Issue 123 September 2018

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YOUR PROPERTY NETWORK

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QUIT THE 9-5!

Investors explain how property has given them the freedom to quit their jobs and replace salaries of between £20k-£80k

ACCELERATED GROWTH!

How one investor went from £0 to £250k in just two years with rent-to-rent serviced accommodation in London

WHAT DOES THE FUTURE HOLD FOR HMOs?

How would the proposed 3-year tenancies affect HMO landlords?

PLUS Find out the **MOST** important thing you need to be a successful property investor!

WELCOME TO THE **SEPTEMBER** ISSUE

If you've come back from your summer holiday with a desire to chuck in your job for a life with more freedom, you're probably not alone! Thousands of people dream of quitting the 9-5 for work – and a life – that is more satisfying.

Lots of property investors have made the leap and now consider themselves very fortunate to have that freedom, and we talk to a few of them in this issue. At different life stages and different salary levels, they talk openly about how they managed to replace their former incomes through property. They've all experienced ups and downs, but without exception, wouldn't swap where they are now for their former working lives.

Property can throw us some curve balls though, and we have to be nimble enough to adjust to what the powers that be throw at us. This month, a few of our regular columnists have something to say about government policies, proposals and reports, both positive and negative. Read, make your own judgement, and adjust or set your plans accordingly.

September is a fresh start month for many people after a summer lull, so I hope you find plenty in this issue to inspire you to take your next property steps, whatever level you're at.

Jayne Owen

EDITOR

AUGUST ISSUE AMENDMENT

In last month's article with Ice Warrior Curtis Knapton, the contact web address for his property business should have read **www.lakeviewpropertygroup.com**.

Apologies to Curtis for the error! And there's still time to sponsor the arctic exploration expedition he's taking part in – see **www.ice-warrior.com**.

FEATURES

BEGINNERS

DEVELOPMENT & REFURB

INVESTING

FINANCE

LANDLORD

EDUCATION

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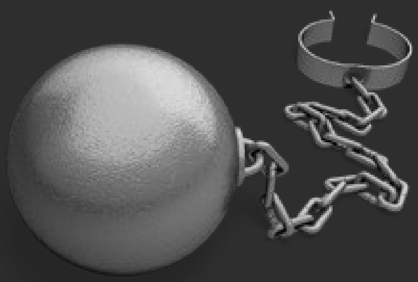
QUIT THE 9-5!

COULD YOU REPLACE YOUR SALARY THROUGH PROPERTY?

INVESTORS REVEAL HOW THEY HAVE DONE IT …



Thousands of people dream of chucking in their job. Somewhat fewer get around to actually doing it. The idea of a living life that is more satisfying and flexible, with the freedom to make your own decisions and control your own life, remains just that – a dream.

Yet by venturing into property, it is absolutely possible to walk away from the shackles of a job you hate. Even if you don't hate it, you might be ready for new challenges or want more freedom in your life.

The investors we have interviewed for this feature prove that whatever your current salary, you can find a way to replace it through property. These people come from a variety of jobs, earning different levels of income, and are at different life stages.

It might not be easy, there will be hard work involved, but the rewards are **HUGE!** Not only do you give yourself a level of freedom now, but you secure your future at the same time too.

When you put it like that, it seems like a no-brainer.

The questions remains though, do you replace your salary then quit? Or make the leap first to free up your time to accelerate the property results? There's no straightforward, right or wrong answer. It's more a matter of what will work for you in your own personal circumstances, and of the level of risk that you are able or willing to take.

Remember though, if people like you can do it then so can you!

Jayne

HOW I REPLACED…

A CORPORATE SALARY

… IN JUST 3 YEARS - IT CAN BE DONE

Interview and words: **Heidi Moment**

James Clarke managed to replace his income of ca £80,000 in just three years, investing in student HMOs around Manchester. These days business is booming and he wouldn't have it any other way. We met James to find out all about it.

I ALWAYS KNEW THERE WAS AN OPPORTUNITY IN STUDENT LETS

When I was at university studying product design, I lived in various student properties, paying top rent for some really horrible places. I always thought students deserve, as everyone does, a nice roof over their heads, and I knew there was an opportunity there.

After running my own design agency for a number of years, helping to grow another business and spending some time in the corporate world, I finally decided it was time to seek out that opportunity and joined forces with a friend to try to get something off the ground. Both myself and Jim added significant value to our own homes through refurbishments, so we had a good starting point.

We started looking at the cheapest properties we could buy and ended up buying a property for £60,000 in Salford on a bit of a whim. We didn't do anywhere near the amount of due diligence or research we do now, but it all worked out well and we managed to let the property to students for way more than we thought we would.

After that, we quickly bought another one and went on to buy several more during our first few years. As we were both still working we didn't need the income so we managed to build up a bit of a pot. The properties have increased in value significantly over the years too, allowing us to release some funds via refinance to buy a few more.

> "Start out with two up, two down terraces worth £60,000. You've got to make your mistakes at that level, as you can recover from them"

OUR TYPICAL PROJECT

We've done all sorts of different projects, from buying existing HMOs and doing light refurbs, right through to doing loft conversions, extensions and even taking an old, dilapidated property and completely remodelling it.

It all begins with location for us. We want to get a nice property that's in proportion, with good-sized rooms, good flow and layout and a good communal living area. If you've got all of that in the right location then you tend to be able to let the properties for a decent amount without too much hassle.

We are quite particular about the provision of facilities too. We don't tend to put ensuites in student lets but we like to have a fair ratio of bathrooms to people, so we often put an additional bathroom in wherever we can.

We always apply a striking design theme. It's a part of the process that we all love. We throw a lot of ideas around and we're all really happy when it all comes together.

SOURCING THROUGH VARIOUS CHANNELS

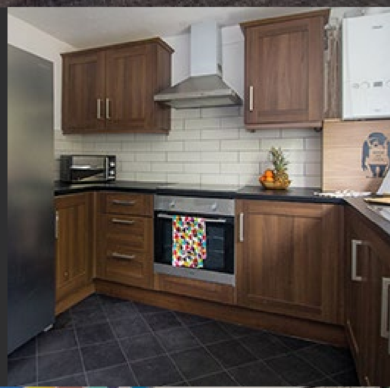
If it's not the right quality and it's not the right location it's not really for us, which immediately excludes 99% of properties. So sourcing properties that fit our requirements can be tough, which is why we do it through several channels:

- **Agents** We do a lot of work with our network of agents, who we have great relationships with. They know we're serious buyers and we often buy cash. We've got reasonable buying power these days, which definitely helps and they often come to us with deals ahead of putting them to market. That didn't happen overnight though - it's taken a lot of time to build.
- **Right Move** We scour Right Move but tend to find there's usually something wrong with the existing HMOs on there or they are asking for way too much money. You don't get the right sort of returns on them, so we tend to steer clear.
- **Direct Mail** We do a lot of direct mail - sending about 1,000 letters a month to various markets that we operate in and we go direct to landlords as well. We get about three to five percent response rate, which is pretty good. We often speak to landlords who have got quite significant portfolios they've built over the last 20 years and for one reason or another they want to dispose of some, or all, of them. We can certainly help them with that.

Case Study MEGA RENT-TO-RENT 25-BED

The property

25-bed prime student property in Manchester, split into five five-bed HMOs within a block. An existing tenanted HMO, achieving bottom-end rent. Over the years it has had heavy use, and not been maintained so was looking pretty tired. The location was excellent, which is what drew us to it.



Strategy

We sourced this direct from the vendor. The landlord had lost interest in it and didn't want to invest in it any further. He just wanted it off his books. We originally discussed buying it, but the figure he wanted was not realistic, so we started talking about alternative ideas, finally agreeing on a rent-to-rent strategy where we were able to match the rent he had been achieving.

We spent about £74,000 on the property but have managed to double the rent and increase the value of the property, so it's a no brainer for all concerned. The landlord is getting the same net amount, his property has increased in value and he has a hands-off, hassle free, recurring income without having to think about it. Happy days all round.

It's a pretty water-tight deal. We hold the lease for 10 years, and at the end of that 10 years we may choose to buy it for a figure that we've already agreed.

Works

Full cosmetic refurbishment ***in 4 weeks!***

Works include:

- Rip out
- 10 x new bathrooms
- 5 x refurbished kitchens
- Upgraded electrical circuits (wall-mounted TV points / additional sockets)
- New ironmongery
- Complete redecoration
- Carpet throughout
- Fully furnished
- New white goods.

As you might expect, getting it all done in four weeks was a bit of a challenge. It was pretty stressful, but we managed to deliver it, and 25 happy tenants moved in as scheduled. Phew!

TAKING IT UP A NOTCH

In 2016 we met ***Andy Graham*** and ***Nick Morris*** from Smart Property on a Mastermind Programme organised by Rob Stewart & John Paul. We sat around a table together for a year and realised we all had a very similar approach to the HMO market. So one thing led to another and now we're one big happy family, working together on *'delivering high quality student accommodation across multiple markets in the UK'*.

Our skill sets work really well together. I've got a solid business background. I head up the northwest side of the business, mostly on acquisitions but I also oversee the operations too. Andy is the marketing specialist. Nick is amazing at all things finance, and Jim is our construction expert. So we've got a really strong team of directors. We've also got our extended team now, which includes a finance support assistant, Edna, and two portfolio managers, Joe and Rob, who manage all our lettings. Then there's our non-executive director John Paul, from the Castledene group. And, last but not least, there's Hugo, the office dog, who keeps everyone smiling.

"290 rooms, across 68 properties"

Since joining together we have expanded our HMO portfolio and now have 290 rooms across 68 properties, which includes our own stock, a handful of properties that we manage for other landlords, a number of rent-to-rent properties, and some properties we've bought for other investors on a hands-off / turnkey basis.

In the last couple of years we've spent a lot of time expanding our reach, and now have properties in Salford, Manchester, Chester, Northwich, Sheffield, Nottingham, Halifax and Leicester. When taking on new markets there's a lot of back-end logistics to consider, so we've spent a lot of time and invested a lot of money really nailing down our procedures and operations manuals and systems.

"Good dressing and photography drives leads"

Our rooms tend to go pretty quickly. We take a lot of pride in our work and provide a quality product. We also take some really good photography, which is a huge part of our marketing. If you've got good dressing and good photography then you can drive leads. When you drive leads you drive viewings. When you drive viewings it's all about your conversions. On the mega-deal we let all 25 rooms within six to eight weeks of going to market. We held five or six viewing days, where we had multiple viewings within the space of two hours.This adds a sense of urgency, which also helps the rooms to go quicker.

"Targeting groups fills the houses quicker and keeps them let for longer"

A big part of being at university is meeting other people, living with other people and learning to stand on your own two feet, as well as the social aspect. So we look for groups to take the property together.

It's a 12-month letting cycle and we change tenants in July. As soon as we've got through that on-boarding process, we start thinking about the next year, and in the run up to Christmas we'll be planning, then towards the end of the year and early next year we'll be going to market with all of our properties, which gives us a six to nine month lead time to find new tenants.

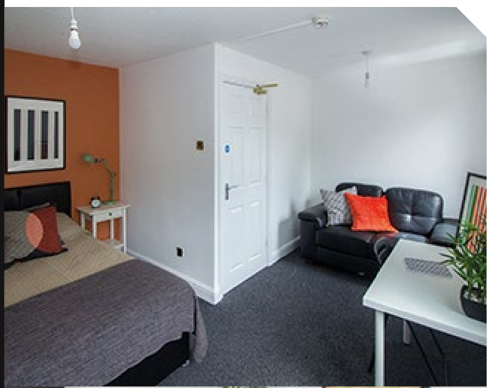
The numbers

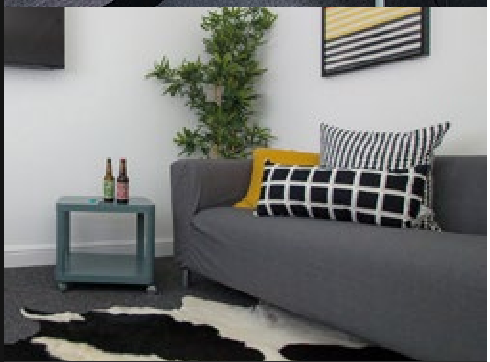
- Open market value: **£1.5 million**
- Total costs including all refurb, acquisition, and sales costs: **£74,000**
- Refurb cost per room: **£2,600**
- Monthly rental income: **£12,500**
- Rent to Landlord: **£5,200**
- Monthly bills: **£1,250 about £250 a month per property**
- Monthly profit: **£6,050**

Key learnings

Prior to this, the biggest refurb I'd been involved in was a 5-bed HMO. Through this project I learned that bigger projects aren't that difficult to deliver. The process is exactly the same, just with bigger numbers, and bigger returns!

It's simple project management when you're delivering refurbs and renovations. If you can nail the project management, the scale of the project doesn't really impact it. It's just bigger numbers and a few more things to coordinate.





Funding

We found the £74,000 for the Mega-deal through a crowdfunding website called Crowdcube. In fact we raised £300,000 through the site. We also put some of our own money in, as anyone does when they start a new business.

Lettings

In the first year we offered tenants a discounted rate and it was let on the promise of a refurb as there were a few unknowns due to the fast four-week turnaround. This year, however, we've let them all at £500 a month, including bills. This isn't the highest in the area. We've seen some at £600, and there are others between £400 and £450. We think £500 is a fair rent for the level of property and service we provide whilst also being competitive. There are people with properties as nice as ours who charge £550 or £600, so when someone sees ours at a more affordable price, it creates demand and ours fill quickly.

Case Study PORTFOLIO OF 3

Bigger projects are now a big focus for us, so we started looking at small portfolio acquisitions.

The Property

A portfolio was being sold off in Chester, right next to the university. We bought three units – two 5-beds and a 6-bed. We inherited 16 tenants, but once they left we refurbished the property over the summer and re-let the rooms to new tenants.

Strategy

We saw potential to add 2 bedrooms to make them three 6-beds. One was a straightforward splitting of a bigger room into two rooms and the other is a loft conversion, which is going on at the moment. Each property is licensed and is in line with the new licensing changes coming in this year.

Works

- 1 x loft conversion
- Relocation & upgrading of 6 x bathrooms
- Re-modelling of internal walls
- Upgrading of electrical circuits
- 2 x new kitchens
- 3 new boilers and upgrading of central heating systems
- New ironmongery throughout
- Complete redecoration
- Carpet throughout
- Furnished throughout
- New white goods.

The Numbers

- Purchase price (incl. all costs): **£695,000 inc. stamp & legals**
- Refurb cost: **£105,000**
- End value post refurb: **£900,000 (relatively conservative for a high-spec six-bed HMO in Chester, so we're expecting it to be higher)**
- Monthly rental income: **£8,550**
- Monthly bills: **£750**
- Monthly profit: **£7,800**

Key Learnings

Portfolio acquisitions are a time and cost effective way of growing your portfolio quickly due to economies of scale. They don't come without their challenges though as you inherit all the management and refurbishment quirks from the previous owner, which can take time to unravel.

With bigger deals like this, it always feels like the transaction is going to fall through. People have more skin in the game, so they want to make sure everything's right. When the numbers are bigger the risks are bigger for everyone involved.

> "You need a lot of persistence and due diligence for bigger deals"

LENGTH OF CONTRACT

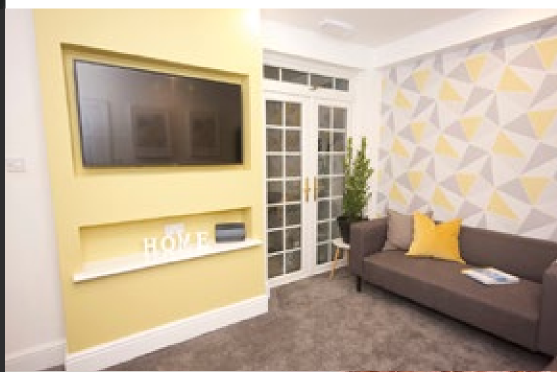
With young professionals the market tends to demand six-month contracts, however, with student lets it differs slightly from market to market. For example, in Chester the norm is a 51-week contract, which only gives you one week to turn the property around between tenancies. In Fallowfield it's typically 52 weeks. There's no void period, which is good financially, but makes for quite a stressful day when you turn contracts around because you've got 25 people moving out on one day and 25 people moving in the following day.

NO DEFAULTS

All our tenants in a house are jointly and severally liable for the rent, and we take guarantors who are also jointly and severally liable, which means they collectively take responsibility for the whole sum of rent. So, if you've got five students in the property, and one of them vanishes off the face of the earth without a word, the other four are still contractually liable for the rent. This is great, because you're pretty likely to collect your rent, even if someone defaults.

> "Our income is protected by having tenants collectively reliable for the rent"

We do our best not to call on the guarantors to cover the whole amount, but it's good to know our income is protected should someone not pay.



TENANTS GOING HOME FOR THE SUMMER

A large number of students go home for the summer, leaving properties empty. When we first started out the norm was to charge half rent over the summer for students, so that's what we did. We weren't dependant on that income so it wasn't a big deal, but when you don't have another salary coming in this seriously impacts your cash flow through the summer months. This summer we're doing a little experiment and haven't charged half rent over the summer. Instead we've shaved a little bit off some of our rents so that we get a more consistent cash flow throughout the year. You wouldn't get away with that in some markets, but it's worked for us here.

TAKING THE LEAP TO DOING THIS FULL TIME

Once Jim and I had 16 rooms, owned by ourselves and were making a monthly profit of £3,500, we knew it was time one of us started to do this full time. I'd been thinking about it for a long time, and had done all the numbers over and over. When the topic was raised around the mastermind table, we discussed it at length, and it was a unanimous vote that I would make the leap first, so I handed in my notice the next day and have been building the businesses ever since.

This was a pretty big pay cut for me, as I had been in a sales job before where I was grossing around £80,000 a year, which works out at about £4,500 a month after tax. As with all sales roles, this wasn't consistent so sometimes it'd be below £4,000, and others it'd be above £5,000, floating around £4,500. I was living a pretty good lifestyle on this and had a good amount of disposable income. We had a nice house, nice cars and we did a lot of travelling.

After being self-employed for years I knew the ups and the downs so I didn't go into this blind. I knew the risks and made sure to cover myself just in case. I managed to clear my credit card debt before I took the leap. I kept my overheads below £2,500 a month, so I could at least meet my obligations. I've got pretty low loan to value on my home. I know its in a desirable area, so I could sell it if I had to. I had a couple of months worth of costs in the bank, and the best part of £10,000 tucked away, just in case. I knew that if everything went to pot I could at least pay my mortgage and meet my obligations for a couple of months while I figured out what to do.

My wife had just had a baby too, so this wasn't just about me. I couldn't afford for it not to work. Don't get me wrong, there have been one or two tight months but there's also been some great months and a lot of growth. So I'm glad I did it when I did.

MORE TIME FOR MYSELF & MY FAMILY – I WISH

I'd love to say I've got more time to myself these days and more time to spend with my family, but if I'm brutally honest, I still work really long hours. It's a challenge to do this with a young family, particularly at this time of year when we have a lot of refurbs on. We've got nine at the moment, all in different locations, so I'm busy project managing those. It's a hectic two months to deliver a huge body of work and I'm working all hours God sends at the minute.

But it's not always like that. I enjoy spending time with my family at the weekend and we go on holiday three, four or five times a year. We've got a much better lifestyle now, that's for sure. And the structure of my day is much better these days. I start work at half eight in the morning so I get up with my two little girls every morning and I'm usually back to put them to bed at night. I wouldn't have that luxury if I still worked in the city.

> "I went into this with my eyes open and knew the risks"

WHAT'S NEXT FOR US?

We're leaning into the development world at the moment. We want to stay true to our HMO roots and continue building that side of the business but we're also interested in building properties and doing commercial conversions. Jim brings a lot of construction expertise to our team. He's been building schools, hospitals, and huge commercial developments for more than 10 years. And he's currently building 800 homes with a big residential builder, so he brings a lot of value to the team. The next step is for him to come into the business full time, then we can really accelerate this part of the business. Watch this space…

BEFORE YOU QUIT YOUR JOB, MAKE SURE YOU:

- **Have a viable business model which you have proven and enjoy**
- **Have enough money behind you to make ends meet for a couple of months should things not go to plan (they invariably don't)**
- **Have the strategy ready to justify your time in the business – keep hold of your salary if you don't yet know how you will replace it**
- **Be prepared to work harder than you have ever worked before**
- **Its an emotional rollercoaster in the early days – know that this is part of the journey and embrace it**
- **Make sure you celebrate the highs as this will help get you through the lows**
- **Know why you are doing this in the first place – I find doing a vision board really helps to focus on this.**

When you're inheriting someone else's contract, you need to be really clear on what you're getting into. Not everyone does the diligence you might want to.

We normally like to purchase within four to five weeks cash, but because of the size of the deal and the intricacies with the contracts and so on, it was far longer than that. Plus, the properties were in an article four area, so we needed to make sure we were article four compliant and had the evidence to support that in case there was a claim against us. On a portfolio if you're not compliant, the penalties are pretty big. It took a long time to transact and required a lot of patience and effort from us. But we got there in the end.

Click here to listen to our interview with James

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HOW I REPLACED ... A MANUFACTURING SALARY

RENT-TO-RENT – A CATALYST FOR FREEDOM FOR THOMAS MUIR

Interview & words by **Raj Beri**

Regardless of your background or your scepticism, it is possible to become successful in property and replace your income if you are able to keep it simple and apply focus and discipline to whatever you decide to do. In this article, Tom, who has replaced a salary of £40,000, charts his property journey to date and he describes his vision for the future

YPN: Perhaps you could share what you did before property?

Tom: When I left school, I had a go at plastering but I wasn't any good so that didn't last long! I then joined the Royal Navy for four years, which was the minimum time you could enrol for. I was trained to be a helicopter engineer, which was a great job for a young lad starting out in the world. It was great experience, but I'm financially motivated and my job wasn't really ticking all the boxes so eventually I decided it was time to move on. I'm also a 'homeward' lad and felt homesick, so after I left the Royal Navy I went back to Liverpool and got a factory job manufacturing cars for Jaguar Land Rover. To be honest, it was quite difficult to find employment at that time because although I had trained to be a helicopter engineer, I still had no formal qualifications and only basic engineering skills, so I had to retrain. Although I was able to get an NVQ whilst working, it was just basic factory work that I was doing, which for me was not mentally fulfilling. Even though my wages were higher than in the Royal Navy, I got to a point where I wanted a sense of achievement and fulfilment, which the job wasn't providing.

YPN: You've always had an interest in business, so tell us more about your business journey.

Tom: As well as working, I've always had some sort of side-business, eg Ebay, but never really committed to anything. Not so long ago, I was on holiday with my partner who was on a *"juicing diet"* and I was shocked about the cost of these drinks. However I became interested in exploring this area as a potential business. We started looking at the recipes and noticed that they were really high in sugar; at that time, some of the manufacturers were in the news and under pressure due to the high sugar content. We decided to do some more research and over time we developed a more balanced drink, which led to us towards developing our products and a brand. The business, which we called Bliss Juices, started on the kitchen table and to be fair, it was the first time we had ever done anything like this so we were just running with it and learning as we went along.

"I've never been one to shy away from big ambitions and I wanted the business to grow fast"

I've never been one to shy away from big ambitions and I wanted the business to grow fast, so we took on staff, moved to a factory and got all the accreditations to be able to make food. When we look back and compare it to the compliance you have to do in property, the world of food manufacture is ten times worse. Our business was very chaotic. We were getting all the deliveries in the morning and then had five people working flat out in the factory trying to make up to 3,000 drinks/day to service the clients we had – these were mainly online sales and London stockists. We did try to push the product into supermarkets, but we just didn't have the experience and weren't ready. We took a couple of hits and things started to unravel, probably because we tried to grow a little bit too fast. Eventually, we got to a point where we either needed to inject a lot more cash into the business to carry on, or I needed to move on and try something else to generate additional income. I ended up venturing into property but the business continued to trade for 18 months after I moved on. We had a few appearances in the national press and did get invited onto Dragons Den but I wasn't really up to scratch in terms of investments and couldn't see myself giving up 10% of the business!

I have to admit that it was a fantastic journey to go from a kitchen table and then be sitting in front of Waitrose and Tesco's pitching our products to them.

Financially, we've done really well in terms of the income we have made from the juice business. Beyond that, in terms of the experience, it has been an incredible journey and something we are really proud of.

YPN: How did you start to venture into property?

Tom: The first property was purchased some time ago as a JV with my mum. We used the savings we had for the deposit and managed to set up one BTL property, which brought us cash flow. As we had no other money, that was the end of our property venture.

We had started the juicing business whilst I was still at my day job with Jaguar Land Rover. Once setup, we decided that my partner would run the juicing business and I would carry on working, so I was working long hours and not getting enough family time. I wanted to reach my potential and knew that property held the answer. I had done some training and started to go to a few property networking events, and heard people tell their 'stories'. However, I wasn't open minded enough to believe that you could achieve such things and remember thinking *"That's not possible. It's just not possible."* Finally, I realised I had to focus on property, so decided to do some more training whilst working full-time and still running the juice business.

YPN: There are lots of property strategies out there. Why did you single out rent-to-rent?

Tom: It was driven by where we were at the time. We had limited cash and experience, so we realised that to generate an income to replace my salary (and eventually attract investors), we needed to do HMOs and initially focus on the R2R model. To be honest, until that point I had never come across the concept of HMOs, so when I was introduced to the model and websites like Spareroom, I thought *"Wow, it's pretty incredible that you can do that."* I am quite a sceptical and risk-averse person; with all the deals I have done to date, I have constantly looked at how quickly we can recover our capital to mitigate the risks going forward.

YPN: Tell us more about your first R2R deal.

Tom: We (myself and my partner Louise) identified the areas that would work and agreed on the financial parameters that we would stick to. We decided to focus on agents and got a mixed response, but I suppose you could say we got "lucky" for the first deal. We had rented a commercial unit from a letting agent for a number of years for the juice business, so I had a very good relationship with him. I mentioned my R2R plan to the agent and he said he might have some properties that would interest us, so that's how we got started. It took quite a while to get the deal over the line because I am risk-averse, so I wanted to check all the paperwork and ensure we had an exit in place in case anything went wrong.

The biggest challenge I faced was convincing myself that the strategy could work! You can't 'sell' the concept to anyone like an agent or a landlord until you've convinced yourself. Another challenge I faced was not having the credibility when I started out, but I got around that because I had the commercial unit as experience. Once we had the first deal, we always referred the second agent back to the first agent and we made sure that we looked after all the agents in terms of the fees we paid them. We quickly established which agents were interested and which weren't. This is really important, as you don't want to be wasting time where you are not wanted.

YPN: What advice can you give readers about working with agents?

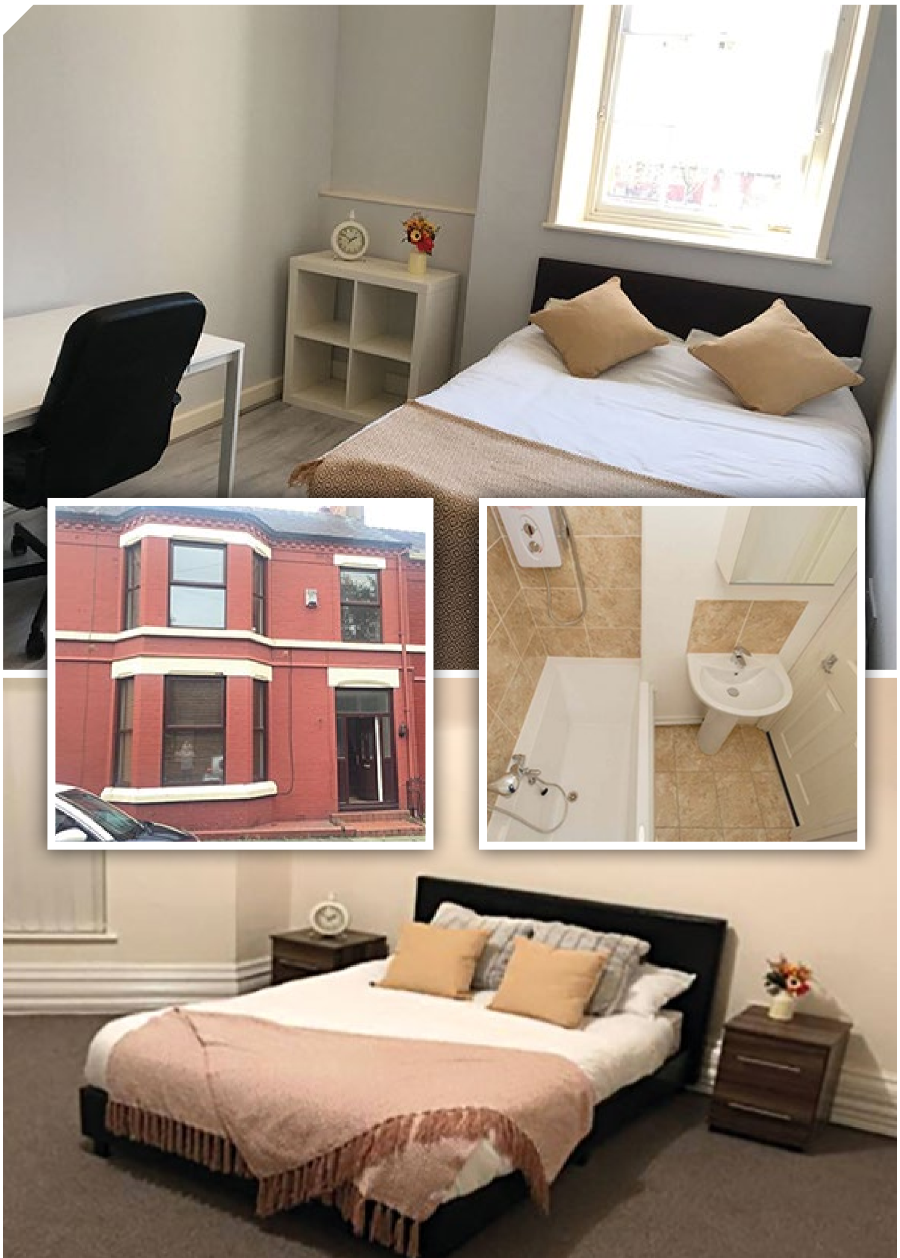
Tom: I'd probably say that 80% of the agents we approached turned us away or made some excuse. I would also say that quickly identifying who is and isn't interested in working with you cuts down a lot of your time. You've got to go through the stage of getting the rejections because that's how you'll learn to tweak your pitch or tweak what you're doing.

