, Chelmsford, CM3 1QP

Clive Emson Kent & South East London

24/07/2018 11:00 Clive Emson Conference Centre, Kent County Show Ground, Maidstone, ME14 3JF

Clive Emson Sussex & Surrey 25/07/2018

11:00 Hilton Brighton Metropole, 106-121 Kings Road, Brighton, BN1 2FU

Clive Emson Hampshire & Isle of Wight

27/07/2018 11:00 Solent Hotel, Rookery Avenue, Fareham, PO15 7AJ

Fox & Sons (Southampton) 27/07/2018 13:00

Macdonald Botley Park Hotel, Winchester Road, Botley, Southampton, SO32 2UA

YORKSHIRE & THE HUMBER

Mark Jenkinson & Son 10/07/2018 14:00

Platinum Suite, Sheffield United Football Club, Bramall Lane, Sheffield, S2 4SU

Leonards 10/07/2018 18:00

Village Urban Resort, Henry Boot way, Priory park, HU4 7DY

Northern Lincolnshire Property Auction - IAM

Sold 10/07/2018 Forest Pines Hotel, Ermine Street, Broughton, Brigg, DN20 0AQ

Auction House South Yorkshire

11/07/2018, 12:30 Copthorne Hotel, Bramall Lane, Sheffield, S2 4SU

Auction House West Yorkshire 11/07/2018

Leeds United Football Club, Elland Road, Leeds, LS11 0ES

Pugh & Company 17/07/2018

Leeds United Football Club, Elland Road, Leeds, LS11 0ES

Feather Smailes & Scales 19/07/2018 15:00

The Pavilions of Harrogate, Great Yorkshire Showground, Railway Road off Wetherby Road, Harrogate, HG2 8QZ

East Yorkshire Property Auction - IAM Sold

24/07/2018 Village Hotel, Henry Boot Way, Hull, HU4 7DY

William H Brown (Leeds) 25/07/2018 12:30

Leeds United Football Club, Elland Road, Leeds, LS11 0ES

Boultons Harrisons Ltd 26/07/2018 19:00

John Smiths Stadium, Stadium Way, Huddersfield, HD1 6PG

EAST ANGLIA

Brown & Co 04/07/2018 11:00

Assembly House, Theatre Street, Norwich, NR2 1RQ

TW Gaze 05/07/2018 13:00

Diss Auction Rooms, Roydon Road, Diss, IP22 4LN

Goldings 18/07/2018 14:15

The Atrium, Wherstead Park, Ipswich, IP9 2BJ

Auction House East Anglia 25/07/2018

Dunston Hall Hotel, Ipswich Road, Dunston, Norwich, NR14 8PQ

Auction House East Anglia 25/07/2018

Holiday Inn (Wolsey Room), London Road, Ipswich, IP2 0UA

Auction House East Anglia 27/07/2018

Dunston Hall Hotel, Ipswich Road, Dunston, Norwich, NR14 8PQ

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) 12/07/2018 19:00

Dalry Auction Complex, 6, Kilwinning Road, Dalry, KA24 4LG

NORTH WEST

SDL Auctions Cheshire & North Wales

27/06/2018 13:00 Chester Race Course, Watergate Square, Chester, CH1 2LY

Smith & Sons 04/07/2018 14:00

Village Leisure Hotel, Pool Lane, Bromborough Pool, Wirral, CH62 4UE

North West Property Auction - IAM Sold

05/07/2018 Village Urban Resort, Rochdale Road, Bury, BL9 7BQ

Auction House Manchester 10/07/2018 14:00

Manchester City Football Club Ltd, Etihad Stadium, Rowsley Street, Manchester, M11 3FF

Venmore Auctions 11/07/2018 13:00

Liverpool Town Hall, High Street, Liverpool, L2 3SW

Edward Mellor Auctions 17/07/2018 13:00

AJ Bell Stadium, 1 Stadium Way, Manchester, M30 7EY

Auction House Cumbria 19/07/2018 12:00

Carlisle Racecourse, Durdar Road, Carlisle, CA2 4TS

Sutton Kersh Auctions 19/07/2018 12:00

The Crowne Plaza Hotel, 2 St Nicholas Place, Liverpool, L3 1QW

Countrywide Abersoch 19/07/2018 13:00

The Crowne Plaza Hotel, 2 St Nicholas Place, Liverpool, L3 1QW

Auction House Cumbria 19/07/2018, 18:30

Coronation Hall, County Square, Ulverston, LA12 7LZ

Pugh & Company 19/07/2018

AJ Bell Stadium, 1 Stadium Way, Manchester, M30 7EY

SDL Auctions North West 23/07/2018 13:00

AJ Bell Stadium, 1 Stadium Way, Manchester, M30 7EY

Auction House North West 26/07/2018 14:00

Bolton Wanderers Football Club, Macron Stadium, Burnden Way, Bolton, BL6 6JW

WALES

Seel & Co 03/07/2018 15:00

The Park Inn Hotel (Formerly The Moat House), Circle Way East, Llanedeyrn, Cardiff, CF23 9XF

Morgan Evans 12/07/2018 14:30

The Bull Hotel, Bulkely Square, Llangefni, LL77 7LR

Auction House South Wales 12/07/2018 19:00

Village Hotel, 29 Pendwyallt Road, Cardiff, CF14 7EF

John Francis 18/07/2018 13:00

Parc y Scarlets, Llanelli, SA14 9UX

Morgan & Davies 19/07/2018 18:00

Lampeter Rugby Football Club, North Road, Lampeter, SA48 7JA

D J & P Newland Rennie Caldicot 24/07/2018

Business Suite, Bisley Stand, Rodney Parade, Rugby Ground, Newport, NP19 0UU



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)

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**Julian Maurice –
HMO Handbook
Author & Property
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