CASE STUDY ONE

RENT-TO-RENT

FIVE-BED MULTI LET

Set up costs:	**£5,000**
Income:	**£1,950**
Rent to landlord:	**£800**
Bills:	**£375**
Voids/maintenance:	**£195**
Cash flow:	**£580**
ROI:	**139%**



Ultimately, you learn by doing.

I would advise against approaching national chains, instead target agents with a single premises and approach the owner directly where possible; try and connect with the person who owns the business rather than the person on the desk. Take them for coffee and if you get the opportunity of a deal, you need to perform. If the deal doesn't work for you, tell them as soon as possible. I think it's so important to value their position because they are in the middle between you and the landlord, and they need people who they can trust.

YPN: Perhaps you could describe a deal you have done?

Tom: I think each property and each deal probably has its own merits. The first property deal that I did had been rented out as a disabled live-in. It wasn't in the best condition and it been on the rental market for a while, but without much interest. It wasn't an HMO, but it was laid out as if multiple people lived there. The property was just a four-bedroom house with two bathrooms but it had all the facilities required to be lived in by multiple people, eg fire doors, so it was relatively easy to set up as an HMO. Further down the line, we evolved the portfolio into two models. One was the initial cookie-cutter model that we were doing, ie four beds into five. Then we moved on to the bigger stuff where we started to find landlords who couldn't rent out student property and other landlords who were struggling with all the regulations. Although we were operating in one city, we essentially had two *"areas"* and two *"models"*, so each deal was analysed area-by-area and property-by-property.

YPN: What made you decide to start direct-to-vendor campaigns?

Tom: The aim was to generate more leads because when we started we didn't have a huge amount of money. The most cost-effective thing for us was to build relationships with agents rather than spend money on advertising campaigns.

So my advice is to work with what you have got! With landlord letters, I was very sceptical at the start because 'everyone was doing them, so it couldn't possibly work'. Luckily I got over my scepticism and sent them out because it was a real game changer for us. Liverpool is one of those cities where people invest from a distance and they are hoping they can let and forget, which I don't think you can with HMOs. We were finding a lot of people who had invested from afar, but due to poor agents and other factors, they were really motivated to talk to us when we came along with guaranteed rent. I think our success with letters was just timing because I've sent out campaigns since then but with no success.

"I've got a vision of the model that I want to build, which is a large portfolio that contains blocks of flats, and HMOs in the form of R2R"

YPN: Have you thought about investing in HMOs to create real wealth?

Tom: We haven't purchased any HMOs and in all honesty, we probably won't.

We're happy with the rent-to-rent business as it is. Based on what I know about HMOs, they are a lot of hard work and I do feel that the supply outstrips demand at the moment, so for now we'll watch the market and see what happens.

In terms of retaining high occupancy within our R2Rs, we do keep the properties well maintained and for us that's a better approach than doing more deals. We've got a lot of stock with high occupancy levels, so I would rather keep that model working. However, we are talking to the owners about potential purchase lease options and we'll see how that pans out.

We do want to create wealth for the future though, and having managed to build up a substantial R2R portfolio has given me the confidence to say, *"Okay, I feel like I know what I'm doing and understand the game a little bit more"*. Now, I am more confident when sitting down with an investor to present them with an opportunity.

YPN: What's the shape of your current business and where is it heading?

Tom: At the moment, we are content with our R2R business so are busy building our portfolio of blocks of flats. We've also built a team to help investors from outside the area have a positive investing experience in Liverpool by offering sourcing and property management services. Due to the size of the current business and where we're heading, we want to bring everything in-house – we want to control the business and we want to control our own destiny. We want to have a greater sense of what's happening in the business at any one time rather being in the hands of a lettings agency. I guess I'm a bit of a control freak as well!

Our transition into blocks of flat has stemmed from the HMO model, ie multiple streams of income from one building/one purchase. The plan is to have fewer properties that will produce high cashflow rather than lots of low cash-flowing units.

This model will also mean less management hassle due to a smaller portfolio size. So far, we've only bought self-contained flats but slowly we're moving onto buildings that we can convert into flats. Now that I have some credibility, I have been able to raise funds from investors as well as using the money that we make from the business. To date, we've had a balance of investors – ie those who would like to recycle their capital, and those who are happy to leave their funds in the deal for a decent return. We've initially started with buildings with anywhere from

CASE STUDY TWO
BLOCK OF FIVE SELF-CONTAINED FLATS

Purchase price:	**£153,750**
Purchase costs:	**£5,000**
Refurb:	**£30,000**
Total investment:	**£188,750**
GDV:	**£270,000**
Capital left in:	**£0**
Income:	**£2,200**
Mortgage:	**£770**
Expenses:	**£100**
Cash flow:	**£1,330**
ROI:	**Infinite**

three to five flats but will move onto larger blocks of flats and then on to buildings we can convert into flats.

I've got a vision of the model that I want to build, which is a large portfolio that contains blocks of flats, and HMOs in the form of R2R. That is where we're heading, but over time this model will need to be changed and tweaked as I learn new things and as I meet new people. I spend a lot of my time 'strategising', which means that I'm trying to put together funding structures or deal structures in Liverpool. Strategising also means creating our own plan and defining how that can fit into other people's plans because if I can get more investors interested, the business could be bigger and more exciting. As I mentioned previously I'm very risk averse, so for me, strategising is also about de-risking.

YPN: What has becoming a full time property investor allowed you to do?

Tom: From a business and work point of view I'm working longer hours than ever, but that's only because of where we're heading and what I'm planning to do. I really enjoy what I do. On a personal level, I can attend my children's events, eg sports days, and it's now my choice as I don't need to ask anyone. Throughout Simon Zutshi's mastermind programme, we didn't go on holiday because we were working relentlessly, but since then, I've taken the kids to Disneyland, been on a family holiday with the parents and had a couple of breaks with my partner. You could do all of that if you are employed but you have to ask your boss to have time off or you have to raid the piggy bank to be able to go. These days, I can do those things comfortably, but I never take that for granted. I love working hard but at least it's for my own business. I've probably had too many holidays but it's great to be able to share this time and share these experiences with the people that mean the most to me.

YPN: What sort of advice can you offer readers just starting out in property?

Tom: I'd say keep it simple. There is a magic formula – and it's hard work plus discipline plus focus. I appreciate that people hear this all the time and it sounds so simple. It is, but it's hard too, so you have to be willing to put the hours in and take action. Over the past 18 months, I have literally dedicated all my time to making this work. I've got two young children, so if I can do it I believe anyone can. You've almost got to have an obsession of wanting to do well and then decide what you want to do. On the technical front, take action and try something out to see if it works for you; what works for one person doesn't necessarily work for someone else.

YPN: What has inspired you on your property journey?

Tom: It's been a combination of things but in all fairness, books have changed my life. The first book I read was 'Think and Grow Rich' and that just blew my socks off. That was the real turning point for me and I started to read and listen to other material. Being around successful people has also played a role; I went to pin meetings a few years ago and met successful people, but I didn't appreciate their success because my mind just wasn't open to it. So going to networking events and seeing the success for myself has also had a positive impact. Doing property education and being around some incredible people has been a huge thing for me. Finally, associating with people who are interested in success, who want the same things as me and who want to talk about property rather than what happened in the pub on Friday night has been a really positive change for me.

Click here to download our interview with Thomas

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HOW I REPLACED...
A TEACHER'S SALARY

BTL IS ALIVE AND WELL FOR EX-TEACHER KELLYANN

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

Kellyann Martin first got in touch with me after my 'Let's hear it for the girls' rant in the March issue. Her story, although not un-ordinary, really resonated with me. I'm regularly surrounded by people who are dealing with large amounts of money and building huge empires, and as a young woman starting my career in property, it was quite a relief to hear that Kellyann had replaced her salary of £22,000 after tax, with single lets. That seems achievable for anyone.

BACKGROUND

Kellyann was a secondary school teacher in Leeds, working long days on her feet and work didn't end when she got home. Evenings were spent marking and planning lessons. As she taught English, a core subject, there was more paperwork than other subjects.

Teaching is a high-pressure job, as students' exam results reflect directly on the teacher. Parents and school management scrutinise teachers to make sure that all students are performing well and living up to their (high) expectations. Kellyann explains: *"If I could have gone into the classroom and just taught and not had all the nonsense of the paperwork, office politics and marking, I would still be there."*

She liked the idea of property investment and going into it full time, but at first wasn't sure exactly how to make it happen. Whereas many investors engineer an exit from their day job when they can at least cover their outgoings from rental income, Kellyann took a complete leap of faith. She had put in a request to go part-time in her job but this was denied. So instead, she resigned. She would, she figured, just have to make it work.

With enough savings to live on for a short while, she started Googling property investment. She did a few courses and realised they weren't for her before coming across Progressive. She signed up for their complete suite of courses, which gave her the opportunity to learn about strategies and figure out how to move forward. There was one thing she was adamant on, however: if she was doing work on a property, she wanted to own it.

LEAPING INTO PROPERTY

The very first property Kellyann bought after her property education was an HMO, before she had even done the HMO course. She came across it when looking for a house suitable for a single let but it was larger than expected, so she decided to jump into the deal.

It worked out well. Mostly though, her portfolio consists of single family lets. Single lets aren't considered sexy or exciting by many these days, given the challenges being thrown at landlords by the government, but she loves the strategy.

As Kellyann was born and raised in Leeds, went to university there, and has lived in the area her whole life, she knows her patch very well. She knows the no-go areas and the great streets. She never wants to travel more than 20 minutes from her front door, and likes to be able to get to a tenant quickly if there are any issues.

Her ideal property is an ex-local authority house. They're generally big, roomy, have two or three bedrooms and big back gardens that are great for kids. Her target market is families, who she hopes will move into one of her refurbished houses and never leave. Nice family homes are hard to come by in the area, and her houses have proved very popular.

CASE STUDY ONE
THROSTLE LANE

Three-bedroom, end-terrace ex-council house with a big garden with potential to create a plot in the future.

This had been on the market for a long time. Someone else's offer was accepted, but I kept in regular contact with the agent. Eventually, the agent told me the buyer had dropped out, so I went to see it again. This time, the vendor accepted my second offer of £66,000.

The house was in a terrible state. It had been empty for years, although someone had previously bought it to renovate but got nowhere. There was half a kitchen, a visible gas pipe against the ceiling, a hole in the roof that leaked into the bedrooms, floorboards missing from the bathroom, and cracked windows, among many other problems.

Purchase price:	**£66,000**
Refurbishment: including damp proofing, new kitchen and bathroom, new boiler and heating system	**£9,949**
Post-works valuation:	**£105,000**
75% mortgage:	**£78,750**
Money back out:	**£26,250**
Mortgage payment pm:	**£240.88**
Rental income pm:	**£650**

To give you some context, Leeds currently has an 11-year waiting list for a council house. There is a bidding system every time a property becomes available. Recently, one house received 524 bids. As a result, there is a shortage of housing, so when someone like Kellyann comes along and turns a shabby house into a nice family home, tenants don't want to leave. *"It's a nice feeling to help people who are in limbo."*

With such a high demand for her properties, how does Kellyann choose her tenants? She trusts her instincts. She meets every potential tenant and accepts the one she likes and gets on with. Of course, she still does the compulsory rental checks, but first and foremost she wants to like the tenant, and trust that they will live in her house without trashing it. So far, she hasn't been let down.

INVESTMENT MODEL

Her primary model is to buy, refurbish and refinance. She aims to buy as much below the market value as possible. When searching for her first investment, she wasted a lot of time looking for the elusive all-money-back-out deals before realising she was ignoring some good deals that needed only a few thousand pounds left in. Because she was thinking that a deal wasn't a deal unless she could get all the money back out at the end, she was restricting herself. Nowadays, to only consider such deals is illogical and unreasonable, especially with the current restrictions and stamp duty.

CASE STUDY TWO
THROSTLE STREET

Three-bedroom, mid-terrace with garden.

This was an auction property that I viewed, but I was keen to get it before it went to auction as I knew the price would skyrocket if it got to the auction room. Luckily, I already had a private investor lined up, so made an offer, which was accepted.

Purchase price:	**£58,995**
Auction fees:	**£1,989**
Full refurb: including new heating system, bathroom, kitchen and rewiring	**£8,331.91**
Post-works valuation: Being round the corner from the Case Study #1 property helped!	**£105,000**
Gross rental income pm:	**£650**
Net rental income pm:	**£240**

HANDS-ON INVESTING

Kellyann is very hands-on in her property business, and project-manages all refurbishments on her properties. *"I like being nosy and watching how things develop."* She doesn't like chaos, preferring to put the effort into organisation for everything to go as smoothly as possible. She also keeps in regular contact with tenants to make sure everything is going well and they are happy.

TRANSITIONING FROM STRUCTURE TO FLEXIBILITY

Transitioning from a highly structured day job to unstructured self-employment can be a struggle. Kellyann found this a challenge at first, but now has a routine that she follows every day. It's a self-imposed structure, but if she fails to follow it, she finds herself with a wasted day. *"You've got to manage your time, or time manages you."*

Each day she logs what she's achieved, and what she has done specifically to move her business forward. She also logs how her life has changed and keeps a visual reminder of her aims for the next ten years.

Her ten-year goal is to have 50 houses. Although at YPN HQ we have an idea that she'll smash that goal in far less time, she feels it's a slow process. *"Initially, I wanted five [houses] a year but when you're starting out, that's not realistic."* She has started slowly. Her focus has been on rinsing and repeating her model, and the better she gets at raising finance, the quicker she'll be able to do the deals.

She has been full time in property for two years, and it only took her 18 months to become financially secure and replace her teacher's salary. She's working her way to financial freedom, which for her means that if two houses became vacant at once, she can still live comfortably.

"You've got to manage your time, or time manages you"

Everyone has their own personal obstacles when they embark on this journey, and seeking private investment funding has been Kellyann's biggest challenge. Throughout her life she has done everything herself, so asking other people for help with raising finance went against the grain.

Working with others to progress quicker was a huge mindset change. Even now, two years on, she still struggles with it but is working on it. *"I could have been so much further on if I'd dealt with this mindset issue two years ago. You've got to get on with it because once I'd spent all my own money, that was it. I've got to be able to leverage other people's money to move forward."*

The Progressive team have been supportive in helping her through this. Borrowing money was a whole new process she had to learn, but it has been worth it. She found her first external investor through her network, and most of her time is now spent finding deals and finding investors who want to work with her.

In line with her ethos of independence, she doesn't do equity JVs but instead borrows money on a short-term arrangement with a fixed-rate return. Investors get their money back as soon as the house has been re-financed, usually between six and 12 months, and interest is paid in a lump sum at the end.

She keeps her investors in the loop by sending them pictures of the projects and inviting them to visit to follow progress. There are two types of investor, she says, those who are keen to come and see the progress, and those who don't mind as long as they get a return. *"You hear so many horror stories about deals and investors that have gone wrong, and people who have buggered off with your money. I don't want people to think that way about me when I'm doing a good and genuine job."*

NIGHTMARES

As with every property, it's never possible to understand fully what lies inside a house until you start to take it apart. Despite the obvious issues, Kellyann has only encountered one significant incident.

She bought a house that had belonged to an elderly lady who had passed away. There were floorboards throughout … but infested with fleas. She even ended up giving her cat fleas and is still traumatised! It took four flea bombs to clear the house. But every problem is an opportunity. There is nothing that can't be fixed, and she will not take no as an answer if a tradesman says that something is not possible.

CASE STUDY THREE
ASHBY STREET

Three-bedroom, end-terrace with garden.

This is my most recent project (at time of writing, July 2018). The refurb has just completed and it's just been tenanted to a single mum with three kids who had been living in a temporary hostel. I wasn't sure about this at first because it wasn't in my usual patch and I knew the rent and end valuation wouldn't be as high as my normal investing criteria.

However, I was bored due to a lack of local deals! So I expanded my goldmine area map outline and went further afield – and it's still only 20 minutes away from my door.

Purchase price:	**£60,000**
Full refurbishment:	**£9,963.10**
Post-works valuation – awaiting, but anticipated:	**£90,000**
Gross rental income pm	**£500**

My proudest landlording moment yet, helping that family.

ON BEING A WOMAN IN THE INDUSTRY

It's difficult to argue that there is a perception that the property investment industry is male-dominated. Though Kellyann doesn't consider herself as particularly girly, she has found that being a woman has held her back, especially when dealing with contractors who don't always take her seriously. *"I think it's much more difficult as a female to do this. You have to be quite thick-skinned in this industry, especially women, because some people will just try to take the mick out of you."*

She has enough experience under her belt now to know when someone is overcharging because they assume she doesn't know what she's doing. More fool them.

At property and networking meetings, she's noticed that in a room of 20 people, there might be three women. It can be intimidating, but Kellyann holds her own and continues her journey with determination. *"It is a male-dominated world. You can't be soft like a feminine princess-type, it's not going to work for you."*

"It is a male-dominated world. You can't be soft like a feminine princess-type, it's not going to work for you."

GOAL SETTING AND REWARDS

As mentioned earlier, Kellyann has literally drawn a picture of what she'd like her life to look like in a few years' time. But what happens after she reaches those goals?

"I just set new ones! I get bored quite quickly." She has a vision board where she sets travel, life and home goals, and ticks them off as she goes along. There are small goals as well as big ones, which she uses as small rewards for when she's finished something that she's proud of, like a refurb. So her goals vary from planting poppies in the garden to major bucket list items like trekking to Machu Picchu.

ADVICE

For anyone who is where Kellyann was two years ago, wondering where to begin or simply needing some encouragement, she says:

"Just start with one [property]. Think of a bricklayer – he doesn't wake up one day and build a whole house, he puts down one brick first and then another and another, and eventually has a house.

"That's how it is with a portfolio. You can't magically have 50 houses, you start with one. Buy it, do it up, get the next one."

She would rather fail at something and learn from it than not do anything at all. People tend think about the 'what ifs', and the reality is that whatever can go wrong will go wrong at some point, but it's highly unlikely they'll all happen on deal number one.

Click here to listen to our interview with Kellyann

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HOW I REPLACED…
AN RAF PILOT'S SALARY

A MIX OF STRATEGIES LEADS TO PROPERTY SUCCESS IN CIVVIE STREET FOR ROB STEWART

Interview: **Ant Lyons & Angharad Owen** Words: **Raj Beri**

Rob Stewart is a successful, experienced property investor. Replacing his post-RAF consultant's salary of ca £50,000 through growing his business, however, hasn't always been a smooth ride. In this article, he shares the ups, downs and lessons learned that have led to success on his terms.

YPN: Tell us about your life pre-property.

Rob: Although some of the people I have worked with over the years might disagree, I had a serious job and a proper career! I trained up as an "air defender" and spent 12 years in the Air Force flying various things. I was based in Scotland, doing quick reaction alerts with anti-hijack and anti-Russian operations, and also spent some time in the Falklands.

It's been a big change since moving into civvie street about six years ago. Life in the military was a very structured environment; the days are mapped out for you and you sort of know what you're doing on a daily basis. There are rules and regulations to follow, so you don't really have your own voice, or indeed any ability to take control of your day. Your day-to-day is very much imposed on you, but that's how the military

works and without that structure, the military would be ineffective. On the flip side, we travelled around the world quite a lot on various exercises.

If I'm honest, it was quite a blessed existence because I did some amazing things and flew some amazing aircraft. I had a lot of responsibility, but as a fast jet pilots we were taught and encouraged to do things by ourselves. That's been one of the biggest challenges I have faced in leaving the military – ie, going from an environment where you do everything by yourself, to one where you are expected to work in teams. That's also been the biggest transition for me in terms of mindset, how to actually integrate into and work within a team.

YPN: What made you step away from your career? Was it always in your mind to do something else or did something happen to make you rethink?

Rob: In 2010, I ended up in South Africa, flying for the South African Air Force on exchange. I left my RAF job, my family and my girlfriend at the time (now my wife Sally) and ended up in the middle of northern South Africa in a place called Louis Trichard, which was an interesting place to be as an Englishman. I decided I didn't really want to do three years out there, so spoke to the RAF and requested a move back to the UK. Eventually they agreed, but advised me that if that was my decision, I would be 'unlikely' to fly again. I saw little point of being in the RAF as a pilot without an airplane to fly, so I decided to leave.

CASE STUDY ONE
AINSLEY COURT

This property consisted of seven flats and two retail units.

Purchase price (auction - 2014):	**£124,000**
Refurb total:	**£146,000**
Council grants:	**£70,000**
Total net investment:	**£200,000**
Revaluation:	**£415,000**
Refinance (in 2 x tranches):	**£280,000**
Rent resi (7 x £430):	**£3,010**
Rent retail (2 x £500):	**£1,000**
Total rent:	**£4,010**
Capital and interest mortgage:	**£1,700**
Net:	**£2,310** (with all cash out)

YPN: Did you have a plan at that point of how you were going to move forward?

Rob: It was a total leap of faith but an interesting exercise - how does one plan where they are heading and what's going to make them happy? In business, one talks about one-year plans, three-year plans and five-year plans. Before I got into the world of business, it was more about what makes you happy or doing what your gut tells you and what you feel connected to. In fact, there have been a couple moments in my life where I've had to do that. Initially, I joined the RAF after dropping out of university because at that time, being at university wasn't something I wanted to do. I wanted to do something very different that made me happy and that I connected with. Later on, I left the Air Force to reconnect with family and get some control back in my life.

My overall plan was to fly commercially, so I had spent a lot of money getting various licences. However, I left the Air Force in the depths of a recession and there were no openings to earn anything near what I needed to have a decent lifestyle. I ended up on a one-year contract with a defence company just to pay the bills while looking for a job in the airlines industry.

When I was leaving the Air Force, I started buying properties as a pension replacement because I was losing the ability to draw on my RAF pension at age 38, which a lot of guys can do when they leave. Because I left earlier, I lost that ability and would have to wait until I was 55 years old. There was no firm plan at that point; I just started accumulating single let properties.

YPN: Was there a tipping point when you thought property could be more than just a pension?

Rob: There was, and people can probably relate to that. When I was doing the contracting job, I was working for a private company who were contracted to the military to write their new flying training system. I was working with lots of people who had never flown an airplane or even been near the military before. Nevertheless, they were writing courses to advise pilots how to learn to fly! Several years in, they realised they actually needed a pilot to help them, so a job was advertised looking for someone with modern Hawk (airplane) flying experience. At that time, I was the only person in the civilian world who matched their job description, so it was an easy interview.

I was living in Chester but commuting every day to the RAF base in Anglesey or being sent to the HQ in Bristol every couple of weeks. I hardly saw my fiancée and remember screaming at the mirror in one of the hotels in Bristol, *"What is going on here? This is not what my life should be about."* That was the tipping point. I realised I really needed to leave a job where somebody else pulled the strings.

At that point I had four single lets and one HMO, but the income was only enough to cover my personal mortgage. However, as a consultant with a private defence company, I was earning a good wage, and reinvesting that into deposits for single lets and refurbishments. Although stepping away from my consultant role was a huge step, I knew I couldn't work for anybody else, even though I didn't know exactly what I was going to do.

"With respect to property, a lot of people forget that when you get started and are trying to build a portfolio, it's a capital hungry exercise"

YPN: How did you transition to being a full time property investor? Did you do some training or carry on with what you were doing?

Rob: I went down the *"tried and tested"* route of absolutely messing it up by myself for about a year! When I left my job, I had just about enough money to buy my first commercial conversion. It was a little photographic studio in the middle of a north Wales town. I bought it for £48,000 and managed to get planning permission to build three flats on it. I then brought in a builder who had no idea what he was doing, but basically charmed his way into my life and ended up doing the job with no contracts in place.

The whole thing went horribly wrong; I lost about £30,000-£40,000 and had to go to cap in hand to my family to help finish the job off. When I tried to get the building regulations department to sign it off for mortgage purposes, they came up with 30 points of non-compliance so this whole episode was a very traumatic time.

I decided to give up on property – I thought that everybody was out to get you and there was no trust – and actually went back to the job I'd left. In the military, you implicitly trust everybody you work with. You know everybody will do their job to the very best of their ability and you trust them with your life. So coming into the civilian/business world and realising that's not quite the ethos was a steep learning curve. It seems that most people prioritise themselves first and perhaps somewhat naively, I was putting my trust in a lot of people, but it was unearned trust. However, three months into the job, I once again realised why I'd left in the first place, so left again.

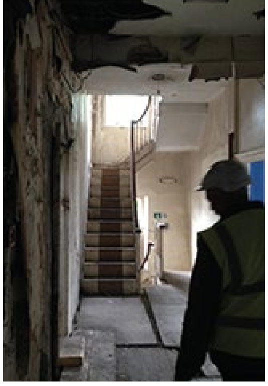
With respect to property, a lot of people forget that when you get started and are trying to build a portfolio, it's a capital hungry exercise. Even if you're buying well to add value and then refinancing, there is still a time frame to recycle your capital.

In addition, cash flow is the one thing that many people fail to understand in any business, especially a property business. In my own case, I'd depleted my savings but still needed to earn an income to pay the bills. To cover the cash flow requirements, I also started a trading strategy (property sourcing) as I think it's important to have a trading strategy and an investment/wealth building strategy. Businesses, including property, can be profitable but can go bankrupt due to cashflow issues.

YPN: Tell us more about how your sourcing business developed.

Rob: I started sourcing HMOs for military guys and that created the cash flow I needed to start growing the business. I was buying three/four-bedroom Victorian terraces and turning them into five/six-bed HMOs and charging sourcing fees for the service. I was doing this before I had done any education and before I knew it was even a strategy! I focused only on military personnel who had seen what I was doing and had seen the cashflow that HMOs were generating. I provided a turnkey, hands-free service to source, refurbish and then manage the HMO.

The biggest issue was scaling the business and the bottleneck became the build teams. The quality of the builds was starting to deteriorate, probably because I was delegating too much project management to my builder, who himself was bringing on more people to cope with the work. Inevitably, some of the investors started noticing the problems. In one case, an investor client said, *"Right, this just isn't up to standard"*, and e brought in his own builder at higher cost, even though my builder had agreed to rectify the issues.



CASE STUDY TWO
CROMWELL COURT

This Grade 2 Listed Georgian building was purchased for conversion to two four-storey townhouses in Chester city centre.

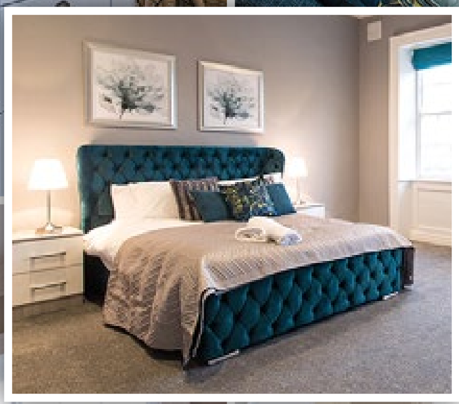
Purchase price (auction - 2015):	**£150,000**
Refurb total:	**Too much!!!!**
Total net investment:	**£740,000**
Revaluation:	**£925,000**
Refinance:	**N/A**
Gross serviced accommodation rent per month for the two units:	**Approx £7k-£8k**
Cashflow per month:	**Approx £3k-£4k**

These properties are unencumbered.

Before and during development

Post-development

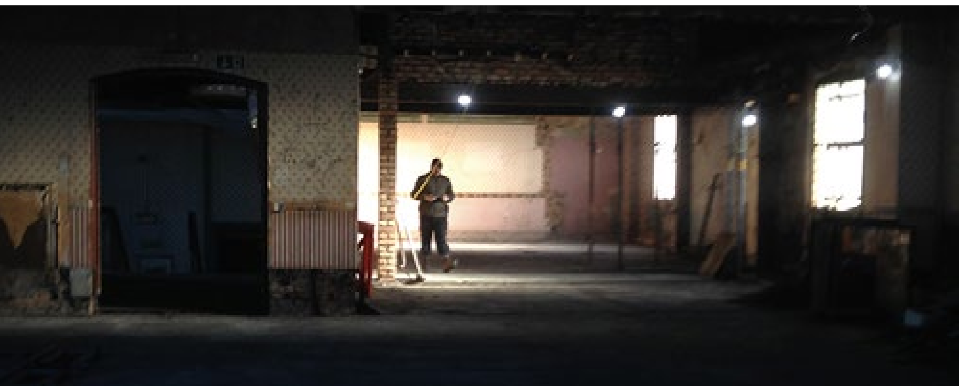




CASE STUDY THREE
THE PHOENIX CLUB

We achieved planning on this former club for 20 flats and two retail units. However, we are only building out 13 flats due to build ability. The project is still under development.

Purchase price (2016):	**£186,000**
Refurb and professional fees:	**£800,000**
Council grants:	**£50,000**
Total net investment:	**£936,000**
Revaluation (for development finance):	**£1.25m**
Rent resi (13 x £430):	**£5,590**
Rent retail (£10/sq ft):	**£4,166**
Total rent:	**£9,756**



That was a good lesson in not scaling a business too quickly, because it's not all about growth – it's about sustainable growth. I did offer to buy the property from the client if he was not 100% happy but it was a great deal and he decided not to take me up on my offer after he had it re-valued by an estate agent!

YPN: How has your property business evolved?

Rob: When we started sourcing HMOs, we couldn't find anybody to manage them so we started a management agency. I stopped sourcing HMOs in our area in 2014 because the market was getting saturated and occupancy levels were dropping, and switched strategies to small block flat developments, buying buildings that had already been converted to flats but needed refurbishment.

The first one was bought at auction and it had seven flats with two retail units. I started working quite closely with the council to bring these empty units back into use and we managed to get a fair amount of grant money from the council. Once refurbished, the council then had nominated rights to house their tenants. Our focus these days is on mixed-use developments, ie commercial units with flats above. No one wants to buy these probably because they struggle with the commercial aspects, but if you know what you're doing, this is a fantastic strategy.

> "Currently we are developing a working man's club into 13 flats with a commercial (retail) space below and will eventually lease out the whole building"

In the commercial sector, valuations can be a bit subjective with different yield valuations from different surveyors. That's why it's good to develop a team of people around you, including people who work for the banks, and knowing which surveyor is on which panel for valuations. Getting the wrong surveyor can make or break a deal in terms of revaluation and one of the things that has helped grow our businesses is developing an extended network of people who really know our area and our strategies.

With respect to developing your network, it's important to have a peer group/accountability group that you surround yourself with, as the property world can be quite lonely. It's also very important to build your brand and credibility because these days, investors, banks and even the higher quality builders will be checking you out. If you get this right, then opportunities will arise and start magnetising towards you because people will know, like and trust you. In fact, one of my other businesses is to train people to build a brand through social media and marketing.

YPN: Reflecting on your own experiences, what advice would you give to others?

Rob: If you'd asked me two years ago, I'd have said, *"Just jump"*. As I get a bit older and more risk averse, I would say *"engineer your way out, especially if you are in a good, well-paying job"*. You can start by diverting excess funds into building a parachute for yourself, because it's very risky just chucking everything in. For example, you become unmortgageable, so how do you carry on growing your portfolio when you have no income?

> We live in an industry where it's all about being positive, but negatives will happen and things will go wrong.

A couple years ago, we went massively over budget and over time on a grade II listed development and we ran out of money, but to keep the trades on site we still had to find ~£7,000/week. When you come out the other side, you feel like you've achieved something pretty amazing, but I don't think everybody would like their life to look like that. If you engineer an exit, it makes life much easier.

I would also suggest that people don't try and scale too quickly. I have seen some, including us, scale too quickly and get into trouble financially, eg doing multiple big projects at once. You don't need to do it. If you're just trying to get out of a job and create a lifestyle, you don't need to go out with all guns blazing and scale at that sort of rate. Sadly, due to social media bombarding us with messages of success, such as flash cars and worldwide travel, people have started assessing their lives with the wrong metrics. Material gains are the wrong metrics to assess your success, so before you start out in any business my advice would be to ask, *"what do I want to achieve, what do I want my life to look like and what does success mean to me?"* You can then start planning how you're going to achieve that. Most successful businesses want sustainable growth that will compound over time. Once you develop that sort of philosophy and mindset, life is a lot more fulfilled and ironically, more opportunities come your way.

YPN: How has your life changed from eight years ago and what advice can you offer on how people can identify what's important to them?

Rob: My life now is very different, but there are pros and cons about everything. I miss a lot of things about the military, eg the community, the camaraderie, my friendship circle and I miss flying airplanes.

What I don't miss is being told what to do every day and I like the fact that I can go on holiday three or four times a year. Ultimately, we have to be content with what we have and be happy with the process that we're going through rather than the end result.

Rob with his wife Sal

Seeing Brendon Burchard a few years ago led me to develop a model, which I call the ***Hierarchy of Identity***. I find that a lot of messages from motivational speakers are unhelpful, eg *"get out there and take action"*, or *"know your why"*. But if you don't know your why and don't know how to find it, you're a bit stuck. I believe that the first step is to understand who we are, ie self-awareness. So, sit down and define what you truly desire in your life. Be really honest – define in detail what your life looks like in a perfect world, because we can't plot out a route unless we know that. The next thing to define is what value can we give to the world, eg skill sets, knowledge and focus on delivering that. The next part is to work out what you are connected to emotionally and I guarantee there'll be people who are doing something they really hate.

So make sure that when you get out of bed in the morning you're enjoying the process of what you're doing, because otherwise you're not going to be successful.

I believe you need to define your identity as a person and be congruent with that. It'll then be much easier to work out your why and your purpose, but it may still take years to really work it out. When you are starting in property, it's common to think that you can do everything and be a jack (expert) of all trades, but eventually you realise that you need to build a team. Even when people get a bit of traction, they begin once again to think they are super human and start to do everything when trying to run multiple businesses. In reality, they're stretched too thin. The truth is you only need one successful business to create a lasting legacy. The minute I realised that, I simplified my own business structure and ironically, everything has literally just skyrocketed.

I think part of the problem is the *"entrepreneur's curse"*, ie people see opportunity and think, *"I can make some money here, or add value there"*, so off they go. Then they see another opportunity and jump onto that. The real key is learning to say *"no"*, standing by your values, and focussing on something consistently to achieve incredible results.

CONTACT

Facebook: **www.facebook.com/robstewartglobal**

This article is this month's Your Property Podcast interview.

To find it, simply search Your Property Podcast in your podcast app or on Soundcloud.

YPN SAYS

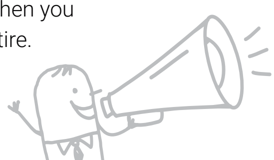
When the time is right to quit your job is a question that only you can answer. The investors that we have spoken to in this feature (and elsewhere in this issue) prove that either method can work as long as you enough incentive, and have a plan to make it happen.

If you make the leap before you've replaced your salary, it will make sense to cut back on your personal monthly outgoings as James did, and/or have some rainy day money to support you for a while as Kellyann had.

Running a property business alongside your day job to maintain an income will mean extra hours for sure. This will be a time investment though, in creating more flexibility and freedom for yourself in the future. To make it more real, give yourself an end goal – set the date at which you will hand in your resignation.

The other factor is mortgage-ability. It will probably be harder to get mortgage finance after you've quit your job, so being aware of this and factoring it into your plan from the beginning will smooth the transition from employed to self-employed (or whatever structure you adopt for your own property business).

Of course, if you love your job, you're in a great position to enjoy the regular income now while being able to invest and secure your position for when you want to leave or retire.
Enjoy the journey!



THIS IS BONKERS!


Image © Bigstock.com/ LightField Studios

Ant's away on holiday so has little to rant about this month, but there's a sector of the property market that I'm getting all hot under the collar about as I near the target demographic. I'm talking about the over-55s sector. Oh alright, scratch the "near" – I may well BE the target demographic.

The thing is, after doing a bit of research it seems to me that this whole sector is completely bonkers. It's the only type of housing that I can think of where the value of property consistently goes **DOWN** rather than up.

I read an item on the BBC News website today about the over-50s needing more support as they work longer. (I'm in a bit of a huff about that because I don't need a zimmer frame to get up from my desk yet thank you very much, but never mind.) A statement in that article caught my eye: *"By 2030, it is estimated half of all adults in the UK will be over 50."*

That's a **HUGE** market. Take out a few for the 50-55 age bracket, and you still have a massive market for the over-55s housing sector.

In property circles, there is a big focus on millennials and how their expectations are much higher than when we were young. But … didn't our parents say just the same thing about US? Don't you remember *"the youth of today"* comments from our elders and betters? (Or maybe that was just my parents …)

In generational terms, those that come after tend not to like very much what went before. In property terms, what that means is that yes, today's students wouldn't be seen comatose in the student dives, sorry digs, that we grubbed about in. It also means that the new wave of over-55s ain't going to want to live like our parents lived.

The market has responded to the demand for superior student accommodation and rentals for young professionals. I don't believe it has yet responded to the demand for superior accommodation for the upcoming wave of retiring Gen Xers. It's only now beginning to respond to the baby boomers and a big chunk of them have already retired.

Here's the bit about this market that I don't get – and surely this makes for opportunity.

There are lots of over-55s properties, usually apartments in purpose-built blocks, up and down the country and they regularly come on to the market. The properties are much cheaper than average due to the age restriction. Ok, that makes sense (but remember the demographic is growing, so how long is it going to carry on making sense?). Over 95% of these properties are dated, shabby and in need of a good refurb. Tempting to consider as a micro-project, in fact. The only thing is, the chances of getting your money back after refurb are extremely low.

Why? The favoured argument is limited demand. **BUT** – demand over the next few decades can only grow. Instead, let's look at the common areas, usually drab residents' lounges, a plywood bar if you're lucky, maybe a couple of other bits and pieces. I've come to the conclusion these properties are subject to a cycle …

New *"retirement"* homes can look really good. Have a gander at any new McCarthy & Stone development. There's a new build premium and service charges are sky-high, but they can still sell like hot cakes. So they are all snapped up. The people who buy them are of similar age and for the most part will stay in that property until they depart this mortal coil, maybe 20, 30 or more years later. Then whoever inherits puts the property on the market, probably declining to spend any money on it because they don't want the expense. Fair enough.

What's happened though is that the common areas look much as they did 20-30 years ago because that's what the residents like. The building may have been maintained well, but the style and décor hasn't been updated.

It's my understanding that the freeholds of these buildings are owned by institutional investors and managed by property agents. They receive their ground rents and service charges and while there's a big maintenance incentive, there is **ZERO** incentive to upgrade to appeal to a new market. Selling an individual unit is the responsibility of the owner (who has probably inherited, see above), not the freeholder or manager. Yet the seller cannot do anything about the common parts, which are still catering to an audience of 30-40 years ago.

There's also, I believe, a huge age mismatch. Today, over-55s spans an age group of 40+ years. A lot of residents in over-55s properties are at the upper end of the age range, so the accommodation is less appealing to those at the lower end. Turn it on its head – students to mid-50s is the same age gap! Would you want to move in with a bunch of students and live their lifestyle?

What is evident is that there is a shortage of really good quality properties for people to downsize to before they're ready for communal retirement living. I've seen a couple of over-55s developments recently (including YPN Developments' Pearn House project) where units have been reserved faster than they've been built despite a hefty price tag. The common factor is quality and style – these places are gorgeous and spacious and don't feel like a step backwards on the property stakes.

Age restrictions or no age restrictions, this is a growing market with very different demands and expectations to the previous generation. That has to be an opportunity.

RANT OVER!

Jayne Owen

Editor • Your Property Network

YOUR PROPERTY PROJECT

COMBINING INDUSTRIAL WITH COMFORT FOR PROFIT

Interview: Ant Lyons and Angharad Owen Words: Angharad Owen

I got in touch with Dan Brown after he posted some pictures of his latest property on Facebook that really grabbed my attention (yep, that's me spending too much time on Facebook again ...). The style of the rooms was very different to anything I had seen before in investing circles, so I wanted to sweep in, have a chat and really find out more about the property and his inspirations for this design.

BACKGROUND

Helen and Dan Brown (not the author of The Da Vinci Code et al) are based in Bristol. It would be difficult to argue that Bristol is one of the hottest property markets in the UK, and as a result it can be an expensive place to operate, depending on the area.

18 months ago, Dan and his wife, Helen, felt the need to come up with a way of getting him out of his self-employed job as a fabricator and welder. As a family, they needed a way of getting him off the tools and in from the cold.

The only previous property experience they had was from converting their loft in their family home and therefore adding value. When it was then revalued, they remortgaged it and released about £145,000. They decided to use this money to buy their first investment property.

The house featured in this article is in Easton, Bristol. Over the past ten years, Easton has developed beyond recognition. It would have been the type of place that was described as up-and-coming, but it has arrived at its destination and has emerged as a highly desirable location to live. Dan and Helen have many friends living in Easton, who gave them a great insight into the area. Easton has a lot to offer, with many pubs, restaurants, culture and great transport links into the city centre.

Their plan has always been to create an HMO for professionals.

GREENBANK ROAD | EASTON | BRISTOL

Type of property:	3-bed terraced
Strategy:	Converted the house to a 5-bed, 3-ensuite HMO
Purchase price:	£282,000
Open market value:	£310,000
Purchase/Acquisition costs, inc legals:	£2,000
Funding method:	Cash from remortgage of residential home for deposit and SDLT then mortgage to purchase.
Deposit paid:	£70,500
Amount of funding:	£214,673
Borrowing rate:	3.44%
Monthly mortgage:	£849
Total money in:	£147,100

After searching for the perfect house for a while, Dan went to view a property he had been following using Property Bee, a Firefox extension that shows a property's sales history, including whether offers and sales have fallen through.

This house had been on the market for eight months, and a sale had fallen through recently. As soon as Dan and Helen stepped through the door when they went to view, they knew it would work well as a five-bedroom HMO.

It was on the market for £310,000. Dan's first offer was £280,000 and negotiations brought the final price to £282,000. The transaction was part of a chain, and as a result it took six months to complete. Dan and Helen got the keys in November 2017.

Easton, at the time of purchase, was a selective licensing area. Dan's local HMO officer was very helpful throughout the licensing process. In April 2018, the area became non-licensable area, but with the new licensing laws coming into effect in October 2018, the house will need to be licensed again.

They didn't need planning permission to make the necessary improvements to the house to convert it into an HMO, as most of the work was internal. Dan utilised his close relationships with structural engineers from his welding days to deal with structural issues inside the property.

BUDGETING THE BUILD

Dan had an idea of how much the bathrooms and en-suites were going to cost from his experience of converting his family loft. He knew a builder who had started his own business, and who provided some estimates for the development and works that needed to be done.

Dan wanted a property that was safe and sound, and would last for 30 or 40 years. They made a conscious choice to not cut corners, and therefore didn't have many areas where they could compromise on the budget. When a problem appeared, his builder would present him with a solution and cost. They just got on and did it as best as they can.

Their original estimate was £45,000 for all works. But as with any project, it's difficult to get an idea of exactly how much work needs doing until the builders have made a start. Work began in January 2018, and it soon became apparent that there were more problems than anticipated.

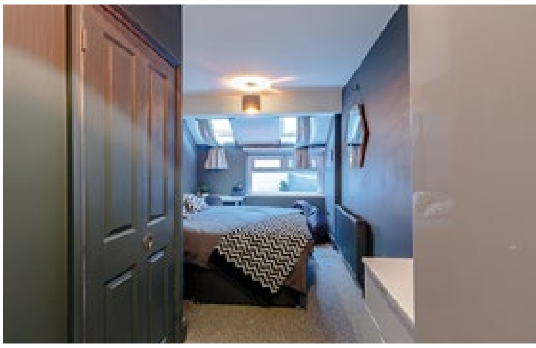
For example, there was a rotten wooden beam holding up one side of the house, instead of a steal beam or concreate lintel. The previous owner had made the bathroom floor from an old Ikea wardrobe, and, not surprisingly, the floor joints were bad.

The costs increased to £65,000, but even with the ever-increasing budget, Dan and Helen were still happy with their investment. They had a lot of confidence in the area, which kept their spirits high even when costs were spiralling out of control.

Their budget for dressing and furnishing the property was also growing slightly too quickly for comfort. The initial budget was £2,000, including everything down to the duvets and pillows. Dan found that the best way to control the spend was to research everything online. For every product out there, there is another that is cheaper. So they developed a system where Helen would send him an image of what she wanted, and then he would search the internet for hours to find a cheaper alternative but still providing the same aesthetic for the house.

COST OF WORKS

Duration of project:	**6 months**
Surveys/professional costs:	**£500**
Flooring:	**£3,300**
Kitchen appliances	**£2,400**
Bathroom – showers, sinks, toilets, taps, etc:	**£2,700**
Total costs:	**£65,000**



DESIGN

The overall design decisions of the house reflect a target market who are selective about where they want to live. Tenants no longer seem to want a magnolia house, and Helen and Dan were adamant that they wanted to provide something different.

Helen has always been interested in interior design. The property's design theme is industrial and bold, basically anything to avoid the magnolia. They conducted a lot of research on Spareroom before designing and decorating, and had noticed that many other rooms available nearby looked identical to one another. Helen felt that her design is perfect for the area and the people they are targeting.

The outside of the property has been painted a Hague blue, and the inside is a combination of the same shade of blue for the hallways and common areas with a dark pipe grey for the bedrooms. The only white room in the house is the kitchen.

To draw out the industrial element of the design, Dan used his welding background to make some chunky steel shelf brackets. The shelves are made from old scaffolding planks, and the worktops are made with basic oak and are oiled with Danish oil. Every bedroom has hexagonal mirrors cut by a local tradesman, with steel frames handmade by Dan. The design concept has even made its way to the outside garden area, with artificial grass and benches made from scaffold planks and breeze blocks.

Dan and Helen were heavily inspired by Julian Maurice's approach and work, in addition to some insta famous bloggers such as Abigail Ahern, Mad About the House, plus their own house. They love the look of his properties and design. However, the actual design concepts for this property were drawn up by Helen. Having redesigned their house in dark colours, they also knew it was a scheme that was easy to live with, so it was tried and tested too.

VALUATION & INCOME

Post-works valuation:	**£370,000**
Re-mortgage amount:	**£370,000**
Rate:	3.44%
Money back out:	**£80,000**
Money left in:	**£66,488**
Monthly income	**£2,900**
If HMO, bills included?	Yes
Monthly mortgage payment:	**£849**
Monthly costs:	**£593**
Net monthly cash flow:	**£1,459**
% Return on money left in:	**26.3%**

THE POWER OF NETWORKING

Dan has been a regular attendee at property meetings in and around Bristol for the past 15 months, and those few hours a month have proved invaluable. He would go to every meeting with a specific question that needed an answer – and wouldn't leave until he had some advice pointing him in the direction of the answer.

Through the pin (property investor network) meetings, Dan has met his power team including his coach, Tim Matcham, who has been an inspiration and whose help has been instrumental to Dan and Helen's success over the past year. He also met his broker, who has gone over and above to help them and provide the best mortgages, and even attended coaching meetings. At his last coaching meeting with Tim, the three of them brainstormed until they got their latest deal planned.

As a direct result of the people Dan has met through the networking meetings, he now has several contacts that he can tap into for knowledge or advice in exchange for lunch or a cup of coffee.

THE FUTURE

Dan and Helen are building a brand, Habibo Homes. Their goal is not just to create rooms, but to build the brand into something they love and that people can trust. They aim to work with small, local and independent businesses throughout Bristol to provide value to their customers. With every home and experience the aim will be to build on the use of small or local suppliers.

Eventually, they want to encourage future employees of Habibo Homes to do away with the nine-to-five work ethic, wherever possible. Research has told them that working in an office doesn't necessarily mean that team members will be productive. They feel that this industrial-revolution way of working is out of date in the digital world.. Life isn't all about work, so flexibility for their employees around family time and other commitments is important to Dan and Helen.

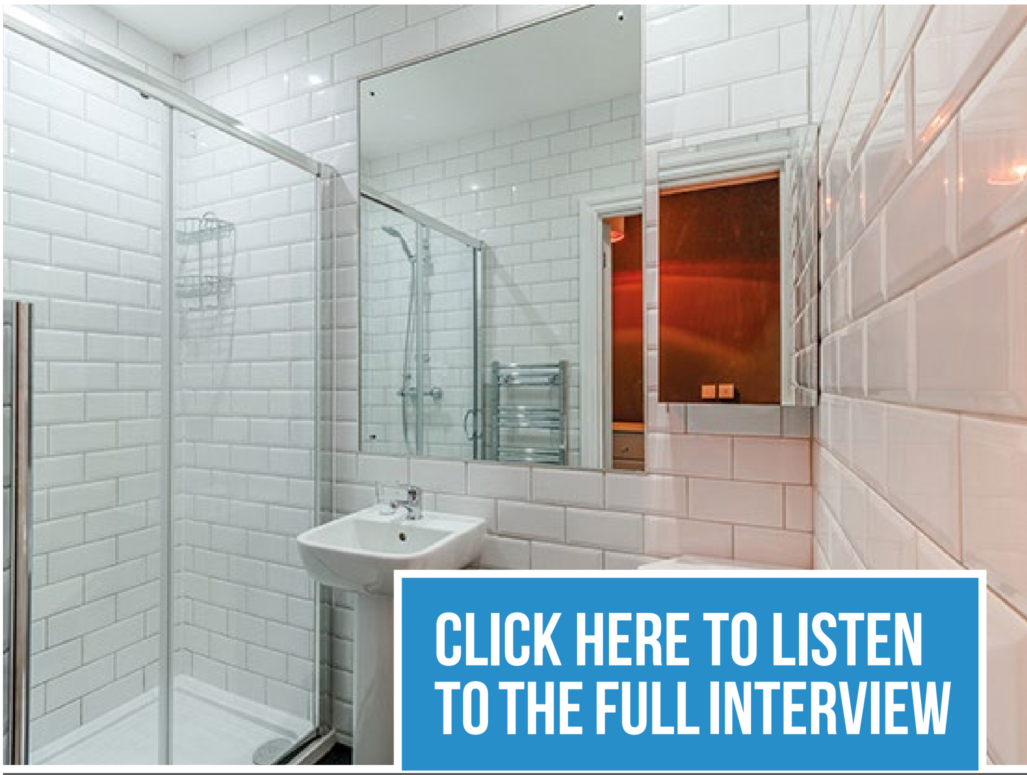
The income from this house takes them one step closer to Dan's goal of not needing to work as a welder/fabricator. However, at the moment all income is being recycled into creating Habibo Home number two.

As Dan is already self-employed, unlike other part-time property investors who have strict corporate day jobs, he has control over his working hours. He currently spends mornings on the welding and fabrication, and the afternoons are dedicated to property. They hope that in 12 months' time, Dan and Helen can both operate the Habibo business full time.

They finance their deals through private investors, and are actively searching to bring investors on board. They try to be as creative as possible with the deals. Right now, Dan is working on a direct-to-vendor deal, and is in the very early stages of negotiations to agree an alternative financing solution. He wants to learn as much as possible about creative ways to raise finance, which will benefit their investing in the future.

In addition, Dan and Helen have just exchanged on a large detached house which they are going to convert into a six-bedroom HMO. There is a plot included in the back garden, so they are currently in talks with architects to attempt a new build. When completed, it will have 10 units. If planning isn't accepted for a new build, then plan B is to extend the existing property into a 12-bed.

Looking beyond Bristol and even the UK, one of Dan's five-year goals to either own or part own a ski chalet. That may not take five years though as, through his network, he has already been in touch with a woman in France to discuss the best ways to buy a ski chalet in the French Alps.



GET IN TOUCH

Instagram: **@habibo_homes**

Facebook: **Dan Brown & Helen Brown**

CLICK HERE TO LISTEN TO THE FULL INTERVIEW

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

ANDREW FEATHERSTONE'S KEY QUESTIONS TO ASK *Your Accountant*

Interview & words by **Heidi Moment**

Working with an accountant for the first time can be a bit daunting, but it needn't be. Here's some questions to help you choose the right accountant for you.

YOUR NEEDS – NOW & IN THE FUTURE

When you choose an accountant you need to think about what your needs are. You might just need someone to submit your annual accounts for now, but as your business changes and expands you may need support with bookkeeping, financial planning, restructuring or setting up a limited company. You may also need someone to help you to use your profits as efficiently as possible. So think about what your long-term plan is and find someone who fits the bill for it all. Choosing a good one to start with can be beneficial in the long run, as it can be a real pain moving accountants.

HOW TO FIND THE RIGHT ACCOUNTANT FOR YOU

Draw up a short list of two or three accountants to go and speak to, by:

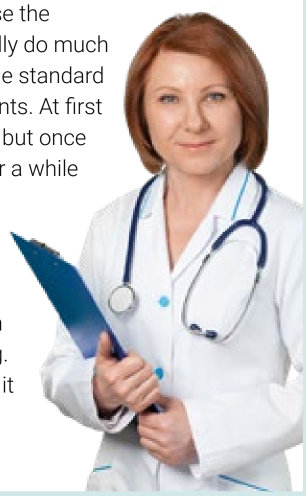
- **Getting referrals from other property people**
- **Asking locally about an accountant who's got a good reputation and perhaps specialises in property (as they will know all the latest developments in property tax)**
- **Checking your local papers for articles written by local accountants**
- **If your chosen strategy is HMO or rent-to-rent it might be useful to find an accountant who already knows about that**
- **Some accountancy firms are vast and have their own specialist VAT advisers, capital allowance advisor and stamp duty advisors. Other accountants are small, with one main person and a few bookkeepers helping them. Choose one to suit you.**

"You're paying the accountant for their knowledge and expertise, so get one with knowledge of your chosen strategy"

AN ACCOUNTANT IS LIKE A DOCTOR

"You need to tell your accountant everything, so you need someone you trust"

A doctor can really help you if you tell them what your symptoms are and are prepared to take your shirt off to show them your damaged shoulder. If you don't give them any information they can't really use their expertise and knowledge to help you. It's the same with your accountant (minus the taking your shirt off bit!). You are going to have to disclose financial information otherwise the accountant can't really do much for you apart from the standard drawing up of accounts. At first this can be daunting but once you're in business for a while you realise that in order to utilise the accountant's expertise properly you need to tell them just about everything. They will have heard it all before so don't be embarrassed.



ALWAYS START WITH OPEN QUESTIONS TO GET A FEEL FOR THEM

Icebreakers, such as ***"How did you start in this line of work?"*** and ***"How long have you been doing it?"*** will get them talking freely about where they trained, their qualifications and why they wanted to be an accountant, which can be quite interesting to hear.

Accountants have to be pretty precise people who have great attention to detail. If the person in front of you is very vague, then they're probably not the right type of person to have doing your accounts.

"Tell me a bit about your team"

You want to know about their team and who you'll be working with. They're probably the main person, but they'll have other people working in the business who specialise in different areas. Get a feel for how many people are in the organisation, and ask to meet them. It's important that you get on with them, in order for both of you to work efficiently. Try to discuss their processes and how they choose to communicate, whether by email or phone, and how often.

"It's important that you get on with them, in order for both of you to work efficiently"

Find out about their current clients and the rest of their business by asking questions such as:

- ***"How many jobs do you do a year?"***
- ***"Who is your typical client?"***
- ***"Are your clients mainly businesses or are they individuals?"***
- ***"Are they property investors or developers or other categories of business completely?"***

Of course it would be useful if a large portion of their clients are property businesses too, but if they mainly do lots of other types of businesses they could still be right for you too. As long as they know a lot about property then maybe the exposure to other areas is actually beneficial in their general knowledge as well.

At this stage in the meeting they'll probably be itching to find out what your business is and how big it is and what fees they can charge you. Try to withhold that information for a little while and find out a bit about them first.

A great question to ask is:

"What do you think will be the next tax change that will affect landlords?"

How they answer this question will give you a good idea of whether they've got a handle on the industry. They might give an interesting view that they think in the future Section 24 is going to be extended to limited companies or something. It would be interesting to delve a little deeper here to see if they know their way around the tax regime for landlords. And if this is something you're not too sure about, this question is a good way for you to learn a bit more about it.

"What is your attitude towards HMRC?"

What you're trying to find out here is how conservative they are, because you've got a range of attitudes with accountants. You're looking for an accountant who knows all the rules and sticks by them, but who understands how things can be adapted, to help you, whilst also staying within the rules and the law. As property investors and developers, we have to be creative and proactive to get things done and the right accountant will help you with this.

"Look for someone with a proactive, creative streak who can get around problems"

If you have someone extremely conservative, you could miss out on the opportunity to claim back Capital Allowances or other opportunities to save some tax. Paying as little tax as possible is important, to free up some funds to invest further.

"Paying as little tax as possible is important, to free up some funds to invest further"

"Tell me about some recent successes of how you've saved a client a lot of tax"

A good accountant will be proud to tell you how they saved their clients money by structuring something in a particular way. Their recent successes will tell you how good a job they're doing for their current clients and what their approach is.

"Have any clients had a HMRC investigation recently?" "What was your role in helping them?"

If you're in business a long time, at some point you will probably have a HMRC or VAT investigation. As the HMRC is now digital they are able to look at thousands of businesses in the same sector. They might see that an average business in that sector makes a 15% profit margin, but this one over here makes a 2% profit margin, so is different to the norm. They have lots of algorithms to look for these anomalies, which could flag up a company to investigate. **An investigation is nothing to worry about because you haven't done anything wrong, but it can be a difficult time, because of all the paperwork.**

If you have an accountant on your side helping with all the questions, then it's very helpful. Again, they might be proud to tell you about how resourceful they were and how they helped a particular client through a stressful time. You can insure against the accountants costs for investigations, which I suggest everybody does.

Ask your accountant about it.

"Please outline your level of service?"

Once you have discussed your business and how you operate, they will be able to talk you through what they will actually do for you, what information they will need from you and in what format. If you've got a load of papers and receipts in a shoe box and you dump it on their doorstep then that will take them an awful lot longer than if you've already put it into some sort of financial package that you can just hand over to them and then they just do their bit. The more organised your information, the lower your quote should be.

If spreadsheets and logging financial information are not your strong point, then you could employ a part-time bookkeeper to input the data on your behalf.

"What are your fees?"

Get them to explain how their fee structure works. Some accountants charge a flat fee per year and they do everything for that flat fee. Others charge an hourly or daily rate. It's up to you how you want to engage them. So think about this before your meeting, so you can discuss it.

A ROUGH GUIDE TO ANNUAL COSTS:

- **£600- £800 (plus VAT)** if you have one or two properties
- **£1,000 minimum (plus VAT)** for a limited company, even if there's only one property (there are a lot of compliance regulations and online filings to do)

This varies by accountant, so make sure to get an accurate quote for your business.

Remember: The fees may seem high, but you are paying for the accountant's expertise. They should be able to save you money in the long run, so their fees are totally worth it. The worst thing you could do is get a bad accountant who charges you high fees, but doesn't save you anything. Try to avoid that at all costs.

"Can I ring two references?"

Always ask to ring a couple of their current clients – preferably local property companies if you can. Any good accountant would be very happy to put you in touch with a client, provided they have given their permission, that is.

When you call the reference, you are trying to find out:

- If they are a good firm to work with
- Whether they do what they say they are going to do
- If they provide a good service
- If they are responsive
- Whether they are good to communicate with
- If they've had any problems with them
- Whether they have been proactive in helping them to pay less tax or improve the structure of your organisation.

Again, just ask open questions and then try and get them to talk to you a little bit about it. They'll disclose what they want to without you asking lots of probing questions.

- **Don't rush to become a limited company just because other people seem to be doing it. It may be better for you to run as a sole trader for the time being. Your accountant will be able to help you structure your business in the right way and will explain the pros and cons of each structure.**
- **The biggest disadvantage of a limited company is that you pay corporation tax on your profit. Then if you want to take money out of that business for income, or whatever, then you have to pay tax again.**
- **You may want to start with one structure and then two years down the line you might change your structure because it depends on the kinds of properties you find and what your strategy is. A good accountant will work with you on that and will change it as needed.**
- **You could always put the first few properties in your personal name, then if necessary, put the third and fourth in the company name. There's no harm in doing that. It's always much easier to switch ownership from a personal name to a company, rather than the other way round.**
- **Don't be too obsessed about getting the structure right at the beginning. If you are in the early stages of your business it's far more important to concentrate on finding decent properties. Just get going.**

"How often do you suggest we meet during the year?"

Once they understand how your business operates they will be able to advise on how often you may need to speak to each other. It could be just one meeting at the end of the year, or it could be monthly, or they could want you to send through your figures once every six months. It all depends on your business, how much involvement they want with you and how complicated your finances are.

If you're just renting out one property then it's pretty simple and you shouldn't need to speak to your accountant very much, if at all, really. Of course, if you're doing bigger development projects that you're selling on it gets more complicated, and you've got tax to consider on sale profits. Or if you're thinking about different structures, such as limited companies, then you probably need to speak with them an awful lot more.

"Why should I use you rather than the cheaper bookkeeper to submit my own accounts?"

This is a good question to ask at the end, as it challenges them slightly to validate their service and gives them chance to show you how much they want your business. They will, more than likely, defend themselves and launch into a spiel about what they can offer you and how they can save you money. Listen carefully, and decide if you want to work with them or not.

"If you've got a question, you want to be able to contact them and know that they'll respond"

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"I CAN'T AFFORD TO STAY IN THIS JOB ANY MORE!"

QUITTING WORK TO ACCELERATE IN PROPERTY

Interview & words: **Jayne Owen**

From a standing start just over two years ago, Chris Peel has rocketed to a property business with a profit in the region of £250,000 pa. That's a pretty remarkable achievement for a beginner, whichever way you look at it.

Chris is the first to acknowledge the support he has received from his mentor Paul Preston in this high-speed journey. It was through Paul that he discovered the power of property, and of what he could do with very little in the way of start-up capital.

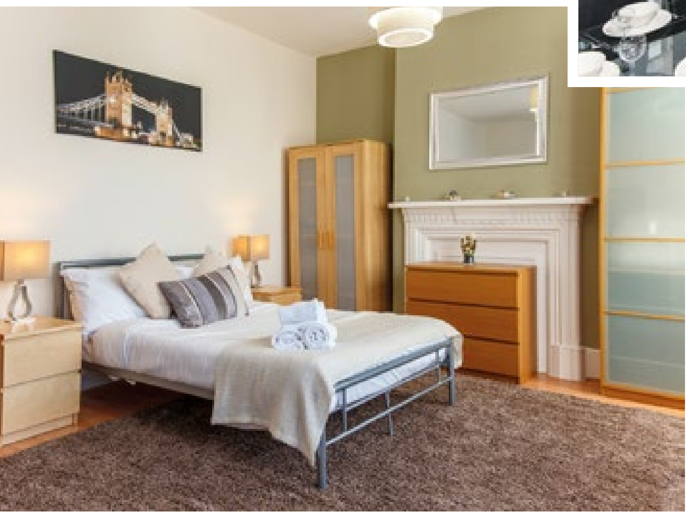
In line with this month's theme of replacing a salary with property income, Chris explains why he wanted out of corporate life, and how he has replaced his former salary several times over since.

MY CORPORATE LIFE

I studied corporate business at university and after graduating, managed to bag a job on a graduate scheme with Jaguar LandRover. The corporate rat race took me to London a couple of years later when I got a job with PwC, one of the big four consulting companies.

I was determined to be one of the best damn consultants they'd ever seen. I had a vision of success: working hard, climbing the corporate ladder then being able live the life of my dreams when I got to the top. But it turned out I was living in fantasy land.

The cracks appeared in that dream almost immediately when my first project took me away from London to the south coast five days a week. My then girlfriend, now wife, had just moved from Ireland to join me in London so this situation was far from ideal. To make it worse, it was a real stinker of a project. My role was to help the client (a city council) meet their new central government budget by laying people off. It was a very toxic environment. People hated me being there because of what I represented. I came to hate myself at that point too.



CASE STUDY #1

Serviced accommodation

Haringey, North London

This came via a landlord who was sick of managing tenants and wanted to run the flat as serviced accommodation without being hands on. We eventually became joint venture partners, agreeing to a 70:30 share of the profits. He funded the refurb and furnishings to the standard I suggested; I managed the refurb through to completion, including sourcing the builders, materials and furnishings, and also dealt with all the operational aspects. He now has a totally passive income.

Owner's financial investment in the deal:	**£10,000**
My investment:	**£50**
Nightly rate:	**£120**
Occupancy:	**80%**
Average monthly income:	**£3,060**
Running costs:	**£1,504**
Monthly profit:	**£1,556**
My 30% share of profit:	**£622**

The majority of visitors who stay at this property are tourists.

CASE STUDY #2

Serviced apartment

Kensington

I was offered this deal by a sourcer, but as my company was still too young at the time to pass the reference checks, it required an upfront investment of around £25,000 to cover six months' rent, deposit, sourcing fees, agents' fees and furnishing. I didn't have that sort of money lying around so approached Paul to ask if he was interested in doing a JV. I already had 15 serviced apartments up and running, so had proved that my model worked.

Paul's investment:	**£25,000**
My investment:	**£0**
Average nightly rate:	**£273**
Average occupancy:	**87%**
Average monthly income:	**£7,100**
Average monthly costs:	**£4,381**

(assuming rent is being paid so ignoring the six months' rent free)

Cash flow:	**£2,719**
ROI:	**130%**

A few months later, I requested a transfer to a new project, this time working with a defence company. It sounded much more interesting and was also closer to home. I was part of a senior team that managed to secure £10m worth of work with that organisation. Preparing for the pitch had meant working 12-17 hours for four days, followed by an all-nighter. On getting the business, we left the boardroom on a high. This deal had also earned the senior partner a huge bonus – a life-changing sum of money for most people – so the rest of us expected a smile and a *"thank you"* at the very least. But it didn't happen. Instead he said: *"Next time, I want to see the presentation on my desk the day before the meeting."* I was utterly deflated and had never felt so unappreciated or demoralised.

Not long afterwards, I ended up on a train with a senior colleague at PwC, someone I had a lot of respect for. He was everything I had thought I wanted to be in the corporate world – successful, well-liked and promoted to director level a few months earlier. I hadn't seen him since the promotion so congratulated him, expecting him to be over the moon. Only he wasn't. His new position had increased his workload, so he had moved his family from a four-bed house in the country to a two-bed flat in London to cut the commute, but still rarely saw his children during the week due to the long working hours. His lifestyle had deteriorated, and the ultimate insult was that despite the big pay rise, he had less in his pocket each month because of all the extra living costs. He was miserable.

My corporate dreams were shattered. I realised in that moment that if I didn't do something different, I would spend the next 30 years of my life heading towards the same future.

TAKING A DIFFERENT PATH

I started reading books about building assets and wealth (*Rich Dad Poor Dad* was a big influence), and listening to webinars, and that's how I found Paul. Following his webinar, I attended one of his one-day events and that's where my insight into property began.

I learned about ways to acquire property without needing much capital and that challenged one of my limiting beliefs – that I couldn't get into property because I didn't have the money for it. I was inspired enough to invest in further training and mentoring with Paul, and also connected with as many property people as I could by going to networking events. This was in April 2016. My first deal (see **Case Study #1**) came from a pin event about three months later, after I did my first 20-second pitch (which was terrifying!).

Though I continued with my job at first, as soon as I committed to the training programme I was all in for property. I had mentally checked out of my job and used holiday allowance to get the deals up and running – my attitude was that the faster I got them set up, the faster I could get out. I used apps on my phone for bookings to make systems as mobile as possible and did remote check-ins so that I could operate from anywhere, including under the radar at work.

> "Though I continued with my job at first, as soon as I committed to the training programme I was all in for property."

My goal was to get off the corporate ladder by the end of the year. I'd heard about someone who had resigned on 24th November so that Christmas Eve would be his last day – I thought that was a great idea and planned to do the same. In the end though, I left much earlier. While setting up the next deal I realised that if I could do two deals while working 70-80 hours a week for someone else and spending a lot of time away from my goldmine area, what could I achieve if I reclaimed those hours for my own business? My salary was good but though I hadn't replaced my income, I saw this as a no-brainer. Putting that time and energy into property had the potential to leave my corporate salary in the dirt. I couldn't afford to stay in the job any more because it was costing me time, money and freedom. I left in September.

SERVICED ACCOMMODATION AND HMOs

As the business has grown, I've focused on two strategies: serviced accommodation in London and HMOs outside London.

Serviced accommodation

At the moment, we run 25 serviced apartments in London. When you start,

CASE STUDY #3

HMO Bedford

This six-bedroom HMO was already licensed when we took it on. The owner had been running it as a student let for a few years but was ready to step back and draw a steady income from it with having to deal with the headaches that tenants can bring. It met all the regulations but needed redecorating from top to bottom as the last lot of students hadn't exactly looked after it.

Getting this deal over the line was a bit of an ordeal thanks to an incompetent letting agent. We got it on the second attempt by dealing directly with the owner. Listen to the audio for the full story of how a nail appointment scuppered the deal first time round!

Investment (first month's rent, deposit, redecoration, furniture):	**£10,000**

MONTHLY FIGURES

Rent – six rooms, averaging £475 each:	**£2,850**
Rent and running costs:	**£2,050**
Profit:	**£800**
ROI per annum:	**96%**

forecasting your return, it can be challenging because you don't have certainty. You might get 22 days in a month, or 15, or even a full month booking. Because of that, I don't have set criteria for a property, but rather evaluate each deal as it comes along. As long as you factor in that your income will fluctuate, it can be a hugely profitable strategy that provides a massive uplift compared to single let rents.

The type of visitors you will get depends on where you are based, so it's worth working out your goldmine area before you start. For example, if you want to attract corporate clients, you need to be near business parks and large corporate headquarters. In London, I have found Zones 1 and 2 to be popular with tourists.

Of course, in London, you can't use a C3 classified property for more than 90 days of short lets. Beyond that, you need either planning consent or C1 usage. You must stay on the right side of the rules.

There's a big debate around this in property circles, and there still isn't really a black and white answer. We go for permission rather than C1 usage. That doesn't get around Airbnb's 90-day restriction, but we get enough business coming in from other websites – we market on over 350 – that the restriction hasn't impacted on us.

HMOs

Our three goldmine areas for HMOs are Luton, Bedford and Kent. We currently have 14 properties, eight in Bedford, two in Luton, four in Kent. I work with a JV partner in each area who handles the day-to-day operations. They look after tenants, do check-ins, make sure the rent is paid and so on, while I provide 100% of the finance on each deal. In the future, I'd like to work with more people using this model.

GROWING THE BUSINESS

Most of my time is spent in building the serviced accommodation side of the business. Now that I have a team for the operational tasks, I focus much more on the strategic elements like planning, meeting clients, marketing, supporting HMO JV partners, improving systems and processes and so on.

TIME OUT

In corporate life, I had a limit on the amount of holiday I could take. Now, I have just taken two months off on an extended honeymoon, travelling through Eastern Europe. It's such a relief not to have to ask anyone for permission to spend time doing the things I want to do.

It's been wonderful to take this amount of time out, and stepping back for a little while has actually re-ignited my passion for building the business. I'm excited about getting back and can't wait to get stuck into it again.

THE MENTOR'S PERSPECTIVE

Paul says ...

It's been a pleasure to work with Chris over the past couple of years and see how much he's achieved.

A lot of my students want to get out of their day job or corporate career, but at first they can feel a bit stuck – perhaps they're trapped by a decent income, or have limited time due to long hours and family commitments. Sometimes they're trapped by fear and self-doubt – and that's completely understandable. It's just important to get the right help and support so that we don't live our whole lives there.

That's exactly what Chris did. And the great thing is, my system is designed to enable people to start part-time, alongside the day job / career, commute, family commitments and personal life. In fact, it's possible to get started in property and get some great results from just five hours a week to begin with. Really, it's just about following the system we have, and Chris is a great example of that ... he followed the system.

I'm very proud to have both Chris and Jack Gill (who you saw in last month's YPN) on stage at our Property Wealth Live event on Sat 8th September in London, and I hope to meet many YPN readers there personally too. Please come and say hi on the day!

www.propertywealthlive.co.uk

I'd also like to extend an invitation to all YPN readers to join my Facebook Community Group too, where you can join in the discussion and get help with your property questions.

www.bit.ly/ppinvitation

CONTACT

Get in touch with Chris via Facebook: **chris.peel.14**

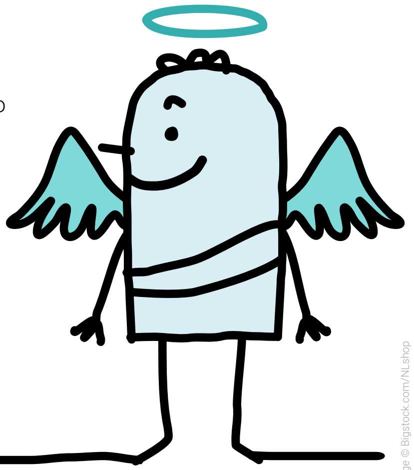
Click here to listen to our full interview with Chris

PROPERTY HORROR STORIES PART 3

By Richard Brown aka THE PROPERTY VOICE

We continue with the mini-series on property horror stories, this time focusing on letting agents and property managers.

Once again, to set the scene a little, I have a diversified property portfolio spanning four different countries, so I do need to rely on letting agents and property managers to support me. However, now and again you do find a bad apple, as with any industry. This month's piece examines a few cases that I have either been involved with directly or have some awareness of indirectly. In the most part, I have had good experiences with the letting agents and property managers that I work with, despite what you are about to read. That said, I usually follow some deliberate due diligence steps before working with an agent, which has probably helped to contain the issues that I have had as small fires rather than towering infernos.



LETTING AGENTS AND PROPERTY MANAGERS

SURELY, THEY WOULDN'T DO THAT … WOULD THEY?

1 From hard-working to potentially overtrading into bankruptcy?

I met the owner of an agency at a weekend property event and we struck up a good rapport. He was very hungry and hard-working; characteristics I genuinely admire. However, hungry can sometimes stretch into over-reaching, over-promising and over-expanding too!

Essentially, we agreed to work together on one of my HMOs. All started well and in fact at times I even praised the company publicly for some of their actions. Then, it started to change …

A tenant there was letting me know that there seemed to be a new 'three strike rule'. This is when it takes three separate reports of an incident before any action is taken. Reports of faults, repairs, ad-hoc tenant requests and even a pesky mice issue all took on average three or more written reports before they were attended to. In short, this led to frustration and delay, not to mention worsening property condition and tenant morale. Finally, they unilaterally altered the payment dates of rent transfers to me from 'within five days of collection' per our written agreement, to 'within the first five days of the month following collection'. I objected to the additional delay in receiving my money and they called me awkward. I insisted that they stick to our original written agreement and they ignored me. I then lost my rag and served notice.

> "However, the bigger issues were the ones that I could not see!"

I had wrongly placed my trust in this agent to follow the correct legal procedures. After taking back the property, I discovered some things that truly disturbed me. For example, the EPC was not only out of date but was also (incorrectly) rated at F rather than the new legal minimum of E and yet they were advertising for rooms (illegal). Then, I discovered that the last gas safety certificate undertaken was **over two years ago** (definitely illegal!). I felt sick when I realised the last point, as clearly that's a ***VERY*** serious issue and one I must jointly shoulder the blame for clearly.

There were other issues, such as failing to document a new tenancy agreement at an agreed revised rent (illegal), telling one tenant that the landlord (ie me) had insisted on a 10% rent increase … when I was not even aware of the situation (false claim) and discovering that despite advertising membership of Property Mark (formerly ARLA), that they are not and never were members (misrepresentation).

Other issues emerged on closer scrutiny, such as the late filing of their accounts, new company formations with similar names, and name changes for older companies in a smoke and mirrors exercise and even a couple of strike-off notices at Companies House, which are often indications of financial difficulty. Red flags were waving very clearly at this point …

I guess some of the most frustrating elements arose after serving notice. They simply refused to hand over the property for two months, despite me offering to pay all their fees for the notice period. The NLA and Property Mark both advised me that this was sharp practice. They then had the cheek and temerity to threaten ME with legal action for using a photo they had taken of my own property in an ad to let a room that they had had vacant for several months!

It took me a month or two of hard work to stabilise the property, tenancies and compliance issues after taking back the property. It all goes to show that when someone is out building their property empire, that Rome may be burning back at home as they do!

2 Bogus works, undisclosed kickbacks and hidden 'gotchas' in the agreement

This next section spans several agencies and property managers over a period of years that I and people I know have encountered, which suggests that agent problems might be more common than you might think. I have first or second-hand knowledge of the following:

- **Works quoted for that were not required, such as replastering and air circulation device installation costing £2,000, instead of simply educating tenants on correct ventilation and providing a £100 dehumidifier!**
- **Supplier kickbacks and commissions, whether disclosed or undisclosed in the agreement – a 10% to 15% handling fee is nice if you can get it; even nicer if we don't know about it.**
- **Falsification of supplier invoices, literally changing supplier invoices to a higher amount with Tippex and a different colour pen!**
- **Charges for work that has not taken place, such as cleaning, inspections, repairs, etc.**
- **Delayed rent transfers, unauthorised deductions, cross-charges to other properties and an array of other payment related problems.**
- **The six-month renewal fee scam, where a new tenancy is renewed with the existing tenant after six months for a further six months … with both parties charged a renewal fee … only for the same process to be repeated every six months … all despite clear instructions to renew for a year.**
- **Sharp wording buried in the small print – especially additional charges arising, despite being under 'full management', such as: letting fees, renewal fees, call outs, admin charges, references, advertising, inspections, inventories and my favourite, house sitting charges awaiting repair and utility companies! I also spot sales commissions and long-term letting agent fee lock-in periods lurking long after termination too.**
- **Agents spending our rent to prop up their failing business – this can happen when an agent runs into financial difficulty and then starts to either delay payment to the landlord or more likely to HMRC and Customs before finally going bust. I know an agent who told me that's what they were doing. I have not checked they went bust but I don't need too!**

I could go on … but I think it's best to leave it there and simply look at what we can do in prevention, or at least damage limitation.

Image © Bigstock.com/Catalin Pop

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. Check all advertised memberships independently. Also, check Companies House, The Estates Gazette and search for county court judgements on the companies, the officers and all their related companies to look for warning signs on their financial and credit position. Check online ratings and repeat all of this each year.
2. I know it's boring but read the bloody small print! Then ask for explanations where you are unsure and changes when things look a bit iffy. Ask what is included, what is extra and also what else they get paid for separately, such as referral fees. If you are very concerned, just walk away.
3. Ask for copies of and check **ALL** supporting invoices for works undertaken and agree a repairs and maintenance instruction / approvals policy. For larger bills and repairs, insist on two-three alternative quotes, sometimes get your own to check against, or Google the cost of parts. Check your statements each month and reconcile these against your bank account – query anything that looks amiss.
4. Maintain your own records and do not simply rely on the agent to do what they should be doing for you. Sure, in the event of something going seriously wrong, they might be sat next to you in the dock … but they might also be sat next to you in the prison cell as well!

Conclusion – I work with some great individuals and companies in the lettings agent and property management space. However, now and again, I do come across some useless or even downright criminal agents, sadly. I still have my little black book should you want to cross-check against it.

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 or need advice in handling property sourcers professionally.

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

MARTIN RAPLEY'S 'INTRODUCTION TO' SERIES

EPISODE 8

Introduction to...
EXTERNAL WORKS

Interview & Words: **Heidi Moment**

External works are just as important as interiors, but often they get left until the last minute. Martin joins us this month with some tips on what to consider for your exterior.

DON'T LEAVE THE EXTERIOR TO LAST

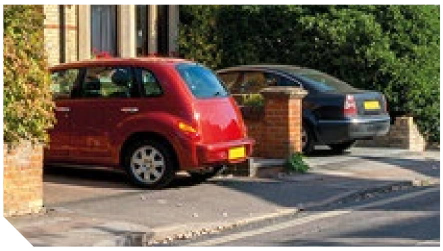
There is plenty you can do to improve your property from the outside to make it instantly more appealing to tenants and prospective buyers.

I often see people leave this until the rest of the refurb is finished and are then surprised by how long it takes and how much it can cost.

Planning your interior and exterior works at the same time will help you to organise your tradesmen and your budget accordingly.

There are several things to consider when looking at the outside of the property. We're going to cover a few of them here, but this is by no means an exhaustive list.

Kerb appeal - The front of the house is the first thing prospective buyers and tenants are going to see, so make their first impressions count. It's no good having an interior to die for, if you have cracked render, your porch



is falling to bits and your gutters are full of moss. This will almost certainly put people off immediately.

"Put yourself in the shoes of your prospective tenant or purchaser and think about your kerb appeal"

Parking - A tenant or buyer will always want to know, *"Where will I park my car?"* You may have a driveway but need to rethink the layout to make it usable for more cars, particularly if you have an HMO and need a few spaces.

Bin stores - Local authorities are attempting to get rid of bins left out on the pavement so are frequently requesting bin stores. They are also needed for HMO licensing.

Your bin store may be nothing more than a designated space. You may prefer some fences with a gate on the front, or you can buy products off the shelf to blend in nicely with what you've already got. Do what you can within your budget.

Bike storage – As with bin stores, planning departments and HMO licensing are asking for these a lot now and there are plenty of solutions, depending on your budget. The cheapest solution is a metal hoop concreted into the ground that you can padlock your bike to. At the more expensive end of the scale you can have a full shed with roof and lockable door.

Remember: Bike storage is often a request from the planning department, but you may find your tenants never actually use it, so remember this when choosing which option you go for.

Gutters - Make sure you check all of your gutters, as they can sometimes get blocked which will eventually cause all kinds of problems in the house, such as leakage and damp issues, which you don't want.

GARDENS

How to get it right for your property type

The front garden is the first thing a prospective buyer or tenant will see so you need to get that right. And the back garden, if you have one, needs to be neat, tidy and easy to maintain. What you choose to do will depend on what you're doing with the property:

- If you've got an HMO, the gardens ought to be as low maintenance as possible, to keep ongoing maintenance costs down. Patios and decking are the obvious choices, although not necessarily the cheapest, they do look nice. You could use gravel instead, but that's not quite as good quality.
- You may want to remove most, if not all, of the shrubs but do get some advice, as shrubs can look welcoming and be low maintenance.
- There are some really good artificial turfs on the market these days too. And some of them even look and feel like grass - the more you spend the better quality you get.

- If you've got a single let, you may find there's no reason to have a maintenance free garden. You'll have a requirement in your AST for your tenant to maintain the garden, and if you're renting the property to a family, it's highly likely they will maintain and look after it so they can enjoy using it as a family garden.
- If you're selling the property, you're best to leave it as a blank canvas to appeal to both the low-maintenance lovers and the gardeners out there. It needs to be relatively easy for the buyer to do something with, so, don't go over the top and spend more money than you need to.

Top Tip: A patio area needs to fit a table and chair set and barbecue on it comfortably, with more room to spare. Don't scrimp on patios by only putting two or three slabs along the back of the house. Once the patio doors are open you're not leaving much space for anything else. If it's too small to use it will be a disappointment for your prospective tenants or purchasers.

Think about the position of the sun

When planning your garden, always think about where the sun is. If it's predominantly on half of the back garden, then put the patio on that half of the back garden. It can also be effective to put a small seating area in another part of the garden, to get the evening sun. Thinking about these things, particularly if you're selling the property can really make the difference when it comes to go on the market.

Delaying work until the right season can pay off

It's important to get the critical things done at the beginning, such as repair leaking gutters and fix a broken fence, but if you're refurbishing a property late on in the year, and the back garden isn't in the best condition, you can always tell prospective tenants that you're intending to build a patio and barbecue area at the back before the summer. The tenants won't be so worried about that, because they'll be thinking, *"Well, I don't need to use the patio at the moment, it's the middle of December."*

The big advantage here is, you will have income coming in which can pay for the works to be done before the summer, so it doesn't have to come out of your initial budget, which could ease the pressure a little.

No weeds, please

There are plenty of suppliers out there who come and knock on your door and say they can do block paving or cut some trees down, but be careful to choose reputable tradesmen, otherwise you might find you're getting weeds coming through before you've even managed to sell the property.

Be aware of what good quality is. Paving slabs should never be laid straight onto earth. You'll need some kind of weed protection barrier, as a minimum. And if you want a really good quality paving, you need a sub base of hard core, some concrete over the top that's going to seal everything in and then lay the paving slabs on top of that. If the front garden is going to be a driveway, you'll need a much deeper sub base to hold the weight.

Always do your due diligence. Get references and go and see gardens and driveways they've done, preferably that have been laid a while so you can see there are no weeds and it hasn't sunk.

Costs

As each house is different and what you're going to do to it varies greatly, it's difficult to put a cost to each element, but here is a very rough guide just to give you an idea:

- A small patio with relatively run-of-the-mill paving slabs – from £500-600
- Levelling out sloping ground – from £400
- Building some steps to come out of the house – from £100
- Although patios might start at £500, you can very easily find you've spent nearly £1,000 by the time you've got what you want. And if you want to do a really nice patio, you can very easily find you're up to around £5,000 to £7,000.

> "Be careful not to under budget – price it all up as you would the inside"

- Bike hoops - £50 each for bolt down & £100 for concreting in
- Bike cover with roof - £300 & £100 for erecting and fixing
- Timber bike storage shed - £400 upwards

Always include a contingency to cover you in case you unearth something you weren't expecting.

Who do you need to help you with this?

You've got a bit of work for most trades here. A general builder will do most, if not all of this, but you may also need a bricklayer, fencing contractor, artificial grass specialist, carpenter to do the gates and decking, gardener and a painter to finish things off. You may even need an electrician, if you're fitting some external lights. Start by asking your builder about it all and if he needs to bring in anyone else he will.

Your principal builder will manage all the different trades, including what we call hard landscaping - paving, patios, decking, fences and walls. Soft landscaping - top soil, plants, trees, shrubs and grass should be done by a gardener.

HOW LONG IS A PIECE OF STRING?

The exterior can often take as long as the interior, depending on what you're doing. It's really difficult to get anything done in a week, so it could be anything from two to six weeks.

Remember: If you're doing a new driveway and new paths, which restrict access into the house for a period, it could slow down all the work in the house, so you may need to do it in phases to keep the other work flowing.

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

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HOW TO CREATE SIX-FIGURE PROFITS FROM LAND ... WITHOUT EVER OWNING IT

HARNESSING THE LAND ASSEMBLY STRATEGY

By **Mark Lloyd**

Mark Lloyd, co-founder of Property Mastery Academy, is a regular contributor to YPN. He covers all manner of property topics and strategies in his monthly column. In this edition, he reveals a strategy that is not is not widely known, but which can earn you huge profits if you get it right.

This month, I am joined in creating this article by Graeme Stewart, an investor and developer of over 20 years and a member of our training team at Property Mastery Academy. Graeme's expertise is in a little-known land strategy that can produce six-figure profits without ever owning the land.

THE CURRENT HOUSING MARKET

As a prelude, let's first of all consider the current state of the market. As we all know, the property investment market has changed massively in the last few years, and this has made some strategies much more difficult to do. The government has taken aggressive steps to reduce the amount of private investment in the buy-to-let market by increasing taxes and through introducing much more stringent lending rules for buy-to-let mortgages. Despite what some people think, they haven't done this because they dislike landlords (lots of MP's are in fact landlords); rather, they have done it as part of a wider strategy in an attempt to address the housing crisis.

This housing crisis has been decades in the making and no recent government has made it a high enough priority to do anything about it. In 2004, the Barker report was published, because even back then the government knew there was a massive housing crisis.

In this report, it was predicted that in order for supply to keep pace with demand, the UK would have to build 250,000 new homes per year – and we can see from the graph below that we have never come anywhere near that figure.

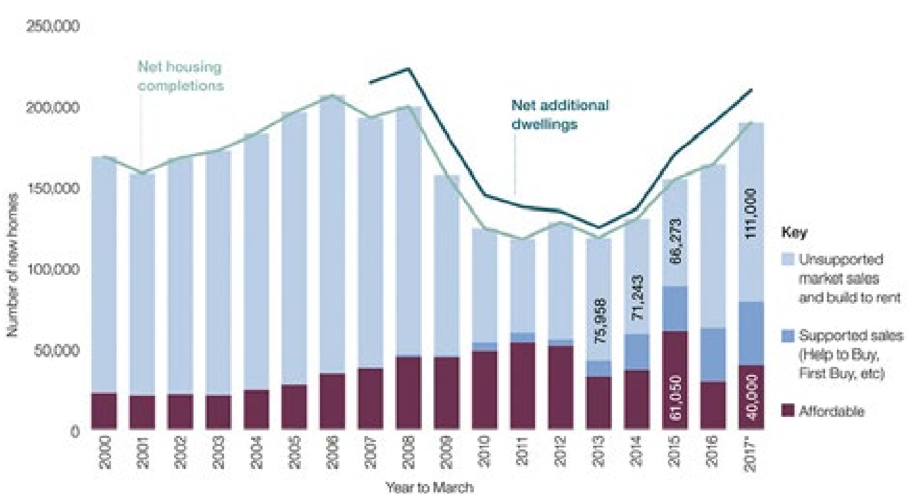
The result of this consistent lack of building is that a report that was commissioned recently now forecasts that we have to build 340,000 homes per year until 2031 to meet current and future demand. When you consider that the largest number of homes we have built in any year since the year 2000 was around 200,000 new homes, you can see the scale of the challenge that is facing the government.

So, whilst the government is making things harder for landlords, they are making things easier for developers by ...

- **simplifying the planning system (although they still have a long way to go on this)**
- **providing low interest loans for small developers, and**
- **promoting the importance of smaller, windfall development sites**

At Property Mastery Academy, we believe that if you want to be successful, you need to look at the bigger picture and follow strategies that help the government to achieve their goals – and anything that helps to create more dwellings at present does this. Obviously, many other strategies do this, such as HMOs, title splitting, commercial to residential conversions and straightforward property developing, all of which are strategies that we teach. Today, however, I'd like to focus on a little-known but incredibly relevant and profitable strategy called Land Assembly.

Housing delivery Net housing completions reached 189,000 in the year to March 2017. The greatest increase in delivery has been from unsupported market sales, which have grown 56% in the last three years



Source Savills Research using DCLG data **Note** *2017 is an estimate

WHAT IS LAND ASSEMBLY?

It goes without saying that to build more houses, you need land. Not just land, but land that can be developed, and this is where the problems starts – approximately 90% of land in the UK cannot be developed as it's classified as green belt. Did you know that more of Surrey is covered by golf courses than it is by housing! Anyone who has ever attempted to get planning permission on green belt land will know that's its incredibly expensive, a lengthy process … and more often than not, a complete waste of time.

The current Conservative government promised as part of their election manifesto that they would protect the green belt, so you can see the quandary they have; they need to build all these houses but they also have to protect the green belt. So the only solution available to them is to build higher density housing on already developed land.

This is where the land assembly strategy comes in – and the great thing about land assembly is that everyone involved in the deal wins:

- **More homes are built so the government is happy**
- **The owner of the land gets above the market value for their property or garden**
- **The property investor / land assembler makes six-figure profits**

People question me when we talk about paying the owner above the market value for their property, because most people are used to below market value deals. However, this is completely genuine and we can do it because the end result is greater than the sum of the parts.

CASE STUDY

An example of the types of deals we have done (and can teach you how to do) includes the following case study.

A simple back garden site

These are sites where we acquire two or three adjoining back gardens on option agreements.

Using the tools that we have created, we can accurately predict that the land value to a developer, with planning permission for three townhouses, would be £450,000. You can see that each garden on its own (no 234 or 236) has no development value as you couldn't build anything with one and not the other.

In this instance we were able to offer each vendor £150,000, which meant that our profit on this deal was £150,000. To get that profit we had to sign the option agreements to secure the land and then gain planning permission, so there are costs involved but they are minimal in comparison to value of the land we are securing.

When we gained planning consent, we sold the land with planning permission to a local developer and transferred the option into their name at the higher price, so we never had to raise the £300,000 that we agreed to pay the vendors. Obviously, if we were looking to develop out the site, we could have done so in the knowledge that we had acquired the land well below the market value.

So in this example, you can see that everyone wins:

- **Three new homes are developed**
- **We make £150k gross profit on the deal**
- **The vendors get £150k tax free and still retain a decent sized garden**

And what's more, the vendors' homes will only have been devalued by a negligible amount, if at all.

This land assembly strategy addresses two of the main social issues we have in the UK at the moment: it helps to provide more housing and it also helps homeowners to create capital to provide themselves with a more comfortable retirement. Because ultimately the vast majority of homeowners have insufficient pension provision.

To find out how you can learn to do these and many other types of Land Assembly deals, as well as get more real-life examples of deals that both we and our clients have done, then come along to our next course in September. You will be amazed at the current opportunities in the market.

More details can be found here:
www.pmacourses.co.uk/land

Mark Lloyd is co-founder of Property Mastery Academy and one of the main mentors behind their award-winning Mentorship Programme:
www.propertymasteryacademy.co.uk

3D PRINTING IN PROPERTY

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

The property industry is one of the many industries that are being disrupted by technology. Technological developments not only provide inactive industries with an opportunity to revive business but also to extend better services to the customer.

Let's look at building. Innovators across the globe are working hard to change the traditional method of building homes. In fact the property market is growing, with an array of technologies creating varied and transformative opportunities. And one of the latest entrants is 3D printing.

Companies worldwide are harnessing the revolutionary power of this mind-blowing technology, which could mean faster construction of homes and commercial properties. A few countries, like Russia, China and the US have already used this technology and proven that homes can be constructed faster, cheaper, and efficiently, with 3D printing.

So what exactly is 3D printing in property?

THE 3D PRINTING TECHNIQUE

3D printing is developing fast. Emerging 3D printing systems mean that large parts can be printed easily. Typically, the large-scale 3D printers used to build houses are machines that have automated arms. Printing a full-sized house as a single part would not be convenient with a traditional 3D printer, so a construction printer capable of building big structures is introduced instead.

A robotic arm is used to put down the material so that huge architectural designs can be printed in one part.

Nowadays, we are even seeing printed concrete and metal structures, though plastics are the most commonly used 3D printing material. The plastic material is squeezed out as a fine thread from a nozzle in the printer, and this nozzle moves around to construct an object by placing one layer on top of the other. Since plastics are available in wide variety and are less expensive, they are considered ideal materials for 3D printing.

3D metal printing is also gaining in popularity. For this, a binder is added to the metal powder to create a structure. The rest of the free powder is used to support the object until the metal is merged at high temperatures. AM or 3D printing can combine sustainable, highly efficient and new materials with robotic technology and architectural design, thus automating and perking up processes that have already been physically proven. In this sense, 3D printing potentially offers ground-breaking benefits for the construction business.

"These large-scale 3D printers can print using a variety of materials. In fact, a lot of new 3D printing materials are making their way into the market, and exploring the use of sustainable materials for printing architectural structures will help with developing more sustainable housing."

THE CONCEPT OF 3D PRINTING

3D printing is a concept where three-dimensional solid objects are produced using Computer Aided Design (CAD). Printers build 3D objects by adding layers of materials such as concrete, metal and plastic. This technology is also known as additive manufacturing (AM).

Experts suggest that the global 3D printing market will exceed $21 billion by 2020.

3D printing technology focuses on two things:

- **reducing the time taken to get the first version of the product**
- **reducing some of the limitations associated with traditional methods of production**

For instance, interlocking parts and complex geometrical shapes that do not need assembly can be made easily. Apart from this, 3D printing introduces flexibility in the production process and helps reduce industrial expenses. Therefore, several construction companies are adopting this technology.

Image © Bigstock.com/trans961

THE ADVANTAGES …

3D printing technology has a lot of social benefits. Due to its low cost, speed, ease of use and environmentally-friendly raw materials, it can be used in developing countries, which will help in significantly reducing the administrative and operating costs. 3D printers print only what is needed and nothing extra, compared to traditional construction methods that often generate a considerable amount of waste.

Let's take a look at the benefits and see how 3D printing can transform the way we build homes.

1 Speed

Automated construction offers an enormous time-saving advantage. 3D printing machines can work continuously and create highly accurate structures. The traditional method of building a home can take several months. This technology has the disruptive scope to reduce production time by more than half.

2 Cost

When compared to the traditional construction method, which includes the cost of raw materials, transport, manufacturing and labour, 3D printing will end up with massive savings in these areas as everything is done on site.

The build cost of a 3D-printed house depends directly on the area and the number of levels, which are then multiplied by the cost of running the printer. According to statistics, an average two-storey, semi-detached, three-bedroom house in Britain is approximately 900 sq ft and the average price is £250k-£300k in many parts of UK. Building with a 3D printer would reduce construction cost to less than half, excluding doors and windows.

3 Flexibility in design and location

3D printing allows builders to freely work on the designs. Any kind of structure can be created and there is a wide range of possibilities. In fact, with this type of manufacturing model, the design can be modified as many times as required. It also gives rise to the possibility of building houses anywhere, even in remote areas, since there are fewer tools and machines to be transported.

However, the technology is not yet perfect.

Let's look at the downsides …

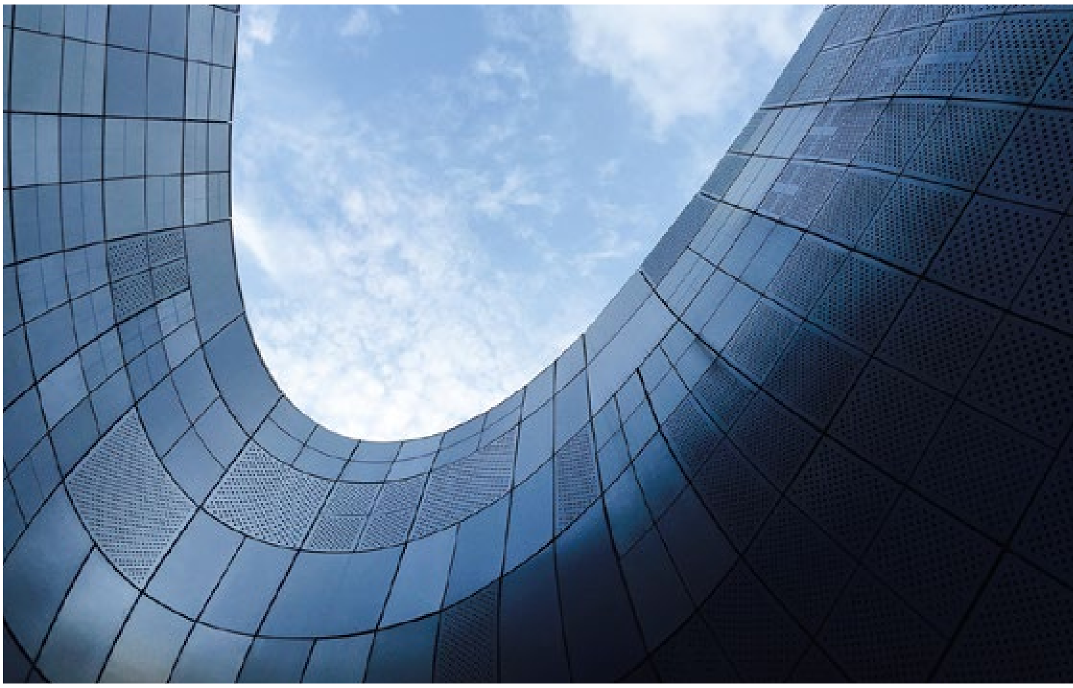
THE DISADVANTAGES …

Although the technology offers considerable promise, there are still a number of barriers to wide scale adoption.

3D printing requires a large amount of electricity, which is not good news for countries that rely on fossil fuels rather than renewable energy to generate power.

Additionally, it does not provide for scalable production. The machines are comparatively expensive, while the production rate per machine is limited by an array of factors, including the type of material used. Beyond that, 3D printing is still not a completely automated process; traditional finishing is still needed in many areas, which limits the efficiency gains.

Now that we understand both the pros and cons of this technology, let's look at some impressive projects of 3D print homes from across the globe.



EXAMPLES OF 3D PRINTED CONSTRUCTION PROJECTS

Homes for $4,000

Two companies, ICON technologies and New Story, have built 3D printed homes in just one day, at a cost of $4,000. They both aim to provide safe homes for people who are extremely poor. ICON has created a massive 3D printer – called Vulcan – which has constructed a 650 sq ft home using concrete.

These types of houses can be built for millions of people around the world.

Construction completed in 24 hrs

Apis Cor, a company specialising in 3D printing, produced a 3D printed home in 2017 in a tiny town in Russia in just 24 hours. The self-bearing walls, building envelopes of the entire home, were made and installed on site, and the roof was added along with interior finishing. The company used a mobile 3D printer to build the entire structure. This remarkable project proves how the technology can revolutionise the construction business.

Micro home

A tiny home of eight sq m has been built in Amsterdam. A team of architects, designers, inventors, software programmers and 3D printing experts developed this 3D printed cabin using an AM technique called fused deposition modelling. The project was undertaken by DUS architects.

This is a perfect example that a temporary home can be created by 3D printing. They are not only easy to build but also easy to remove.

Modular home

In China, the Zhuoda Group used 3D printing to manufacture parts of a modular home. They assembled six modules to make one home. It is a complete house with kitchen, plumbing and decoration. The company assures that this house is strong enough to withstand fire, water and even earthquakes. This example clearly shows that 3D printed homes need not be printed in one part, but can be assembled too.

Office building

The first ever whole office building was printed in UAE in 17 days flat. This impressive project was unveiled by Dubai's Museum of the Future. The building is 250 sq m and minimal labour was used for construction.

Ten homes in one day

WinSun Decoration Design Engineering, a Chinese company, created ten homes in just 24 hours. They used a new printing material made of fibre, sand and cement, and this construction reveals some matchless benefits in adopting the technology.

In addition, the same company created a 3D print villa with an area of 1100 sq m, and a building with six apartments in China. They claim that they save around 30%-60% on construction waste and can reduce production time by 50%-70% and labour costs by 50%-80%.

3D print castle

Andrey Rudenko has constructed a castle in his Minnesota garden using a traditional 3D printer that deposits layers of concrete with its concrete arm. It is not a full-sized home, but rather a playhouse for kids – albeit a very impressive one.

This has not been his only project. He went on to construct a full hotel suite, complete with jacuzzi, using concrete in the Philippines. Proof indeed that the scope of 3D printing is vast.

These are just a few examples of the scope of 3D printing technology. There are many more projects under experiment, one of the most well-known being an upcoming project in the Netherlands. A Dutch city will be the first in the world to make habitable homes using this technology. In fact, it is claimed that the first five new homes will be on the rental market by 2019. Reports state that the smallest homes, with two-bedrooms, have already received 20 applications from potential buyers.

This project conducted by Van Winjen, a Dutch construction company, is called Project Milestone. According to the details, only the inner and exterior walls of the first few homes will be made offsite by the printer. They hope that by the time fifth home will be built, an onsite 3D printer will make all other necessary installations, including drainage pipes, which would mean a huge reduction in cost.

CAN 3D PRINTING REVOLUTIONISE THE UK'S PROPERTY MARKET?

The housing crisis is a major concern for many cities in the UK. This issue is based on problems such as rising property costs, lack of land space and not enough homes being built. 3D printing has the potential to turn around this negative trend by building housing at a phenomenally faster rate – and homeowners can look forward to tailor-made homes.

Unlike building ready-made components in a factory using traditional labour, this is all done by computer. Homes constructed with this technology need much less manpower, thus offering property developers a huge cost saving. Facit Homes, a London based architecture firm, has recently built a luxurious home in Highgate, north London, using a combination of traditional construction methods and digital printing.

THE VERDICT

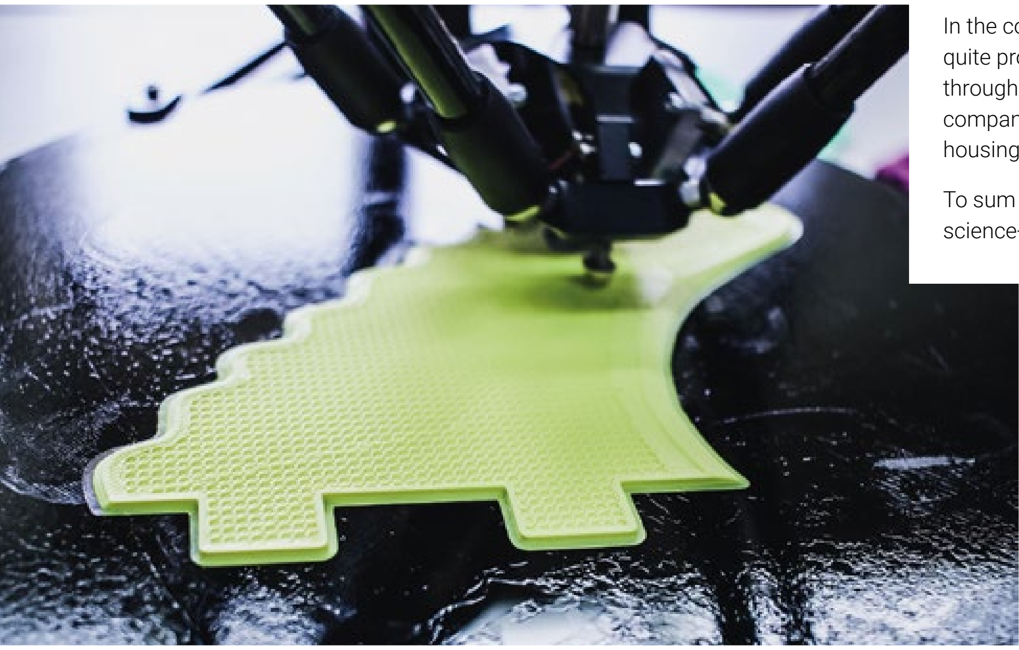
3D printing technology has advanced significantly in a very short period of time. It is considered to be one of the next big things, promising to reduce construction costs and bring more and more complex designs to life.

However, the technology is still not for everybody, as it is relatively expensive and as yet only remains suitable for smaller production.

Researchers and manufacturers are conducting experiments to uncover the possibilities of 3D printing. Apart from that, the increasing availability and variety of 3D printing materials renders it now just a matter of experimentation in this field before we see real progress.

In the construction business, the future of 3D printing looks quite promising, and hopefully its adoption will increase throughout the world over coming years. The 3D printing companies could, in fact, hold a sustainable solution to the housing crisis.

To sum up, the technology that was once considered science-fiction fantasy has now become a reality.



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

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

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Investing Abroad

THE CANARY ISLANDS

HOW TO RECOVER WHEN THINGS DON'T GO TO PLAN!

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

In the second of our foreign investment series, we're speaking with Mark Poole. Mark will be a familiar face to YPN readers as he recently wrote an article on outsourcing property management. A management consultant and an experienced property investor of over 15 years, we found out while chatting to him about investing in general, that he also has an investment apartment in Fuerteventura. He was keen to share his story about this property with YPN readers – a near-disaster that he was able to turn around thanks to a very resilient attitude – to help others avoid a similar situation.

Fuerteventura is the second largest of the Canary Islands after Tenerife. It sits in the Atlantic Ocean, some 100km off the coast of North Africa. The island's economy relies mainly on tourism. With 150km of beaches and 3,000 sunshine hours per year, it is considered a major European holiday destination. In 2009, the island was awarded UNESCO World Biosphere Reserve status for its rugged volcanic landscapes and unspoilt beaches. Despite the success of Fuerteventura and tourism, the island recorded one of the highest unemployment levels in the EU – 29.9% – in 2009.

YPN: When and why did you choose to buy an investment property in the Canary Islands?

Mark: I found the flat in Fuerteventura through a company who specialised in sourcing. This was in the mid-2000s. It was structured as a money-left-in deal, but property being so cheap, I was able to get into the investment at relatively low cost.

I thought I was being clever by diversifying geographically. But looking back, it was probably a mistake. I was still relatively new to property investing at that point and only had one or two properties in my portfolio.

YPN: How was the deal structured with the sourcing company?

Mark: They were a British sourcing company specialising in UK-based properties. However, they managed to get their hands on a tired holiday complex, where this apartment is situated, in Fuerteventura from a holiday operator. The deal included a light refurbishment, complete management and handling of all the legals. It was supposed to be a turnkey investment, and as I was just starting out, it was quite an attractive deal.

I got a mortgage through a Spanish bank. In those days, they were handing out money like giving candy to children, so it really wasn't difficult to get finance on it.

YPN: You bought it as a BTL. How was the rental market in Fuerteventura back then?

Mark: The Canary Islands relies heavily on tourism, and tenants in rental properties are mostly seasonal workers. In our apartment complex, there were of mix of Spanish owner-occupiers and people who worked in the tourism industry.

When we bought the apartment, the rental market was very strong. As soon as I completed the purchase, I secured a long-term let with Thomas Cook for their holiday-management representatives. It was wonderful. But then the market crashed. Compared to the Canaries, the UK has a resilient market. Although we had a crash and a property crisis here, we still had a strong, diversified economy. People still had jobs and needed somewhere to live. Rentals carried on as before. We took a hit on capital values, but I didn't see any voids or rental drops in my growing UK portfolio.

However, in Fuerteventura it was very different. There is a large transient population due to the tourism industry, and once the tourists stopped coming, there was no work. Tenant demand seemed to dry up overnight. Thomas Cook weren't interested in the apartment any more as demand in the UK for package holidays had fallen.

Hotels, restaurants and activity businesses were laying off staff. That's when the problems started. The rental market plummeted, and as a result our apartment complex took a dive too. I was one of around 20 UK investors who had bought an apartment through the sourcing company and I know that some of the other investors went bust and were repossessed.

YPN: How did you get through that time?

Mark: The only sensible thing about this was that it was a relatively cheap investment. By that I mean the mortgage was €80,000, which back then was about £50,000. It was a level of mortgage I knew I could afford if everything went completely pear-shaped. The monthly payments weren't too bad even if it wasn't let and, if push came to shove, I could pay off the £50,000.

YPN: How did the crash effect Fuerteventura?

Mark: Half the problem was that this was happening to the whole complex, not just to me. As the financial downturn took hold, apartment owners stopped paying community fees, which are like a service charge and are used to maintain communal areas, grounds and so on. Even today, the complex has a large amount of arrears in this, although it is slowly improving.

No fees being paid meant that there was no cash for maintenance and upkeep. The complex started to go downhill. Nothing was being repaired or replaced and that put a further downward pressure on rents. We went from getting €450 per month to €250 … which obviously attracts a certain type of clientele.

YPN: How have you managed the apartment over the years?

Mark: How long have you got? The first managing agent was the original sourcer. He was the one who put the deal together, negotiated it with the developer and presented it to the British sourcing company. The other 20 investors and I agreed that we'd pool our profits and divide it up between us, so even if only some of the 20 apartments were let, we all had some income.

It was a good idea in principle and it worked well, but a few months later we stopped receiving any rent at all. We couldn't get hold of our manager, and long story short he pulled a load of our funds out before paying us and did a runner. The last we heard he was in Thailand ...

"We found out that the agent hadn't been managing the apartments very well at all"

That's when things really started to unravel. It's difficult to keep an eye on an investment from abroad. It's so important to have a managing agent who is trustworthy as you are so reliant on them. If there isn't someone who can run it who is ethical and good at what they do, it's a loser from day one.

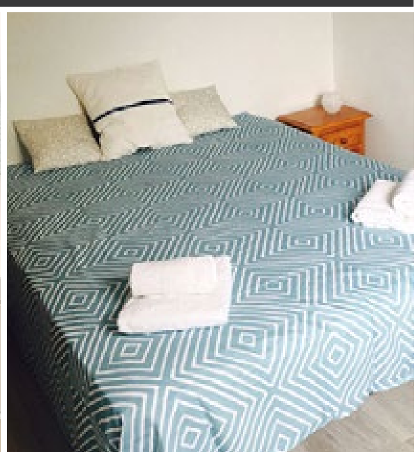
We found out that the agent hadn't been managing the apartments very well at all. One of the flats had been let to a friend of his rent free in return for taking on the role of handyman. However, he had clearly not done anything and was enjoying a free flat.

My apartment was fine but others were getting trashed. There had been break-ins, some didn't have front doors and others had become party houses open to everyone on the island.

We started looking for a new managing agent. The concept of a rental agent hadn't really made its way over to the island yet; there were a few around but they had very bad reviews online. So we ended up with a succession of individuals, all of whom were UK expats who thought that they could do some property management for easy money. They didn't have any property experience at all though, and didn't do a very good job.

CASE STUDY

Location:	**Corralejo, Fuerteventura, Canary Islands**
Type of property:	**1-bed first floor apartment with balcony on a complex with swimming pools, tennis court, children's play area. 2 mins from the beach, 20 min walk to centre of Corralejo.**
OMV, March 2007:	**€105,000**
Purchase price:	**€80,000**
Purchase costs:	**Approx €5,000**
Current value:	**Approx €110,000 (following refurb)**
Funding:	**Repayment mortgage of €80,000, over 39 years!**
Mortgage rate:	**1.28% APR**
Monthly mortgage payment:	**€238.37**
Total money in:	**€5,000 on acquisition**
Refurb costs, 2017:	**€10,400**
Duration of project:	**3 months**
Current monthly income:	**€550 (inc bills). Currently a long-term company let to a Tenerife-based construction company performing building work in Fuerteventura.**
Management pm:	**€55**
Community charge pm:	**€90**
Bills pm:	**€25**
Net monthly cash flow:	**€141.63**
Return on money left in:	**25% annualised return going forward: Calculated as €3,804 / (€5,000 [acquisition costs] + €10,400 [refurb costs])**



I do take some personal responsibility for all this. I'd become a bit of an ostrich and stuck my head in the sand and pretended it wasn't happening. The mortgage was cheap and I had a very well paid job in the City at the time, so I perhaps wasn't in as much financial pain as some of the others. Some investors' apartments were repossessed – they'd bought into the investment on the understanding it was going to be let full time, and when it wasn't, they were struggling to pay the mortgage.

I was more reactive than proactive. When people approached me and said they could manage it, I accepted them without doing any due diligence or talking about their experience. This went on for about two years before I decided I'd had enough.

YPN: How did it change?

Mark: About 18 months ago, I was trying to evict a tenant. Every time our property manager went to the front door, the tenant would disappear out the back door. I was right at the start of the legal proceedings when I got a message from my downstairs neighbours, who were Spanish owner-occupiers, and the complex community president saying that a young couple were moving into my flat.

My tenant had tried to do a sublet and disappeared.

I had my UK investment hat on. I told the community president that I'd speak to my lawyer about what to do, and he replied: *"Mark, this is Spain, not the UK. This might be how you do it in the UK but in Spain I suggest you kick them out. We ask questions later."*

The Spanish couple who had moved in had no idea what was going on … the local police even turned up at one point. Eventually they left and I got my apartment back without needing to involve lawyers.

YPN: Were you tempted to bail out completely and get rid of it for whatever you could get for it?

Mark: I'm persistent and resilient, if nothing else. The short answer is yes, but I would have sold at a massive loss. When the repossessions were happening in 2009/2010, they were only getting €25,000-€30,000. My accountant used to tell me that the one thorn in my portfolio was the property in Spain. It wasn't making me any money. But selling would mean that I was crystallising a massive loss – I would have had to take that hit and find the capital to pay off the mortgage.

Just like it did over here, the economy will come back around again. The mortgage was cheap, the interest rates dropped, so even if it was empty and I boarded it up and left it, losing a few hundred euros per month to me was worth the gamble of the economy turning around and resolving what would have been a €50,000 loss.

YPN: What are you doing with it now?

Mark: I went out with my partner last year and that was a bit of a do or die moment. We had a look at the complex, the flat and the island to decide what to do with it. We discovered there was a shortage of long-term lets so finding a tenant was no longer a problem. I'm glad to say that Fuerteventura itself, and especially the town where my apartment is, has changed hugely over the years and has massively improved.

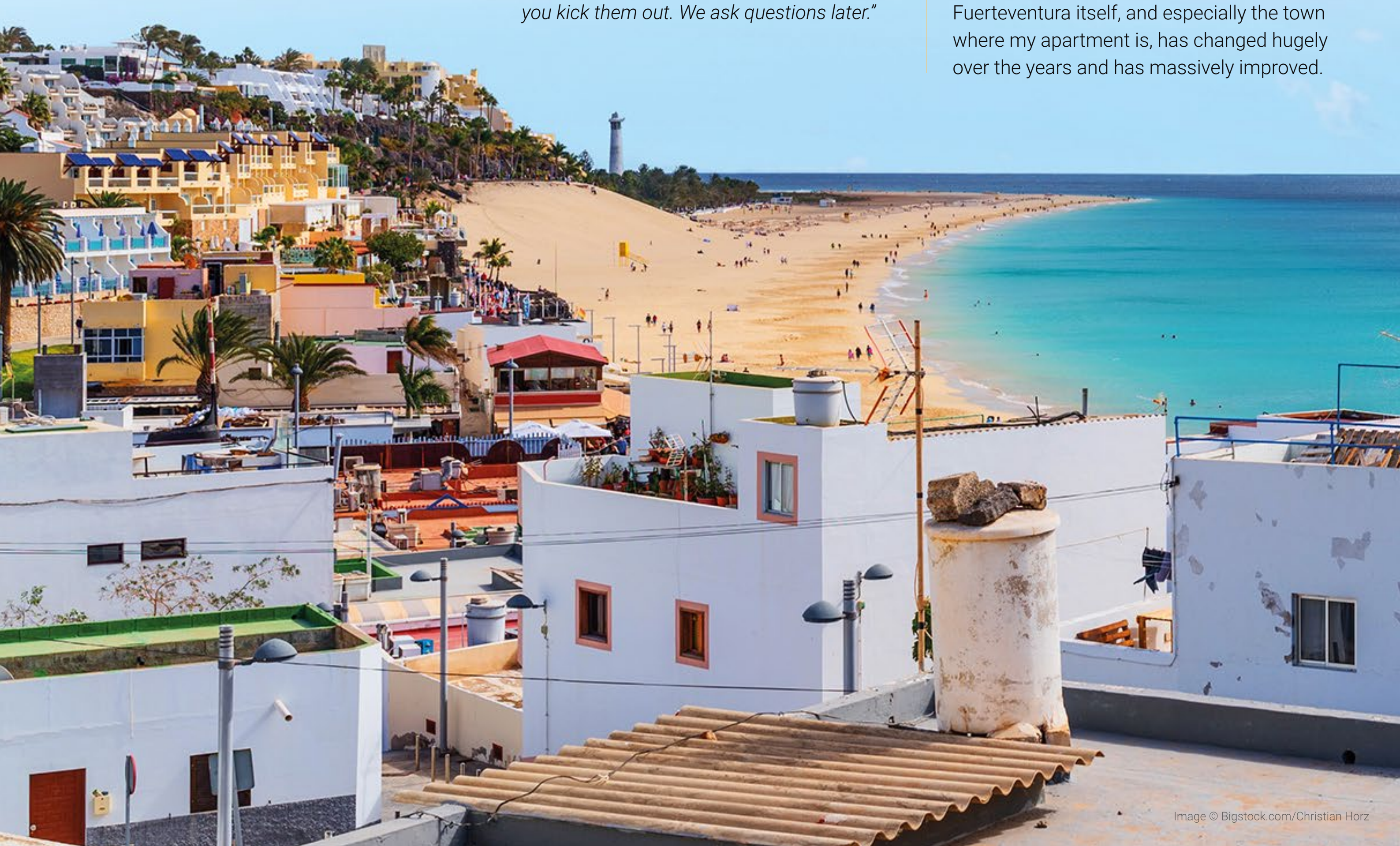


Image © Bigstock.com/Christian Horz

“Holiday letting is on my list of things to consider because the Canary Islands have the all-round appeal”

I did a full refurbishment in the hope of achieving a bit more rent. Capital-wise I probably have made very little. But it’s currently rented out at €550 per month on a company let.

YPN: Did you find a manager in the end?

Mark: I have, at last. She’s a British expat who used to work for Hamptons International, a large upmarket international agency. She was posted to Fuerteventura and then settled there and started a family. She has a small portfolio herself, has property experience and manages a few holiday lets on behalf of someone else. She also understands the investment mindset, which is important to me.

I completely trust her when it comes to the management and we keep in touch through WhatsApp. Particularly throughout the refurb, I wanted to see where my money was being spent. I don’t feel the need to be flying back and forth now, and I don’t want to.

YPN: Would you consider holiday letting the flat?

Mark: I would, and in fact there is someone in the complex who is doing a holiday let through Airbnb. It seems to be doing well and getting good reviews even in the off-season. But it’s a real step up from where we are now. We’re currently getting a long let at a rate that comfortably pays the mortgage, which is quite frankly, a novelty after years of having nothing.

Holiday letting is on my list of things to consider because the Canary Islands have the all-round appeal, but not just quite yet.

YPN: Would you consider investing abroad again?

Mark: This has been by far the worst investment I’ve ever undertaken. I’m an experienced investor in the UK, but my mistake was investing abroad without fully understanding the mechanics of what was going on in the economy. Foreign markets are often nowhere near as resilient as the UK. There’s a reason why we’re one of the richest economies in the world.

I would consider investing abroad again though, particularly in Fuerteventura because the island has a lot going for it now. Anything that could happen has already happened to me. The benefit of experience and hindsight give me the confidence to do it all again.

MARK’S TOP TIPS FOR INVESTING ABROAD

Understand the location

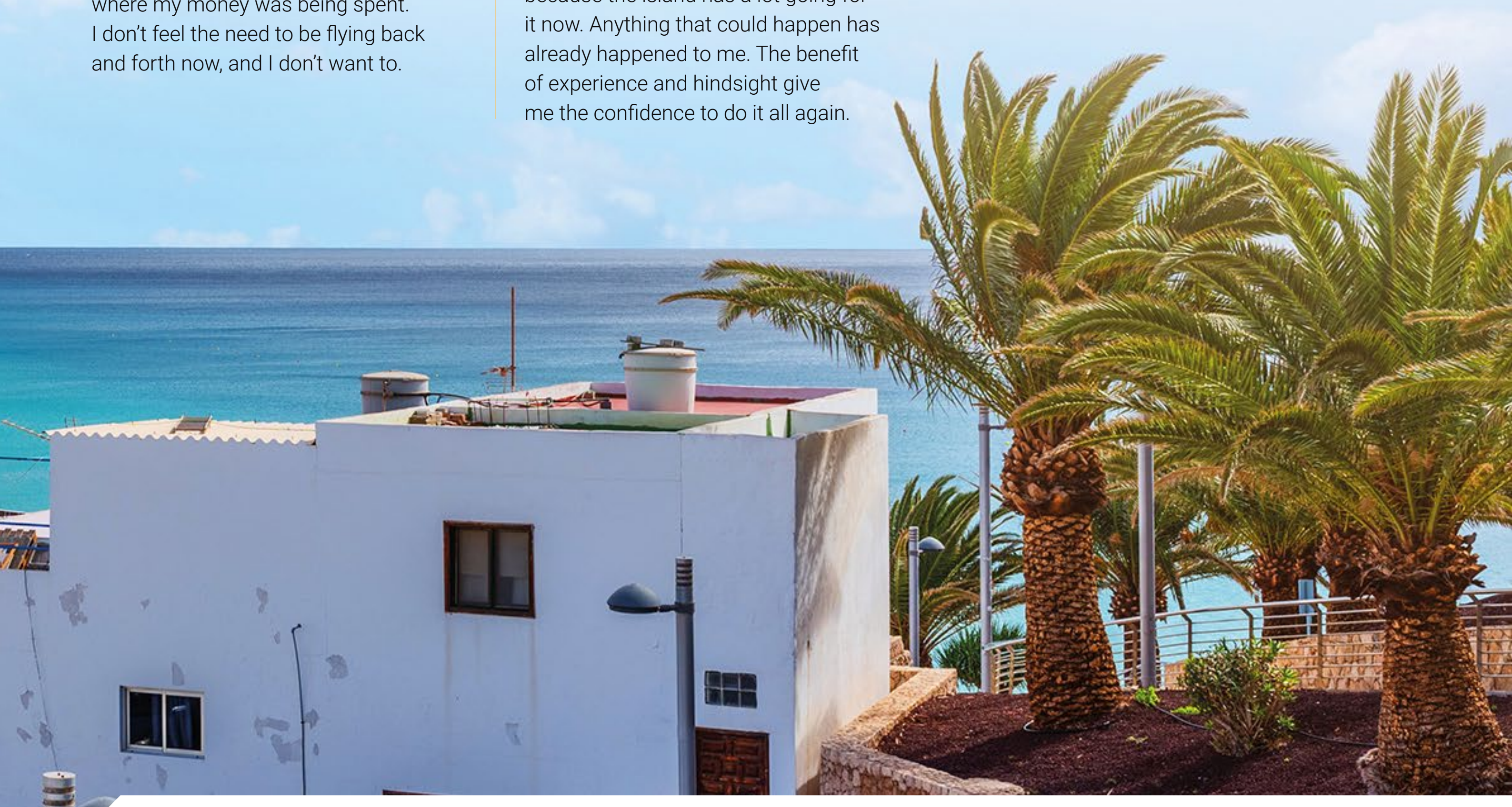
Recognise the local economic drivers – what will happen if there’s another crash? Who are the tenants? It’s more than choosing the location because it’s a nice place, it’s about understanding the underlying economics.

Buy somewhere cheap

That’s probably the one thing I did right. When things went wrong, it was affordable. My cashflow from the day job could cover the outgoings and it kept me in the game. If I’d had a five-bed beachfront villa with a several thousand-euro mortgage, it would have been a very different story.

Have a good team on the ground

The person that manages the property is by far the most important factor to get right. Without them, no matter how great the investment is, it’ll go nowhere. No tenants mean no rents, which means not being able to pay the mortgage.



GET IN TOUCH

Email: **mark@smarterpropertyinvestment.com**

Click here to listen to Mark talking with us about his Fuerteventura apartment!

If you have any investment properties abroad and would like to share your experiences with us, then please email at **angharad@yourpropertynetwork.co.uk**

THE BUY-TO-LET MARKET OVERVIEW

By **Chris Worthington**

This month I'm going to review local and national government policies on housing and the buy-to-let market. I recently contacted my MP about an unrelated matter and I give her credit for replying promptly. However, in her reply she said that Brexit was swamping out almost all other government business and she could not promise any action on my behalf at this time. This is not a good state of affairs for housing policy or anything else but I dealt with Brexit in my last article so let's move on to policy.

In doing the research for this article it soon became apparent that there is a wide range of conflicting views especially around planning policy, housing supply and market-driven solutions compared with public sector investment in housing. Here is a summary:

- *The government has published a new National Planning Policy Framework setting out guidelines for building better designed homes, at a faster rate, in the right places and with provision for infrastructure and affordable housing. (My comment here is that the existing planning policies already broadly aim to achieve just that.) However, the new framework does include the welcome introduction of a housing delivery test that will focus on driving up the number of homes actually delivered in a specific area rather than how many are planned for. Commenting on the Policy Framework, Lord Porter, chair of the Local Government Association, said: "planning is not a barrier to house building and councils are approving nine out of ten of planning applications. To boost the supply of homes and affordability it is vital to give councils powers to ensure homes with permission are built, enable all councils to borrow to build, keep 100% of right to buy receipts and set discounts locally."*
- *A report from the Adam Smith Foundation takes the opposite view, stating that "the current housing crisis in the UK is a failure of politics not markets and is the result of restrictive planning laws. Radical reform is needed to mend it."*
- *A report published by Knight Frank found that house builders are generally upbeat about achieving the target of 300,000 new homes per year but planning remains the main barrier to speeding up delivery. However, this looks to be optimistic. A recent report in The Times newspaper Bricks and Mortar supplement found that the number of houses built in the first three months of 2018 was 8% less that the first quarter of 2017. Hansen Lu, an economist at Capital Economics, commented: "The wider housing market slowdown has caught up with the new build sector. We think the house building recovery has reached a hiatus."*
- *The government commissioned Sir Oliver Letwin to analyse what could be done to speed up the slow rate of housebuilding on major sites. He found that developers are restricting the number of new build homes released for sale at any one time to stop an oversupply of homes flooding the market and driving down prices. He also found that the shortage of bricklayers is a significant constraint and called for 15,000 bricklayers to be trained over the next five years.*
- *A report from the House of Lords Science and Technology Committee has proposed that off-site construction needs to be more widely adopted. Off-site construction would help to alleviate skills shortages and would increase productivity by up 70%. (Note: This featured in an article in YPN last year.)*
- *Research commissioned by RICS found that homes that have been converted from offices and other non-residential buildings through the permitted development rights introduced in 2014 do not always reach the same standard of quality of new housing, and Section 106 contributions to the local authority for infrastructure were reduced. However, the research noted the value of conversion of existing buildings to housing, including improving housing supply, regeneration of city centres and quicker implementation. The Residential Landlords Association propose that the 3% levy on stamp duty on second homes should not apply where the property increases the overall supply of housing, such as converting empty offices and shops.*
- *A recent report from the Resolution Foundation found that if home ownership follows the same trend into the 2020s, up to half of millennials could be renting privately or in the social rented sector in their 40s and a third could be renting by the time they claim their pension. They propose the introduction of indeterminate tenancies as the sole form of contract following Scotland's lead and the practice in Germany and some other European countries.*
- *Onward, a centre right think tank, has proposed that councils should impose limits on non-UK buyers of property where there is significant undersupply. Onward also propose that mortgage interest tax relief for BTL should be scrapped altogether thereby improving the supply of homes for owner occupiers. (David Lawrenson expresses strong views about the Onward report in his article this month.)*

There is no doubt about the importance of the private rented sector in the housing market. It accounts for 20% of households in the UK with the number more than doubling from 2.1 million in 1997 to 4.7 million in 2017. More than a quarter of people in their late 30s and early 40s are renting. Figures from Hampton International suggest that demand for rented homes is set to continue rising with the sector likely to reach six million by 2025. In the midst of the confusion and disagreement on the part of policy makers, think tanks and commentators on the housing market the PRS at least offers an efficient market to supply accommodation that for the most part is of a good standard and is meeting the needs of tenants.

"There is no doubt about the importance of the PRS in the housing market"

THE BUY-TO-LET MARKET IN BLACKPOOL

Contrary to the popular image of Blackpool as a rather dated seaside resort with tacky B&Bs, the town has a long history of being at the forefront of innovation in the tourism industry. In the 1840s, the railway opened up the town as a holiday location accessible to the working classes from the industrial towns of the North of England. Blackpool is the only town in the UK with three piers and in 1879, it became the first municipality in the world to have electric street lighting, the forerunner of the present day illuminations. In 1885, the first section of the electric tramway was laid down. The tram network consists of 11 miles of track to the end of the line at Fleetwood. It was upgraded in 2012 at a cost of £85 million. Blackpool Tower has a complex of leisure facilities including the famous tower ballroom, while the Winter Gardens is a major entertainment and conference venue with one of the largest theatres in Europe.

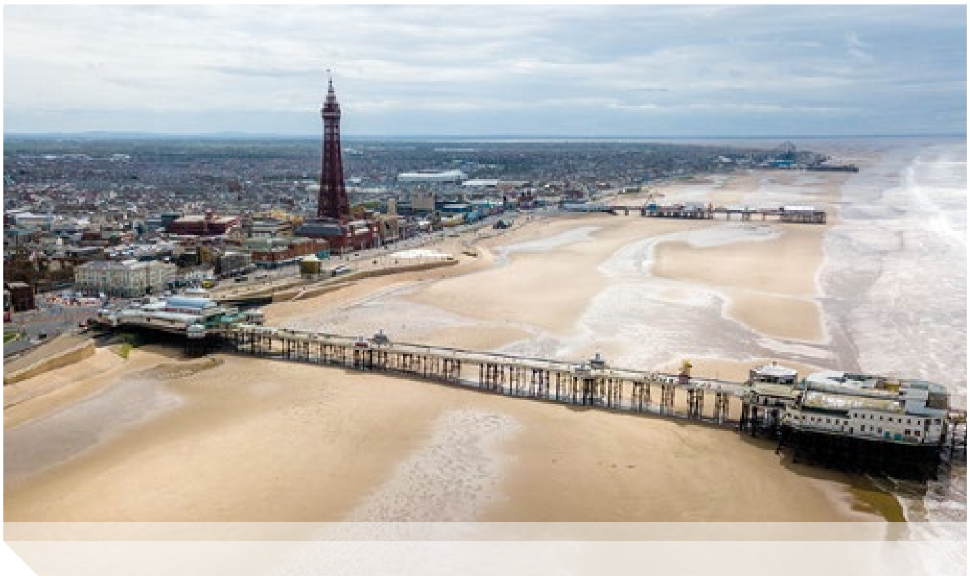
The innovation in the tourism industry continues to the present day with a municipal WiFi network covering the entire town centre and offering a virtual tour of Blackpool. The town has acquired the reputation of being the *"gay capital of the north."*

Blackpool hosts a large number of small businesses, mostly linked to the tourism industry. However, there are some larger employers including the HQ of **National Savings and Investment** and **Burtons Biscuit Company**, the makers of Jammy Dodgers and Wagon Wheels.

Blackpool has good communications by rail with two main stations and a station at the pleasure beach. The main road links are the **M55** and the **A583 to Preston**. **Blackpool International Airport** operates charter and scheduled flights to around 20 destinations in the UK and Europe.

Blackpool has featured strongly in popular culture. Songs with Blackpool in the title have been written by Beautiful South, Sham 69 and Irvine Welsh. In 1937, George Formby's song *"With My Little Stick of Blackpool Rock"* was banned by the BBC for having suggestive lyrics.

The population of Blackpool in 2017 was **139,870** and it has been in decline since 2006. As would be expected in a coastal town there is a bias towards a higher percentage of people of retirement age. **It has been projected that between 2014 and 2028 the population will decrease by 1.2%**, before a slow recovery over the following decade. (Source: Lancashire County Council)



The 2015 Indices of Multiple Deprivation revealed that Blackpool was ranked the fourth most deprived area out of 326 districts and unitary authorities in England. Gross added value, a measure of economic activity per head of population, is **60%** of the UK average. Employee numbers in Blackpool decreased in the decade to 2008, and between 2009 and 2014 employment **declined by 6.1%**. The town has a high reliance on public sector employment, which has been under pressure over recent years.

The Mosaic Profile of local households classifies Lancashire residents by 15 main groups. Transient renters and modest traditional (mature owners of value homes enjoying stable lifestyles) are the dominant groups in large parts of Blackpool.

The Blackpool urban area is compact and largely built up to its boundaries, meaning that new housing developments are on a modest scale. Open land in the east of the town has important landscape with nature conservation and amenity value. Designated Green Belt and Countryside Areas on the edge of the town are a constraint on new housing development.

High proportions of Blackpool's housing stock are in the lowest two council tax bands. It maintains a proportion of its dwelling stock in the local authority sector and has a small percentage provided by registered social landlords. The authority has a high percentage of vacant dwellings. The total number of dwellings fell during the year 2016/17 as the net additional dwellings figure was negative.

House prices in Blackpool are comparatively low with an **average price of around £140,000**. In the past year, house prices have **increased by 4.2%** placing Blackpool at number 37 out of 65 towns and cities in the latest house price index published by property analyst company Hometrack. Average rental yields in Blackpool are **around 5%** with higher yields of **up to 9%** in the FY8 postcode. (Source: Totally Money)

The main regeneration scheme underway in Blackpool is the **Talbot Gateway Central Business District**, a major mixed-use regeneration scheme transforming the heart of Blackpool town centre. The scheme, introduced by Blackpool Council and delivered in partnership with Muse Developments, is reviving one of Blackpool's key gateways into a modern and thriving commercial and family-friendly district for local people and visitors alike.

A masterplan for **Talbot Gateway** has been developed to provide a new central business and civic quarter with 1.1 million sq ft of development including offices, a food store, retail units, cafes/restaurants, a fully refurbished multi-storey car park, a new transport interchange and a hotel. A £6 million comprehensive set of highway works including new roundabouts, signalised junctions and a public square was also delivered as part of the first phase.

The opportunity for conventional BTL investors in Blackpool is to buy a relatively cheap property producing a high yield. Alternatively, some investors might consider investing in serviced accommodation. However, for both options the unknown quantity is the future of the local economy, specifically the tourism industry and major regeneration projects. Will Blackpool reinvent itself again?

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

"ONWARD" CONSERVATIVE THINK TANK IDEAS ON THE PRIVATE RENTED SECTOR

(IN MY VIEW, DEEPLY FLAWED ...)

By **David Lawrenson**

If you have not heard of a Conservative MP called Neil O'Brien, who was previously an adviser to landlord nemesis George Osborne in the Treasury, then perhaps you ought to have.

Back in 2017, I wrote on my blog about how he was calling for curbs in the market for second homes, that would extend to BTL. Part of his plan back then involved getting the Bank of England to make BTL home loans even harder to get by tightening eligibility criteria and hiking interest rates.

Mr O'Brien also called for more "*tax breaks for young families*", to be paid for partly by further hiking capital gains tax for landlords, and also whacking even higher taxes on rental income and stamp duty land tax.

Well, it seems, you cannot shut Mr O Brien up for long, as he's been at it again.

THE "ONWARD" REPORT

A report recently published by the Conservative think tank, "Onward", (really, did David Brent come up with this name?) recommends ending or severely curtailing tax breaks for BTL and private landlords. The report was mainly written by ... guess who? Yep, Mr O'Brien again.

In it he says, *"We need to change the balance between the rented sector and home ownership. We should discourage more people from investing in rental property, because the buy-to-let boom has bid up prices and reduced home ownership among younger people."*

As we know, the Cameron / Osborne governments have already acted to curb tax relief on mortgage repayments, saddled landlords with a special high rate of capital gains tax and removed the wear and tear allowance, but this is not enough for the Onward think tank.

They say BTL is *"still a privileged form of investment that reduces the number of homes available for owner-occupiers while reducing the amount of capital available for more productive investment"*. And they want all tax relief on mortgage loan costs scrapped completely.

Naturally, the report went down well in the Guardian: **https://www.theguardian.com/society/2018/jun/25/home-ownership-out-of-reach-for-2-million-uk-families-says-thinktank**

But the report contains enormous errors and inaccuracies and misleading use of data.

For example, as the RLA pointed out, *"Onward claims that at the end of 2017 buy-to-let lending was above the 2007 peak. In fact new buy-to-let lending for house purchases has fallen from over 183,000 loans in 2007 to just 74,900 in 2017, a fall of nearly 60 per cent, according to figures from UK Finance, previously the Council for Mortgage Lenders. And the total number of buy-to-let mortgages, including re-mortgages, also fell from 339,000 in 2007 to 227,000 in 2017, a drop of a third."*

In fact, the private rented sector as a whole is actually shrinking, with the government's own data showing that the number of private rented dwellings in England fell by 46,000 in the year to March 2017.

And whilst the report argues that landlords are taxed more advantageously than homeowners, the respected Institute for Fiscal Studies said, following tax rises imposed on the private rented sector in 2015: *"The tax system is not, and was not, even before the recent changes, more generous to people buying to let."*

Onward argue that if the country had kept the ratio of privately-rented to privately-owned homes the same between 2000 and 2015, it would have ended up with 2.2 million more homes in owner-occupation. This is a ludicrous statement as it assumes that all of these households would have been able to afford a home of their own, unlikely really as house prices rose by 154% over that period.

With another report today saying that it now takes a single, first time buyer an average of ten and half years to save for a 15% deposit for their first home, the RLA argues this is leading to increasing demand on the private rented sector, and taking action now that would further reduce the supply of private rented stock would just make finding somewhere to live more difficult and more expensive.

The Onward report says, *"Homeownership rates among 25–34-year-olds have been falling since 1989, and are lower than at any time since records began in 1961. Ownership rates for 35–44-year-olds are back to where they were in 1971."* But their own graph, on page 18 of their report, shows that the number of owner-occupied dwellings was actually higher in 2015 than in 1995! But there is more!

Onward say: *"HM Treasury could also look again at the tax treatment of wear and tear. While the new post-2015 system (based on costs actually incurred) is fairer than the previous system (based on a percentage of the rental value), the system still means landlords can gain a tax relief on their furnishings which owner-occupiers cannot."*

What nonsense. The cost of replacing furnishings and white goods that wear out due to tenant use is a business expense. As Property118 pointed out, *"They are not "their furnishings" – the landlord does not get tax relief on the furnishings in his own residence. He can't believe this is a sensible argument, surely".*

But Onward are not to be stopped. They say: *"Ministers could also look again at the generosity of this relief. They could either reduce the rate or cap the total that can be claimed to prevent abuse."*

But there is nothing generous about deducting the actual cost of replacements from income. Therefore there is no justification for reducing the rate or capping the total. Where is the abuse here?

When one starts to think about what type of properties many BTL investors actually bought, especially in the period from 1995 to 2005, Onward's arguments look even sillier.

Many of the new homes bought then by investors were new build city centre flats – not family properties. They were new stock, **added to the housing stock, which would not have been built if it was not for BTL money**. Sadly, for many wide-eyed investors, many of these city centre flats are now worth a lot less than they were ten or even 15 years ago. So to argue that buying a home is always better than renting was clearly wrong, at least for many city centre new build flats.

Lots of the new build city centre flats were easier to sell to novice, often dabbling investors than first time buyers, a choice made by the developers and supported by mortgage lenders. At LettingFocus.com, we always told our clients to steer clear of these because many of the city centre flats were sold at a price way above what they were worth. Still, selling them to the more hapless investor, it could be argued, actually saved a young generation from years of being in negative equity.

Many of the properties that smarter investors are refurbing and buying wouldn't be suitable for families. Think of HMOs in student areas, which according to all the stats we see are far cheaper to rent than the bland, institutional, bespoke student accommodation built by the likes of Unite and L&G – the corporate big-boy investors so beloved of everyone in government, it seems.

And here in the pages of YPN you will read about lots of other types of run-down stock, from dilapidated pubs to disused warehouses and shops that are being

Image © Bigstock.com/philopenshaw

> "The government must accept that it is their own policies that are at fault"

refurbished and turned back into great rented accommodation by small scale residential property investors. This type of refurb is too small for the likes of L&G or Aviva or Unite. Without the small Mom and Pop investors, it would just not get built at all, but instead sit there as an ugly carbuncle on your local roundabout, a blot on the landscape or urban or rural Britain.

What should happen?

The government must accept that it is their own policies that are at fault.

First, by failing to build the social housing required and the sell-off of council stock. This led to them paying housing benefits to private landlords, but this is to save the taxpayer money on council houses.

Second, by increasing the need for student accommodation by encouraging more to go to university, but then not having the housing stock at the colleges for them to live in. And let's not get into the whole free movement / huge increase in the UK population debate!

Third, the various pay caps on government workers when house prices were galloping ahead. At the same time due to the recession, which was caused by weak controls on the banks (lest we forget), private companies have also had to rein in wages too. So, landlords are taking the blame for lax control of banking, which caused the meltdown in 2008.

And yet, despite all this, the cost of renting has risen at below the general cost of living in most areas outside London for the last five to ten years.

But the government keeps ignoring the question of where you put the people that want and need to rent because they cannot buy a house due to lack of cash.

The fact is that we have to find a way to build more homes. Simply taking property from the rental market to get people on the ladder is never going to be a goer. **The demand is both from people who want to buy and from people who need to rent.**

This whole ludicrous Onward report misuses statistics for political gain and / or reveals a total lack of understanding of the property market by some in government. It is a very poor report.

But I guess it is entirely credible that a Conservative think tank is so in fear of Generation Rent and Shelter and losing the next election that they will serve up a load of garbage analysis and poorly thought out policy ideas instead of addressing the real issues in housing.

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"*.

THE MOST IMPORTANT HMO QUESTION …
… AND SOMEONE ASKS ABOUT IT EVERY DAY

By **Arsh Ellahi**

This month, I want to answer one of the most burning questions that people ask me.

Let's get straight into it …

IS IT STILL POSSIBLE TO GET COMMERCIAL VALUATIONS ON HMOS?

Every day, I get a call, text or email from someone saying that they have not received the valuation they thought they were going to get.

In an ideal world, every property investor would love to purchase a two-storey property, turn it into a compliant four/five-bedroom HMO and rent it out quickly. Yes, that would make more cash flow than if it was rented out as a single let, but it doesn't necessarily mean it will be valued as a commercial entity. From my experience of dealing with HMOs, commercial lenders and the dreaded valuers, here is what is required to get a commercial valuation:

Significant works – This does not mean simply changing a few doors to fire doors and putting in a fire alarm system. To get a commercial valuation, a valuer must be able to comment that the property has undergone a major refurb to make it fit for purpose and uplift the value. However, even then a commercial valuation is not guaranteed.

Goes above and beyond – To achieve a commercial valuation, the property must stand out as one that can no longer be valued on its bricks-and-mortar merits.

> "In an ideal world, every property investor would love to purchase a two-storey property, turn it into a compliant four/five-bedroom HMO and rent it out quickly"

A valuer will look at it on the basis that if the borrower were repossessed, could the bank easily turn this property back into a family dwelling? If the answer is yes, the chances of getting a commercial valuation are slim to none. On the other hand, if you have put an en-suite and mini-kitchenette into each room, you could argue that due to the nature and amount of work done, it is no longer comparable to other family homes within the vicinity.

For example: If you take a three-bedroom semi-detached house where the average value is £100k, then spend £50k on the property to create a four/five-bedroom HMO with each bedroom having an en-suite and mini-kitchen facility, should a valuer decide to value it on a bricks-and-mortar basis, you could clearly argue the case by asking how many other properties on this street have …

- **Five bathrooms**
- **Five kitchens/kitchenettes**
- **A full Grade A fire alarm system**
- **Fire doors and associated hardware**

Collectively, these should make for a sufficient argument to get a commercial valuation.

Electric meters – I have taken this one step further. All rooms in my HMOs have separate electric meters supplied directly by the energy providers, ie Npower / British Gas. As soon as a valuer steps into any of my HMOs they can clearly see it is a commercial product, as this property would have, for example, six electric meters (one in each of the five rooms plus one electric meter for the landlord). I also remove the gas supply from my properties.

My HMOs are therefore incomparable to a single dwelling. It would almost be like trying to compare a supermarket to a hospital.

I also like to get each room banded separately for council tax. Now, I know this will not land well with a lot of people reading this, but I actually prefer this method. I ask the VOA to come and band each room separately, so each room will receive its own council tax bill. That removes the liability from me as the landlord and also allows me to generate more cash flow from the

Image © Bigstock.com/onephoto

People ask all the time whether this restricts my market. I have been following the HMO model for almost 18 years and to this day, we maintain a 98% occupancy rate over a portfolio housing 800+ tenants. So the honest answer is I don't think it has. Maybe I've been ahead of the game as HMOs all over the country are now being banded in this way.

I have seen many posts on social media forums from investors who are worried about the separate room banding. My advice is simple – if it happens all over the country, it will become the norm; therefore, tenants will have to live with the fact that this is another cost of living they will have to absorb. The only real difficulty is that if a tenant leaves, most councils do not give a grace period, and the landlord will be charged the council tax for that room from the moment it becomes vacant.

Tenants seem to like this model as they get all their own facilities, and I no longer have to deal with quibbles such as *"Tenant A used my milk"* or *"Tenant B refuses to clean up"*. The only real communal space in my HMOs is the corridor used to enter / exit the building.

It may seem heartless and cold, but I like to think it's as bulletproof and hassle-free a product as I can create. More importantly, this method has allowed me to generate commercial valuations on every HMO. In turn, that enables me to recycle my cash to build a decent-sized portfolio.

Article 4 – If you are in an Article 4 location, getting a commercial valuation would be easier than in non-Article 4 areas. The reason for this is simple – Article 4 was introduced to slow down the number of HMOs popping up all over the town / city. Article 4 has therefore restricted the number of new HMOs and in some cities has completely brought it to a standstill, eg Milton Keynes. As a result, they have become a sought-after asset class, so could also be considered for commercial valuation. If you are setting up an HMO in an Article 4 location after successfully gaining planning permission, you could demonstrate that you have had to go above and beyond to turn that single dwelling into a multi-occupancy property.

If you already had an HMO prior to Article 4 being introduced, you may find your property has shot up in value as a result. As property investors are still keen to invest in HMOs in prime areas such as Milton Keynes, Oxford, Birmingham, etc, but can no longer covert a single dwelling without applying for planning, an existing and successfully running HMO holds a premium and generally can be sold on its commercial value.

What is a commercial value? – To value a property on a commercial basis, a rough rule of thumb is to take the income and multiply it by 7-10 to get to the commercial value. In most parts of the UK, the most common multiplier is seven times (7x)

the income, whereas other areas (predominantly in the south, closer to the capital) might achieve circa 10-12.5x the income.

In Wolverhampton, we achieve circa 8-9x the income. This means I can purchase a property as a single dwelling using cash or bridging finance, renovate it and refinance based on commercial valuation. For example, back in 2010, I purchased a four-bed HMO for £40,000, spent £20,000 on the refurb, and it was valued at £200,000 based on the fact that it was, and still is, producing £20,400 per annum.

The £200,000 valuation enabled me to borrow up to 70%, or £140,000, against that property, which in reality only owed me £60,000. There are two trains of thought here.

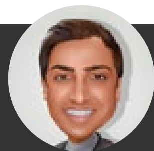
1. **You could take all the cash out, recognising that it will cost you a lot more on the monthly mortgage payment and make you more highly geared (70%) on the property. That could prove useful providing you use the additional funds wisely, and invest them in other income generating assets, as opposed to buying flash cars, etc.**

In the above example, I had the option to pull out not only my initial funds, but also an additional £80,000. If I took the whole amount, I could replicate the already tested model on potentially two more similar projects, leaving one unencumbered. If you were to rinse and repeat, by planning it carefully you could create a healthy portfolio in a short space of time.

2. **Take out only as much as you need – I generally take out the amount that I put into the property and leave the remainder in as equity. I like to think that this equity forms a war chest that I could call upon on a rainy day. Banks generally like the fact that I do not take all the equity out from day one. It also means that my payments are quite low and cash flow is high, allowing me to build a portfolio that:**
   - is sustainable
   - has a healthy cash flow
   - is a commercial valuing asset
   - has none of my own money left in.

Debt levels are the most important aspect of your property investment journey, so I would advise everyone reading this to take debt seriously. Understanding the gearing level of your portfolio will also stand you well for the future. The lower your gearing, the greater the equity you have available should you wish to call upon it.

CONTACT



If you have a question which you would like answered in next month's article, email me on **arsh@arshellahi.com** and I'll aim to answer as many questions as I can over the following months.

Mailing List
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Twitter **https://twitter.com/arshellahi**

Finally, to get access to all my updates and whereabouts, please sign up to my weekly newsletter at **www.arshellahi.com/deals**

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

DEALS DEALS DEALS

I am currently sourcing properties nationwide which have discounts between 15 - 50% discount of its current market value. If you are already on my mailing list, you would see that we are offering / putting out around 10 deals a week.

If you would like to see some of these opportunities, please feel free to add yourself to my list by visiting:

www.arshellahi.com/deals

We currently have properties nationwide which include :

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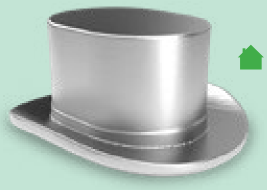
- **Development opportunities**
- **And so much more!**



If you would like to have a chat with me about any of these, please feel free to call me on **07967 016425**.

Thanks in advance!

Arsh Ellahi

COMPANY OWNERS

MASSIVE TAX BENEFIT IN HAVING AN ELECTRIC COMPANY CAR FROM APRIL 2020

By specialist property accountant **Stephen Fay** FCA

Many property investors now operate a limited company, and many have spare funds in the company that could be used to fund a company car – or, who would naturally prefer to run their car via the company if tax-efficient to do so – which, at present it almost always isn't. From April 2020, there will be a radical change to the electric company car regime that will mean electric company cars will become very tax-efficient. This article looks at why …

RECAP – WHY ARE COMPANY CARS NOT USUALLY TAX-EFFICIENT?

The company car tax regime taxes both the employee and employer on the provision of a company car. The amount of tax payable is based on the car benefit, calculated as List Price multiplied by a % based on the CO_2 emissions of the car.

FOR EXAMPLE …

2019 tax year:

Ford Mondeo, list price **£27,815**

CO_2 emissions 107g/km = taxable benefit % of 22% = **£6,119**

The employee / director is then taxed on **£6,119** of car benefit, at whatever rate of tax applies for that person (eg, £2,447 for a Higher Rate taxpayer).

What hurts is that the tax is calculated on the list price (brand new), so as the car gets older the tax doesn't reduce. Also, in the example above, the % rate is increasing from 22%, to 25% (2020 tax year), to 26% (2021 tax year) etc. There is also a 4% extra charge for diesel cars. And, the cost of company-supplied fuel is hugely prohibitive as a 'scale charge' is applied – meaning that however much fuel is actually used, the company car driver is taxed as having received a benefit of £3-4k in many cases.

Although the tax regime is more favourable currently for electric and hybrid cars, there still isn't much of a tax benefit in having such a company car. For example, the 2018 tax year car benefit for a Mitsubishi Outlander PHEV is 9%, but this is set to increase to 13% in 2019, and 16% in 2020.

INTRODUCING THE ULEV – ULTRA LOW EMISSIONS VEHICLE (ULEV) – AT LAST, A TAX-EFFICIENT COMPANY CAR REGIME!

From April 2020, there will be a radical reduction in the car benefit rates for 'Ultra Low Emissions Vehicles' (ULEV), ie electric company cars with CO_2 emissions of <75g/km.

FOR EXAMPLE:

BMW i3, list price **£33,340**

CO_2 emissions 0g/km = **taxable benefit of 9% (2018), 13% (2019), 16% (2020)**

However, from tax year 2021 (April 2020 onwards), the car benefit rate will reduce to just 2%!

For a Higher Rate taxpayer, this will mean a car benefit of **£667,** which when taxed at **40%** equates to a monthly tax charge of just **£22/month**!

OK, THAT SOUNDS NICE! ARE THERE ANY OTHER BENEFITS TO HAVING AN ULEV COMPANY CAR?

Yes, certainly:

Fantastic real-world experience

The real-world experience of ULEV electric cars is seriously impressive. Most are very fast, and torque is immediately available as there are no gears, there is no engine noise and the general experience is one of quiet refinement. Handling is excellent as the batteries are on the car floor, resulting in a low centre of gravity.

Government grants to reduce purchase price

There are government grants of up to £4,500 for most new cars with CO2 emissions <50g/km (assuming a range of 70+ miles). The grant is applied to the purchase price by the car dealer. Scottish residents even qualify for a £35k interest-free loan!

Ever-expanding range of qualifying cars

There is an ever-expanding range of qualifying ULEVs, from the expensive (eg Tesla, BMW i8) to more everyday cars (eg Audi E-Tron Quattro, BMW i4, Jaguar i-Pace, VW e-Golf etc).

Enhanced Capital Allowances (ECAs) for ULEV company cars

Currently, capital allowances can only usually be claimed at 8% per year on the cost of a company car, ie it can take many years for a company to get tax relief on a car. However, 100% Enhanced Capital Allowances will be claimable on the cost of an ULEV from April 2020 – meaning the entire cost of the car can be deducted from company profits before corporation tax is payable. Note this only applies to new cars, not used cars.

Grants available for installation of home and work charging points

There are grants available of up to £500 for a home-charging point, and £300 for a workplace charging point.

Zero road tax and Congestion Charge

ULEVs qualify for zero road tax, and are exempt from the London Congestion Charge.

Massive number of charging points now available

As at July 2018, there were more than 13,000 charging points across the UK, and 96% of filling stations now have rapid chargers. Along with a home and workplace charging point and hugely improved ranges, ULEVS are a genuine option for most people.

OK – I'M CONVINCED, BUT WHAT SHOULD I DO BETWEEN NOW AND APRIL 2020?

Most property investors who have a company will have a personal car that they effectively rent to their company for business use, by charging the company 45p/mile (first 10,000 miles) for the business use of their car, eg @ 45p/mile for 10,000 miles, a company would pay out £375/month, which in most cases is enough to pay for most if not all of the vehicle lease cost (or depreciation), insurance, repairs and fuel.

This is almost always the best way of getting tax relief for the business element of a car's use, and of course as the car isn't owned by the company, there is no company car tax due.

However, given that the new ULEV company car tax regime is set to become much more tax-efficient from April 2020, it may make sense to defer any new car until April 2020 (OR, at least choose a ULEV car which will then benefit from the much-reduced car benefit rates applying from April 2020).

IN SUMMARY ...

From April 2020, there are significant tax savings to be made by having a ULEV company car. With a car benefit rate of just 2% in many cases, 100% capital allowances for the company to write-off the full value of the car, grants available for car purchase and charging point installation (home and work), and no tax on company-supplied electricity, the tax efficiency of a ULEV company car is fantastic, and well worth looking at as a way of funding a car.

MORTGAGE UPDATE

By **Stuart Yardley**

Trafalgar Square Financial Planning Consultants

Stuart presents his monthly round-up and review of what's going on in the mortgage and specialist property finance markets, including a comment on the latest interest rate rise announced in August.

There have been further improvements in the BTL mortgage market over the past month. **Kent Reliance** have updated their criteria, and **Virgin Money** have launched a portfolio landlord lending option.

KentReliance

Kent Reliance have launched new criteria for refinancing properties purchased for cash or replacing bridging within six months of ownership. This is a great step forward for the market.

They are launching these criteria as a day one refinance option, aiming to help investors who have purchased a property at auction or have had to use bridging finance due to a standard mortgage not being available at the time.

Key criteria

- Lending can be based against the current enhanced valuation, where works carried out can be verified and full evidence provided. If this isn't available they will just lend against the original purchase price figure
- Maximum 75% loan to value

At the time of application Kent must be able to either …

- Request a land registry search which shows you as the legal owner of the property

Or, if this isn't available …

- Request confirmation of the Land Registry submission confirming the purchase date and price via the acting solicitor

This is a positive move for the mortgage market as it opens up finance options within six months of ownership, allowing you to release funds that you can then move into the next investment.

It is also ideal for auction purchases where standard finance isn't available due to the speed needed and where the property isn't lettable on day one.

Kent have a full range of specialist BTL mortgage products available for single lets, HMO/student lets and also multi-unit blocks. Lending is also available within limited company or personal names.

If you would like to discuss any individual refinances within six months, please contact me and I will be happy to assist.

Virgin money

We have also seen Virgin Money launch into the portfolio landlord market. This is another positive step and gives investors another mainstream lender option to consider.

Portfolio landlord key criteria

- Up to 75% loan to value considered
- Maximum of five properties with Virgin Money, up to £3m in borrowings
- Investors must have a minimum of two years' letting experience
- Maximum of ten mortgaged BTL properties across all lenders allowed in the portfolio
- In total the portfolio mustn't exceed 70% loan to value across all properties, and this can include any unencumbered properties held
- The portfolio rent must cover a stress test of 145% at an interest rate of 5% across the portfolio
- No more than two BTL properties can have been purchased, either mortgaged or mortgage free, in the last 12 months

Then, for the individual property you are looking to finance, the following affordability and rental tests will be applied:

- Minimum personal combined income of £25,000, excluding rental income
- Rental must cover 145% of the mortgage payment at either 5.5%, or for a fixed rate for five or more years, 5%

Additional documentation required:

- Business plan
- Cash flow forecast
- Property schedule – this is the standard format I have shown previously

Virgin Money, like other lenders, have teamed up with Etech – the portfolio will be assessed electronically and valuations and rental incomes verified.

As you can see, it is encouraging that there is another mainstream lender within the portfolio landlord market, but there are quite a few extra requirements that must be met so it won't be an option for every-one. However, it is a positive move overall.

Virgin Money have a very competitive range of products, including the following list of selected rates:

- **75% loan to value / purchase price – 1.98% two-year fixed – £995 arrangement fee – free valuation and either £300 cash back or free legal remortgage service for refinances**
- **75% loan to value / purchase price – 2.54% three-year fixed – £995 arrangement fee – free valuation and either £300 cash back or free legal remortgage service for refinances**
- **75% loan to value / purchase price – 2.84% five-year fixed – £995 arrangement fee – free valuation and either £300 cash back or free legal remortgage service for refinances**

They also have ranges of products for 60% and 70% loan to value mortgages, and lower rates with a higher flat fee of £1,995 arrangement fee.

INTEREST RATES START TO RISE

After the interest rise last month to a new base rate of 0.75%, we are continuing to see investors wanting to lock into longer term fixed rates. There has also been a large increase in investors – especially portfolio landlords – looking at product transfers with their existing lenders when their current rate ends.

The majority of the mainstream lenders offer a product transfer option. So if you are purely looking at just fixing the rate again when your current rate ends, and not releasing further equity, this can be a good painless option to consider. Your mortgage broker will be able to help you with this and it's an option that we consider for all of our clients.

If you would prefer to refinance to another lender, the following table provides an overview of some of the long term fixed rates available for borrowers financing a BTL in personal names.

LENDER	LOAN-TO-VALUE	PRODUCT	FEES
BM Solutions	75%	2.50% 5-year fixed rate	£1,995 arrangement fee added – free valuation and free legal remortgage service provided
Skipton	75%	2.59% 2-year fixed	£995 arrangement fee added – free valuation and free legal remortgage service provided
BM Solutions	75%	2.82% 2-year fixed	No arrangement fee added – free valuation and free legal remortgage service provided
The Mortgage Works	65%	2.09% 5-year fixed	£1,995 arrangement fee
Coventry/Godiva	65%	2.35% 5-year fixed	£1,995 arrangement fee added – free valuation and free legal remortgage service provided
The Mortgage Works	65%	2.59% 5-year fixed	£995 arrangement fee added – free valuation and £250 cash back

This is just a selection of rates available. There are, however, many other factors to take into consideration so I recommend either speaking to myself or to your existing broker to discuss tailored options that are available to you individually.

LIMITED COMPANY MORTGAGE OVERVIEW

With the limited company market continuing to evolve, we are seeing rates decrease. This is a great for the investor who is looking to finance a property using a limited company SPV. As a regular review of the market, here are a few of the options available ...

LENDER	LOAN-TO-VALUE	PRODUCT	FEES
Paragon Mortgages	80%	3.7% 5-year fixed rate	1% arrangement fee
Kensington Mortgages	80%	3.29% 2-year fixed	1.5% arrangement fee
Precise Mortgages – remortgage only	75%	2.59% 2-year fixed	3% arrangement fee Free valuation £300 cashback
The Mortgage Works	75%	3.49% 5-year fixed	£1,995 arrangement fee
Kensington Mortgages	75%	2.89% 2-year fixed	1.5% arrangement fee

When you are considering setting up a limited company, I recommend that after your conversation with your tax adviser, you speak to your broker to ensure the structure of the company works from a finance point of view. Each lender has a very different view of shareholdings and directorships, with some lenders ignoring minor shareholders and others insisting that all shareholders need to be party to the mortgage and give personal guarantees. When a shareholder is required to be party to the mortgage, they must fit that lender's criteria, so it's very important you discuss this with your broker upfront.

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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*Prices exclude Vat at current rate, based on 36 month lease agreement. Other terms available, all finance and rental agreements subject to contract.

INVEST …TIME IN LEARNING ABOUT SOME IMPORTANT CHANGES

By **Mary Latham**

Parliament has just closed for the summer recess at the time of writing. So I have taken this opportunity to prepare a reading list for those who want to invest a little time in learning about some of the important changes that will impact on our property businesses during the coming months.

Some of the items on this list are not new but they are important and often misunderstood – which can be expensive because ignorance is not a viable defence when breaking the law.

PREPARING FOR MANDATORY LICENSING UNDER NEW CRITERIA

APPLICATIONS FOR MANDATORY LICENCES UNDER THE LOWER CRITERIA MUST BE MADE BY 1ST OCTOBER 2018.

Several local authorities are telling landlords that they are not ready to accept licence applications but not to worry because they will not prosecute for failure to have a licence. That's jolly decent of them! And completely irrelevant because **failure to apply by the deadline is a criminal offence.**

Also, **tenants can still apply for up to 12 months' Rent Repayment Orders** and lenders may refuse applications for borrowing or refinancing. **This is my last chance to bang on about this before watching the train crash from October.**

> Make an application with payment to your local authority using the existing HMO licence application form if they have not prepared a new one. Deliver by hand and get a signature for receipt or chase them until they acknowledge receipt.

The legislation is clear: there is no grace period for applications beyond 1st October.

THE LICENSING OF HOUSES IN MULTIPLE OCCUPATION (PRESCRIBED DESCRIPTION) (ENGLAND) ORDER 2018

http://www.legislation.gov.uk/uksi/2018/221/made

This revokes The Licensing of Houses in Multiple Occupation (Prescribed Descriptions) (England) Order 2006. It will be reviewed at the end of August 2023.

Under this Act – Description of HMOs prescribed by the Secretary of State …

> "An HMO is of a prescribed description for the purpose of section 55(2)(a) of the Act if it—
>
> (a) is occupied by five or more persons;
>
> (b) is occupied by persons living in two or more separate households; and
>
> (c) meets—
>
> (i) the standard test under section 254(2) of the Act;
>
> (ii) the self-contained flat test under section 254(3) of the Act but is not a purpose-built flat situated in a block comprising three or more self-contained flats; or
>
> (iii) the converted building test under section 254(4) of the Act."

Many people letting HMOs are unaware that the only difference between a licensed HMO and a non-licensed HMO **is the licence** – everything else applies. Those who have met all the HMO legislation and regulation will have little or nothing to do other than apply for the licence. Those who believed that regulation or legislation only applied to licensable HMOs will now have to meet all the above. Here is some helpful reading:

- **LACORS HOUSING – FIRE SAFETY** Guidance on fire safety provisions for certain types of existing housing: **https://www.cieh.org/media/1244/guidance-on-fire-safety-provisions-for-certain-types-of-existing-housing.pdf**
- The Management of Houses in Multiple Occupation (England) Regulations 2006: **http://www.legislation.gov.uk/uksi/2006/372/regulation/10/made**
- Schedule 3 of the above covers amenity standards (link below), what facilities are needed and where. This is used to decide on the number of permitted occupiers. The size and number of bedrooms are relevant but it's the amenity standards which can often lower the number of permitted occupiers. **http://www.legislation.gov.uk/uksi/2006/373/schedule/3/made**

THE LICENSING OF HOUSES IN MULTIPLE OCCUPATION (MANDATORY CONDITIONS OF LICENCES) (ENGLAND) REGULATIONS 2018

http://www.legislation.gov.uk/ukdsi/2018/9780111167359/contents

This covers the new minimum room sizes that will apply to all HMOs when they are licensed or relicensed on or after 1st October 2018.

NB. If you've got a licensed HMO the new conditions will not apply until the licence is up for renewal. On renewal, a local authority has the power to grant up to 18 months in which to meet the new minimum room sizes – they may not do this but it's worth making a case if you have tenants in place.

ENGLISH HOUSING SURVEY PRIVATE RENTED SECTOR, 2016-17

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/723880/Private_rented_sector_report.pdf

This is the latest report, published in January 2018, which is often quoted when new regulation is introduced. All too often information is cherry picked to make a point – frequently to the detriment of private landlords. I too can cherry pick though. Here is some of the information from this survey:

1. **84% of private renters were satisfied with their current accommodation**
2. **149,000 new households were created in the PRS**
3. **860,000 households moved from one privately rented property to another, this is down from 1m in the previous report and indicates that people are staying for longer**
4. **Owner-occupation rates remain unchanged for the fourth year in a row and the PRS is still the second largest tenure**
5. **The PRS remains larger than the social rented sector and is now the most prevalent tenure in London**
6. **60% of private renters stated that they expected to buy a property at some point in the future**
7. **The number of homes with working smoke and carbon monoxide alarms has increased to 90%**

In a nutshell, it's private landlords who are providing the much needed increase in the number of homes, and a huge majority of our tenants are satisfied with their homes. Despite media hype, people are staying longer without the need for forced longer tenancies. We do not prevent people from being able to buy their own homes, we give them a place to live while they are saving or moving around before they settle down. Good for us! We are doing just what it says on the tin – **being good landlords.**

LONGER TENANCY PLANS TO GIVE RENTERS MORE SECURITY

https://www.gov.uk/government/news/longer-tenancy-plans-to-give-renters-more-security

Here we go again! The Secretary of State for Communities proposes the introduction of a minimum three-year tenancy term with a six-month break clause.

> *"According to government data, people stay in their rented homes for an average of nearly 4 years. But despite this, 81% of rental contracts are assured shorthold tenancies with a minimum fixed term of just 6 or 12 months. Although tenants and landlords can already agree longer terms between themselves, the majority choose not to do so."*

No matter how many times I read that and how I try to understand another point of view, it still says the same thing to me …

"It ain't broke, don't fix it!"

If the average tenancy is almost four years, what difference would it make introducing a minimum length of three years? If landlords and tenants are "choosing not" to agree longer terms and yet tenancies run for an average of over four years what's the b***** problem??

Let's remind ourselves what the English Housing Survey found (above):

1. **84% of private renters were satisfied with their current accommodation**
2. **149,000 new households were created in the private rented sector**
3. **860,000 households moved from one privately rented property to another, this is down from 1m in the previous report and indicates that people are staying for longer**

In the consultation which ended in August, it states:

> *"The end of an assured shorthold tenancy in the private rented sector is now the leading cause of homelessness and local authorities are increasingly housing individuals who are homeless, or at risk of homelessness, in the private rented sector."*

That should be a red flag. **Why would private landlords be evicting so many tenants?** Is it because we love finding new tenants, paying for advertising, referencing, cleaning and the inevitable repairs? Is it because we adore paperwork, new contracts, Right to Rent checks, credit checks, etc. Is it because we love voids between tenancies (because we cannot plan based on when a tenant who is evicted will actually leave)?

Or is it possible that these are bad tenants and landlords cannot afford to keep housing them?

If that were the case, how will giving them longer tenancies help? We will not be able to use Section 21 but Section 8 is often quicker and there will almost certainly be mandatory grounds.

I have many very long term tenants. My business is based on tenancies continuing for five years or more but every one of my tenants began on six months fixed term and are now on statutory or contractual periodic tenancies, which give us both some flexibility but neither they nor I feel under any pressure. It makes me really happy when a tenant asks if I've got a property to rent to a friend or family member – the biggest compliment a landlord can receive and not the action of tenants who are insecure. (Sorry rant over.)

THE REGULATION OF LETTING AND MANAGING AGENTS (ENGLAND)

https://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN06000

This includes proposals for:

- Minimum entry standards, and an independent body will carry out the regulatory function. This is needed to weed out the agents who have no idea about the law, and will help educated agents by reducing unfair competition.
- A requirement to belong to a trade association.

The government also intends to require that all landlords are covered by a redress scheme, as well as agents.

HOMES (FITNESS FOR HUMAN HABITATION) BILL

https://publications.parliament.uk/pa/bills/cbill/2017-2019/0234/18234.pdf

"This bill is intended to amend the Landlord and Tenant Act 1985 to require that residential rented accommodation is provided and maintained in a state of fitness for human habitation; and for connected purposes."

This bill will go to the report stage in the Commons on 26th October.

The biggest change this bill would bring about would be to give tenants the right to take legal action when landlords fail in their duties. If we didn't provide a home fit for human habitation at the start of the tenancy and maintain it as such throughout the tenancy, the tenant would have the right to sue for breach of contract. This would apply to both PRS and social landlords – councils will soon find out what it is to be a landlord in the 21st century. The bill makes it clear that landlords would not be held responsible for damage caused by tenants.

The age-old question *"is the black mould caused by damp or condensation?"* is about to be the star of the show I fear!

HOW TO RENT GUIDE

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/723773/How_to_Rent_Jul18.pdf

The very latest version was published on 26th July and must be given to all tenants before they move in. Check the bottom of the Contents page for the date of the issue because we must provide the most recent version at the start of tenancies.

This guide has evolved and is now helpful. There are links to useful tools like the affordability checker:
https://www.moneyadviceservice.org.uk/en/articles/how-much-rent-can-you-afford

There is an explanation about why landlords will ask for Right to Rent documents and what documents they can provide:
https://www.gov.uk/government/publications/right-to-rent-landlords-code-of-practice

Some really good advice on how the tenant can make sure to pay the rent and why this is so important:
https://www.moneyadviceservice.org.uk/en/articles/managing-rent-payments-on-universal-credit#if-you-rent-privately

SUBLET PROPERTY (OFFENCES) BILL 2017-19

https://services.parliament.uk/Bills/2017-19/subletpropertyoffences.html

This private members' bill is due for a second reading on 26th October. The full document has not yet been published but the objective of the bill is to make the breach of certain rules relating to subletting rented accommodation a criminal offence, and to make provision for criminal sanctions in respect of unauthorised subletting. This sounds like a bill that landlords would support, it will be interesting to see the full details.

It's time that private landlords were t reated in the same way as social landlords or local authorities when it comes to subletting.

> *"If your landlord is a local authority, the criminal offences of unlawful subletting apply to you if you have a secure tenancy. In England, they also apply if you have a flexible tenancy.*
>
> *If your landlord is a housing association, the criminal offences of unlawful subletting apply to you if you have a secure, assured, assured shorthold or a demoted assured shorthold tenancy."*

https://www.citizensadvice.org.uk/housing/renting-a-home/subletting-and-lodging/subletting/unlawful-subletting-of-social-housing-criminal-offences/

TENANT FEES BILL 2017-19

https://services.parliament.uk/Bills/2017-19/tenantfees.html

This bill is crawling through Parliament. It's going to the report stage in the Commons on 5th September. There have been some recent changes:

- It looks like we are going to be charged compensation, similar to the failure to protect a deposit, **up to three times the amount of a fee charged which is not a permitted fee.**
- **It is proposed to bring the Act into force on the day it is passed.** That is guaranteed to catch out anyone who is not monitoring this bill closely, as it reaches the end of its journey through parliament, I cannot see any good reason for that change.
- An additional clause has been proposed and I have some sympathy with this one. Often landlords or agents hold onto tenants' deposits for several days when they really don't need to. This means the tenant has to find the money again in order to pay the next deposit, which can be a problem.

> *"Transferable deposit*
>
> *The Secretary of State may by regulations made by statutory instrument amend paragraph 2 of Schedule 1 to make provision which enables a relevant person, at the conclusion of a tenancy, to transfer all or part of a tenancy deposit from the landlord or agent with whom that tenancy was held to a second landlord or agent"*

The way this is worded implies there is an intention to remove the option of holding our tenants' deposits, and paying an insurance premium, in favour of a custodial only scheme. If this is not the case, I really can't see how they would achieve a transfer from one landlord or agent to another on the changeover day. If they do remove the insured option I imagine it will not be long before a fee is applied to the custodial scheme, because the amount of interest made on the money lodged is negligible and it's difficult to imagine that the scheme can be run from that. If that does happen, and I am only speculating, it will be one more cost for the landlord to carry which cannot be charged to the tenant.

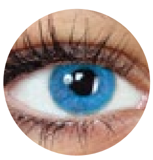
Once the Tenant Fees bill leaves the Commons I have no doubt that we will see a bill to introduce the other regulation which the government published in the briefing paper on 16th May 2018.

ELECTRIC SAFETY INSPECTIONS FOR ALL RENTED PROPERTIES

Finally, despite an announcement that all rented properties must undergo an electric safety inspection every five years (as HMOs do at the moment), there isn't a Bill in the system yet. A consultation on this ended on 16th April this year and the following proposals were made:

- Five-yearly mandatory electrical installation safety checks for all private rented properties.
- Mandatory safety certificates confirming installation checks have been completed, along with any necessary repair work provided to both landlord and tenants at the beginning of the tenancy, and made available to the local authority on request
- A PRS electrical testing competent person's scheme should be established to ensure properly trained experts undertake this work – this would be separate from existing building regulations competent person
- Landlord-supplied electrical appliance testing and visual checks of electrical appliances by landlords at a change of tenancy should be promoted as good practice and set out in guidance

Happy reading!



Mary Latham is the author of ***"Property for Rent – Investing in the UK: Will You Survive the Mayhem?"***

HMO

THE ESSENTIAL INVESTOR SERIES (4)

WHAT DOES THE FUTURE LOOK LIKE FOR HMOs?

By **Andy Graham** and **Nick Morris**

On top of the punishing stamp duty and Section 24 changes of 2017, HMO landlords are now being clobbered with a national extension of HMO licensing and navigating a proposal to introduce a three-year tenancy agreement. Is the future bright? Is the future still HMO?

PROPOSED THREE-YEAR TENANCIES

Cities up and down the country have bid their student cohorts farewell for the summer and left (some) landlords picking up the rubbish or the one-year-only appliances slapped with the post-it note *"works fine but we don't want it!"* – **another toaster is added to the tip collection.**

It's a busy time for student landlords to say the least. I recently drove down the street in Sheffield where we own several HMOs and it looked apocalyptic! The strewn rubbish of hastily vacated digs of now ex-occupiers heading off to Ibiza, festivals and a break from university …

But new government proposals aim to force landlords to offer tenants a minimum three-year contract – with tenants able to leave earlier (break clause) should they wish.

The proposal comes at a time when home ownership is at its lowest in 30 years, some 14.3m households (of a total 22.8m) are owner-occupied in England (62.9%), according to the English Housing Survey[1] , produced by the Department for Communities and Local Government (DCLG). According to the same report, the PRS now accounts for 4.5m households, double the 2.3m in 2004, or 20% of total households as opposed to 10% of total households back in 2004.

While home ownership levels have remained relatively unchanged in the last three years, the PRS is a different story, particularly when paired with the latest demographics seeking entry to the current property market. In 2005-06, 24% of 25-34-year-olds were privately renting, that figure is now 46% in 2017. In the same period, 25-34-year-olds buying a home with a mortgage dropped from 53% to 35%.

The proposal, which seeks to lengthen the common six-month to one-year tenancy agreements (currently thought to be around 80% of all contract lengths), looks to give tenants more control, security and longevity in their houses.

EXTENSIONS TO MANDATORY HMO LICENSING SCHEME – OCTOBER 2018

While the UK housing market depends on the private sector investing in houses, it is also bumping up price inflation with knock on economic effects. As a measure, the government has sought to curtail the tax relief[2] that BTL investors have enjoyed, forcing many out of the market and reducing the sector to a sustainable size. But there's more to come. Long in the cross-hairs of government, the HMO sector has seen particularly heavy regulation with an extension to mandatory licensing requirements, tightening up on the number of storeys loophole[3] as well as new minimum room sizes (see below).

That could be as many as 177,000 HMOs becoming subject to mandatory licensing in England, according RLA research.

From October 2018, the main change to HMO legislation will be the removal of the three-storey rule. In most cases, a property occupied by five or more individuals forming two or more households will become licensable, irrespective of the number of floors in the property. Landlords will also have to adhere to a new minimum room size standard. Especially for landlords with attic rooms, it's important to note the 'size' will only be considered where there is 1.5m in ceiling height.

- Minimum double room size: **10.22 sq m**
- Minimum single room size: **6.51 sq m**

There will also be a mandatory requirement for landlords to adhere to council refuse schemes to ensure that HMO properties have adequate waste management facilities.

Will the three-year tenancy proposal affect HMO landlords?

There shouldn't be a direct effect. The proposal is considering making student accommodation exempt as the sector clearly follows academic turnover and, indeed, the higher education sector relies more heavily on private accommodation than many others – this is already the case in Scotland. There is less clarity around the young professional house-share market though.

Of more concern is what it does to other BTL landlords. Those who have not already sold off part of their portfolios to afford mortgage repayments following the newly introduced tax pressures, could now face even greater reluctance from lenders.

David Smith of the RLA responded cautiously to the new proposal: *"We would warn against making it a statutory requirement to introduce three-year tenancies. Many tenants simply do not want to be tied to a property long term.*

"It is vital that the market is able to provide the flexibility that many need in order to swiftly access new work and educational opportunities."

While the proposal allows landlords to increase rent once a year to reflect interest rate changes, it does not however provide a repossession clause. This may make many lenders reluctant to shoulder the added risk (should the landlord default and the property not repossessed for three years) and may lead to even higher interest rates on BTL mortgages.

This could mean more BTL landlords dropping out of the market altogether or, more landlords turning to the exempt sectors, such as student accommodation, actually making the HMO market more competitive.

GET IN TOUCH

If you have any questions about property investment and HMOs, please feel free to get in touch with us.

Email: **andy@smartproperty.co.uk**
Website: **smartproperty.co.uk**
Instagram: **smartpropertyinvestment**
Facebook: **Smart Property**

1 See https://www.gov.uk/government/statistics/english-housing-survey-2015-to-2016-headline-report
2 See https://www.property118.com/leicester-btl-recap-means-2018/
3 See https://www.smartproperty.co.uk/blog/new-hmo-extension-adding-to-landlord-stress-research-says for more.

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See you there!

Jayne

WHAT TO ENSURE WHEN YOU INSURE

By **Graham Kinnear**

Image © Bigstock.com/Gene Dailey

This month's focus is on buildings insurance and why you should review your existing cover.

A critical issue is to ensure that the insurer is aware of all the details of your property, including build date, type, any areas of flat roof, construction method and the terms of occupation. I am concerned that with the increase in people obtaining quotes from internet platforms, full disclosure of facts is possibly less detailed than was historically the case. A lack of correct detail could mean an insurer refusing a claim.

Assuming correct cover is in place, there are several issues to take into account when considering buildings insurance. The first of these is when you are renewing an existing policy.

It is always worth enquiring whether the building sum is index-linked. That means the rebuild sum that your property is insured for is increased each year, normally in line with inflation.

On the face of it this is a great idea, as it covers you for increased material and labour costs in the event your property needed to be rebuilt. However, in our current climate of low inflation, it may be that the index-linking is at a greater rate than inflation. Or (as was the case in 2008-2011) that building costs, principally labour costs, actually fall.

Left unchecked for a few years, you may find that you are paying an insurance premium for a sum far greater than is required. If this were the case and you claimed, you would still only receive the rebuild cost. It may therefore be that you are paying a higher premium than is necessary.

Alternatively, if your policy is not index-linked and you have not had a reinstatement valuation undertaken recently, you may find you are not adequately covered.

Another issue to consider is what conditions or endorsements are buried in the insurer's policy documents, that you may have to comply with to ensure cover. There are a myriad of things. However, some of the more common ones I have seen over the years include:

- **a need to drain down water systems if the property is to be vacant for more than 14 days**
- **landlord legal cover which only applies if the tenants have been served notice by recorded delivery**
- **the prohibition of letting to tenants referred to you by a local authority or housing association**
- **an exclusion from granting anyone a tenancy for more than 12 months**
- **an obligation to provide gas and electricity safety certificates to the insurer**

As well as complying with the requirements of your insurance, it is important that you ensure your policy meets your needs. For example, a standard buildings policy is likely to be worthless if your strategy is serviced accommodation. There are insurers who will provide cover for such activity, so ensure the one you buy is relevant for your use of the property.

Many standard insurance policies reduce cover for vacant property to what they call FLEA cover, where you are covered only for claims relating to Fire, Lightening, Explosion or impact by Aircraft. If you want additional cover for say the escape of water, break-ins and the like, then you will have to ask whether the insurer will cover these. Regardless, you will probably find that if your property is vacant you will need to arrange for it to be inspected at set intervals and to ensure that the letterbox is securely sealed to reduce the risk of arson.

There will also be a clause in your policy that requires you to comply with any statutory obligations. These will include gas and electricity inspections, fire risk assessments, legionella risk assessments, party wall legislation as well as any planning and building control requirements. For this reason alone, it is imperative that you ensure your files are complete and your property compliant.

Those of you who have portfolios of property with one insurer will be aware that it is not uncommon for them to undertake visits to the property to ensure compliance.
Any recommendations made during these visits should be complied with in a timely fashion to ensure continuance of cover.

For the duration of any mortgage you will be required to have appropriate insurance as a condition of your loan. So falling short on your insurance cover could also place you in breach of your mortgage conditions.

If there are any issues that you do not understand within your insurance policy, ask your broker or contact the insurer directly. Furthermore if you are planning any changes to the property, its occupiers or use, talk these through with the insurer at the outset. As with all these things it is far better to get your house in order before you need to claim rather than ***when*** you need to claim.

Only this month, one of my clients with 40 years' experience as a landlord confessed that she'd never read the policy documents. I suspect there are many like her, but having read this article I hope that number will now not include you!

As always, I am happy to assist YPN readers on any property matter and can be contacted on 01843 583000 or graham@grahamkinnear.com

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

TOP 3 TIPS

FOR FINDING AWESOME TENANTS

By **Jacquie Edwards**

Are you worried about getting the tenant from h*ll? Or maybe you've already had them and want to know how to avoid them again in the future. Honestly, if you have enough tenants over enough time you will have a few duds. No matter how great your systems and processes you can't avoid problems forever. Sometimes, things just happen and stuff goes wrong for people. But if you set up your systems correctly in the beginning you can make sure the bad ones are few and far between. Here are three of my top tips for making sure you get the best tenants.

TIP #1

ALWAYS DO A VIEWING

I get quite a few people asking in to move in just based on the advert and some photos. They need a place quick and are happy just to take the room. Sometimes this can work … I've usually found it doesn't.

Now, we always do a viewing with every single potential tenant. It can just be a Skype viewing if they can't be there in person. But always meet the tenant. I have people say they are happy not doing viewings and I'm happy telling them that we require a viewing so we can meet all of our tenants and make sure they are right for the property. Treat it like an interview – it doesn't have to be long and you don't have to quiz them down but just get to know the potential tenant a little bit. Why they are moving to the area, where they work, etc. Make sure they meet your ideal tenant type and you get a good vibe from them. It is ok to tell people *"no"* if you don't feel like they are a right fit for your property. If you don't want to tell them to their face you can always message them later and say that you are really sorry but someone else has already reserved the room.

TIP #2

ALWAYS DO REFERENCING

Even by just writing on your advertisement for a new tenant that you do referencing scares away some of the worst ones. They are often looking for Joe DIY landlord who doesn't know what he's doing and is just looking to get someone in quick and skips the referencing.

A bad tenant doesn't always look like a shady drug dealer. They can often be super friendly and charming and win you over during the viewing but then scam you later. So always always **ALWAYS** do referencing. I did a two-parter about referencing back in June-July 2017. So check the back issues for loads of information on referencing.

TIP #3

ALWAYS GOOGLE THEM

You've met them and you've done the referencing but your job still isn't done yet. There is one more tip that I recommend. Because a scammer can schmooze their way around your defences and charm you during your meeting and their references might be stellar and their previous landlord might lie for all they are worth in order to get you to take their dodgy tenant off their hands. So your next step is to Google the potential tenant to see if anything comes up. This is one of your last chances to see if they are a serial killer or major fraudster. Also check their Facebook profile if you can. I like to scan through and make sure there aren't any hate postings or super-outrageous partying. There is a bit of contention around Googling and looking up potential tenants on social media and using that as part of the referencing process, so you'll have to use your discretion and make sure you are comfortable with it.

FINAL TIP

AS A BIT OF A FREEBIE

If we don't accept a tenant for a reason outside the core referencing criteria that we post on our website (like they fail because we didn't like their Facebook profile) we would fully refund any referencing fees they paid. We also make sure that all our checks are done within seven days so that the potential tenants aren't waiting forever before finding out they can't live with us. We try to be as fair as possible – even for tenants that aren't suitable for our properties.

Image © Bigstock.com/EastWestImaging

Jacquie Edwards is the author of

"Rent to Rent: Your Questions Answered"

Property Go-To Girl

ARE LANDLORDS SELLING OR KEEPING THEIR BUY-TO-LET PROPERTIES?

By **James Davis,** Portfolio Landlord and Upad CEO

Image © Bigstock.com/ronstik

This month, the team at Upad are drawing on their experience to analyse whether, in the current legislative climate, landlords are leaning towards selling up their buy-to-let properties, or remaining in favour of keeping them.

Are you one of those landlords who are seeing their bottom line squeezed because of the new legislation? Are you questioning the validity of your buy-to-let investment and strategies?

From the continuing reduction in certain allowable expenses to the future banning of tenant fees, many landlords are seeing a decrease in their profits. Some are even beginning to contemplate selling up their properties.

Is that the best approach to the problem, however, or should these landlords instead consider the bigger picture?

The initial trend, as reported by numerous sources earlier in 2018, saw many landlords starting to sell up. Or at least, many were planning to do so.

With the legislative changes appearing to hit the people who were termed as accidental landlords, or those with only one or two properties, the indication was that more and more buy-to-let properties would find their way to landlords and companies who operate on a larger scale. This latter type of landlord is likely to be more resistant to changes in legislation and to be able to absorb a hit to their overall profitability.

Yet at the same time, with some properties leaving the buy-to-let pool altogether and some landlords holding onto properties, the situation is proving to be something of a perfect storm, the result of which is leading to increases in rent.

In general, current market trends are indicating a rise in rents. This is down to a reduction in rental stock in the market, which is allowing landlords to benefit from increased demand. In addition, there is continued press coverage around the difficulties facing people who want to buy a home for the first time, resulting in a bigger pool of tenants wanting to rent a property.

We also should factor in those landlords who aren't selling up, but who are instead looking for ways to protect their investment. Unsurprisingly, despite government policy appearing to be designed to hit landlords financially, ultimately it is the tenants who end up paying. Why? Because the landlords who don't sell up protect their margins by increasing the rent.

Research conducted by our team in 2017 revealed that a strong majority of landlords didn't think the market could sustain an accelerated rent increase. In the future, however, that could be a possibility if current conditions remain the same and smaller portfolio landlords resolve to maintain buy-to-let ownership.

Landlords are already seeking alternative means of protecting their rental yields, including the following methods:

- **reconsidering their tax planning**
- **analysing whether it will be more profitable to manage their portfolio via a limited company**
- **moving towards a self-managing model**

It remains likely that the potential tenant fees ban will have a further impact on landlords' thinking. In the first instance, however, we should probably expect their immediate reaction to be to increase rents, and only reconsidering that approach should it seem unsustainable.

Overall, whether landlords decide to sell up or not will first and foremost depend on their own objectives for buy-to-let. We should remember that some landlords may choose to sell rather than run a buy-to-let with a small profit because they were looking for a long-term capital gain anyway. Others, however, may be able or willing to sustain a smaller rental yield or absorb a cut in margins, depending on their mortgage situation.

James

PROPERTY SOURCING COMPLIANCE

KEEPING YOU ON THE RIGHT SIDE OF THE LAW

By **Tina Walsh**

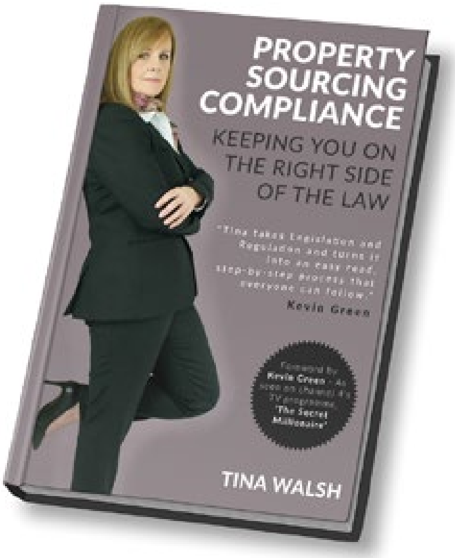
Attend any property network meeting and you're sure to come across someone who *sources* properties or someone who wants to connect with a *sourcer*. But how many checks are being done by each party to ascertain if the other is operating compliantly? I must admit that I have paid a finder's fee to sourcers in the past without asking many questions and also sourced a few properties in blissful ignorance. However, with regulations becoming stricter, it's time to operate compliantly and stand out in a *sea of amateur property sourcers* … so read on for a review about this subject by Tina Walsh.

Tina's passion for law (she's ex-police force) and then property has enabled her to build a legal and compliant platform for property sourcing after over five years of study. Tina is keen on the whole sector becoming more professional. The aims of the book are to give readers a solid understanding of the various aspects of sourcing properties in a compliant manner, taking both the regulations and legislation into account. By its very nature, this is a reference book in which Tina describes the 12-step system she has developed, so I will only touch briefly on the chapters and let the readers dig deeper.

The introductory chapter reminds readers that up to £90 billion are laundered in the UK every year and one of the main areas targeted by criminal gangs is the property sector. In **Chapter 1**, Tina highlights how the book is organised and provides excellent diagrams contrasting the roles of estate agents and sourcing agents, but points out that both parties are governed by the Estate Agency Act 1979.

Chapter 2 starts by defining the differences between legislation and regulation – the rest of the chapter is dedicated to a comprehensive list of various acts and regulations that a sourcer needs to implement or be aware of. **Chapter 3** switches focus to various insurances that may be required and Tina categorises these into *"must have"*, *"should have"* and *"could have"*. The "must have" category includes professional indemnity (PI) insurance and client account insurance.

Chapter 4 covers professional registrations, which are **compulsory** for the property-sourcing sector. These include belonging to a government recognised property redress scheme and one can choose from The Property Ombudsman (TPO) or The Property Redress Scheme (PRS). (A third one did exist until recently, but has withdrawn from the property sector.) Tina provides details of each scheme, thereby allowing the end-user to choose the most suitable.The



case studies provided only highlight non-compliance by estate agents rather than property sourcers but perhaps none exist for the latter? *I suspect the whole sourcing sector will become more professional and complaint once stricter policing is in place and a few hefty fines have been issued for non-compliance.* The chapter also covers registration for anti-money laundering (via the HMRC), as you are likely to receive money (reservation fees, etc) from investors. The final section that Tina covers is data protection, with a requirement to register with the Information Commissioners Office (ICO) and follow their compliance requirements.

In **Chapter 5**, Tina reminds sourcers that professional registrations and insurances will bring added assurance to investor clients and portray your company as truly complaint and professional.

The chapter goes on to describe the legally compliant documents and contracts that Tina's company uses. The paperwork used depends on whether her company is dealing with sellers or investors. For sellers, this will include information gathering forms, contracts & agreements and guides/letters. For investors, this will include client due diligence, contracts, agreements and guides.

The due diligence theme continues in more detail in **Chapter 6** but focusing more on money laundering. Most of the chapter is dedicated to the "investor client" and the property sourcer should undertake suitable due diligence before providing any services. Tina describes seven main elements of due diligence including, assessing the risk of the client (simple or enhanced depending on the nature of the client), verifying identity, knowing your client's business, on-going monitoring, etc. Seller due diligence could be a relatively simple task of obtaining original document ID and proof of property ownership. Due diligence on the property pretty much boils down to an EPC certificate being available and land registry checks to prove ownership and property boundaries.

In **Chapter 7**, Tina covers optional professional registrations, depending on your business, eg the RLA, Propertymark, ARLA etc. The section describes different levels of membership, what these bodies do and the costs of membership. **Chapter 8** describes systems you need to have in place to ensure that you comply with the requirements on a daily basis and these include policies, procedures & processes – it's good practice and also essential if you are inspected – contracts, on-going training, etc. At the end of the book, Tina provides book a list of useful references and a useful glossary to the many terms described in the book

WHO IS THIS BOOK FOR?

First and foremost, this book is for anyone who is sourcing properties and wants to operate compliantly. It is also an important book for investors who want to use third parties to source their property deals. The book will take a few reads to really get your head around all the different types of legislation and regulation, but it is vitally important that you do so in order to operate compliantly. The end of each chapter has *"key points to take away"*, which is a useful reference summary.

Further information is available from:
www.getpropertycompliant.co.uk

Book reviewed by:
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WHY EVEN COMPLETE BEGINNERS CAN MAKE 15% A YEAR ... IF THEY STICK WITH IT LONG ENOUGH

By **Marcus de Maria**

In the last edition of Your Property Network you met my friend Steve, the worst stock market timer in the history of the world. Remember that he went in at the top of every market, just before huge crashes such as 1974, 1987, 1999 and 2007. And yet his one virtue was that he never sold. So despite being the worst stock market timer ever, he still managed to be a millionaire by the time he retired.

With our investment strategies PCA and VCA (you can get them by clicking the link at the bottom of this article), which take just ten minutes a month, he would have done **EVEN BETTER**. These are strategies that you probably ought to have learned a while back, and if you had, you would be in investment heaven right now, telling everyone about how much money you had made and how smart you are. Those who follow my column regularly will know that Silver and Oil have been favourite VCA plays of mine and right now, at the time of writing, almost every single one of my students who used this strategy on Silver and Oil are making money. Some of them are up more than 31%. Not too shabby.

Now let us travel far away to ancient Asia BC. Once upon a time a young monk travelled many nights and days to see an old monk he wanted to win over to become his Master. The young monk was proud of all he had achieved and could not wait to tell his new Master of his feats and prowess in all things.

On arrival, the old Master bade his weary traveller to sit down. The young monk lost no time in telling the old Master of how great he was.

"Oh Master, you will not be disappointed with me. I have already mastered many things and am the best of all my classmates."

He then went on to list the many things he excelled at. After a few minutes of listening quietly, the old monk stood up, and bowed politely. *"Excuse me, but would you like some tea?"* he asked.

Despite feeling a little bit put out by being interrupted in mid flow, the young monk replied, *"Yes Master, thank you, but hurry back, as I have lots more to tell you."*

The old monk soon reappeared with hot water and tea, and asked the young monk to lift his glass so he might fill it for him. Slowly, he started to pour into the glass until it was full to the brim, but even then the old monk continued to pour, causing the water to run down the outside of the glass and onto the young monk.

***"Master, Master what are you doing, can't you see the cup is overflowing and spilling all over me?"* the young Monk exclaimed in astonishment and indignation.**

The wise old Master simply bowed, smiled and replied, *"If one's cup is already full, there is no room for any more!"*

Now you might be wondering what this has to do with trading. The answer is it doesn't specifically have anything to do with trading … or property, or business, but it does have everything to do with **ALL** of these.

Most people come to us with preconceived ideas about the stock market. Their cup is already full of information, most of which has come from watching TV or reading newspapers or talking to friends and colleagues. Very rarely has it come from real experience. Even those people who *had a go* at it or who *chucked some money at it* knew what they were doing. So, their cup is full of information such as: the markets are volatile and that this is a bad thing. That you can lose money. That it is difficult. That it is for the professionals.

Hopefully we have dispelled the myth that this is for professionals in an earlier edition of Your Property Network when we discussed the five reasons why you have more chance of making money than the professionals. Here they are again in brief:

HOW CAN I OUTPERFORM THE PROFESSIONALS?

1. **They cannot invest in anything that isn't explicitly named on their brochures … we can**
2. **They cannot stay in cash and not invest if they want to … we can**
3. **They cannot make money when markets go down or buy insurance against losses … we can**
4. **They cannot get in and out of investments whenever they want to … we can**
5. **They cannot afford to make long term decisions that might knock them off their short term performance ranking … we can**

We hope that this list of **FACTS** makes you sit up and think, *"Well if I have more chance of making the money than the professionals, I'm going to learn about it and start investing my own hard-earned money."*

You see, here at Investment Mastery, we have a fundamental belief that if you have the wherewithal to earn the money in the first place, then you can also invest your money. You might be thinking that you don't know what to do, but consider that you didn't know how to earn money at first either. You learned how to do it. And if you learned how to **EARN** it, you can learn how to invest it too.

No-one, I repeat no-one, cares as much about your money as you do. No fund manager, who you have probably never met, is going to take good care of your money as well as you can. What they are interested in is getting a management fee. This doesn't make them a bad person, but they are trying to look after themselves and their families just like everyone else. One of the main reasons for this is that when they lose your money, there are no repercussions. They continue to get your management fee if you keep the money invested with them. The letter that then comes through the post is not a description of what went wrong, the learnings they made and how they are going to use these learnings to tweak the strategies and investment approach to ensure that you will make a lot more money in future. Rather they blame *the market*. It doesn't really help, does it?

ISN'T THE STOCK MARKET VOLATILE?

Whenever you see a newsreader saying, *"the markets were very volatile today"*, they make it sound like something dangerous or risky. I would like you to change the word *"volatile" to "it moves a lot"*.

We need the market to move a lot to make money. The more volatile the better. If it goes up and down 5% a day, then you can make 5% a day every day. For most people, volatility means uncertainty. We choose the US market because it is the most liquid, most volatile market, ie the prices move a lot. That is the way we can make money.

I COULD LOSE MY MONEY

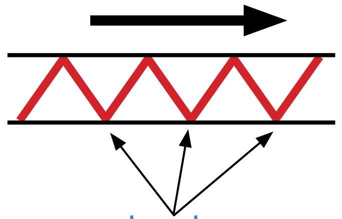
This is actually the number one fear people have when starting. Warren Buffet said it best when he said, *"you can only lose money if you have to sell."* If you can hold on long enough, markets turn around … that's if you haven't bought the latest biotech or internet company you've never heard of, without profits but just a great idea.

Buying good solid companies whenever their share price dips and holding on for the medium to long term is the simplest recipe for stock market success. Remember Steve, the worst stock market timer ever? He won because he never sold and just held on – which is a rookie strategy.

Our PCA and especially VCA strategies are **MUCH** better.

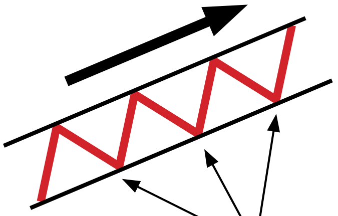
CAN I REALLY MAKE 15% A YEAR ON MY INVESTMENTS?

With VCA we are aiming for up to 15% a year on our invested money. Anyone can learn these strategies – we have nine-year-olds doing this. However, for those of you who want more, say 3% a month (36% a year), you are looking at trading the market, not investing. Trading means you are looking to time the market. There are several ways you can make 3% a month. One of them is to find Buffalo stocks that are going sideways (below) …



Buy at the bottom

… and attempt to get in at the bottom and get out at the top. You can also do the same thing if it is rising – we call this the vertically rising Buffalo (below).



Buy at the bottom

I won't even get into the fact here that you can make money when markets go down, as I have written about this several times, but this is called Selling Short.

> There are five criteria a stock must fulfil before we enter (you can find out more about this at one of our popular one-day events in London).

Another way is to buy a stock and then sell an option on it. We sell someone the right to buy the share from us at a fixed price over a fixed period of time. In exchange for this right, we charge 3% of the value of the stock. The official name for this is the Covered Call strategy. We have been using it since 1999 and it is a great strategy for beginners because it takes just a few minutes a month. We teach it at our Beat the Crisis Passive Investment Bootcamp.

Of course, being an avid reader of Your Property Network, you will have seen my article about compounding and the three ways of speeding up your wealth, so you will know that you don't actually need to make 3% a month to achieve 36%. Just over 2% is more than enough as long as you keep re-investing your gains.

BUT ISN'T IT DIFFICULT?

The strategies we teach take just 20 minutes a day maximum. In fact, most people who are busy start on the 20-minutes-a-month strategies. How difficult can a strategy be that takes just 20 minutes a month? Once you start you'll be wondering why you didn't do this a long time ago. Hard to believe? That's because this information has rarely been taught in the UK, until now.

WILL IT WORK FOR ME?

Ahh, this is the big one. Actually this is the one which is the biggest killer of all in anything you do. This is where most people fall down in most areas in their lives. They could have been successful but gave up on themselves. They get side-tracked by something else or lose interest or something happens in their lives.

When learning something new, momentum is everything. As soon as the momentum is gone, it is difficult to start again. But if we can just help you get the momentum going long enough for you to master trading and investing then it will be a skill that you are going to use for the rest of your life. Something you can do with your family and pass down to children. It is something that every single family in the UK should know how to do … but doesn't.

I have had the great honour to share the stage twice now with the living legend that is Anthony Robbins, the great American Success Coach, who says: *"People always overestimate what they can do in the short term … and underestimate what they can do in the long term."* How true. We rush around trying to make money … yet look at Steve. As my secretary told me many years ago: *"Less haste and more speed."* At the time I didn't understand what she meant. Now I urge everyone to slow down in order to go faster.

If you want to start your journey and learn these strategies then you can get my 100+ page book, The Lunchtime Trader for **FREE** by clicking on the link below:

www.investment-mastery.com/ypnmagbook

Invest with passion … and profit!

Marcus

THE MOST IMPORTANT THING YOU NEED TO BE A SUCCESSFUL PROPERTY INVESTOR!

By **Simon Zutshi**

Last month marked the 23rd anniversary of Simon Zutshi's first property purchase back in 1995. We asked him to reflect on his 23 years of investing experience – the past 15 of which he has also been teaching other people how to be successful investors – to share with you what he thinks is the most important thing you need to be a successful investor.

In this month's article, I want to share with you why some investors are incredibly successful and achieve their property goals in record time, whilst others just fail to get the results they want and usually end up giving up.

There are of course many factors that will contribute to your personal success or failure. However, I do believe there is **ONE** thing that is more important than anything else. Now before I explain what this is, I need to put it into context, because although most people think they know it, I would suggest that they don't really know it at all, otherwise they would have all the success they desire. So bear with me here. I want you to think deeply about what I am going to share with you in this article because I can honestly say this one thing could make all the difference for you if you really get it and take action to work on it.

I often ask investors: "*What is the biggest challenge you face?*" There are many different answers to this question, but the ones I hear most frequently are:

1. **I can't find any good deals in my area**
2. **I don't have the money for deposits**

These are very common challenges faced by lots of investors. Let's face it, if you can't find good deals in your area, or you don't have any money to buy them even if you did find them, then you are not going to get very far in your investing … or are you?

DON'T LIMIT YOUR CHALLENGES CHALLENGE YOUR LIMITS

How come there are some people who are finding deals in your area? How come there are some people on my Property Mastermind who have no money (in fact they had to borrow money to do the Mastermind) and yet by the end of the 12 months they have replaced their income and built a cash-generating property portfolio using none of their own money? Well, it all comes down to this one thing.

Let's deal with each of these challenges in turn.

Are there deals in your area?

First of all, are there any good property deals in your area? I remember one year when I was speaking and exhibiting at the Property Investor Show at Excel in London, I was standing on the property investors network stand chatting to people. This one guy approached me, introduced himself as Tony, and politely asked if he could ask me a question. I said: *"Sure Tony, that's what I am here for, what do you want to know?"*

Tony then went on to explain how he had read my book Property Magic and although he had enjoyed it, he said he had one major problem with it.

"What's that, Tony?" I asked.

He replied: *"Well, where I live, I don't believe there are any motivated sellers, so you can't buy property below market value!"*

I was not really surprised by his statement, as I must have heard it a thousand times before. So I asked him: *"Oh, so where do you live?"* to which he replied: *"Bournemouth, and it's a very expensive area."*

Then I said something which took Tony by surprise. I said: *"Well that explains it. You're absolutely right, there are no motivated sellers in Bournemouth!"*

Tony appeared to be shocked by my answer.

> "What you believe will have a massive impact on your results. You will only ever achieve as much as you believe you can."

I think he expected me to disagree and say that there are motivated sellers everywhere. So I continued. *"In fact, when I write the next updated version of Property Magic, I need to add a footnote which says that there are motivated sellers everywhere, apart from in Bournemouth."*

He looked even more puzzled, so I continued with a smile. *"That's because, no-one has ever been repossessed there, no-one has ever lost their job, or got into financial difficulty, or got divorced, or ever died in Bournemouth. That's why there are no motivated sellers there."*

At this point, I saw that Tony got it. Previously he could not understand why anyone would sell their house for less than it was worth, because he would never do that. Now he realised that maybe he had not been looking at it from the point of view of a seller who, for some reason, may need to sell quickly and therefore be prepared to accept a below market value offer.

Tony realised that he could learn something from me and attended our one-day foundation course with his wife. Two weeks after this, he found his first motivated seller in Bournemouth and there has been no stopping him since. Prior to that, he could not find any motivated sellers because he did not believe that there were any in his area. He did not believe that anyone would sell a house for less than it was worth.

As Henry Ford said: *"If you think you can, or think you can't, you are right."* What you believe will have a massive impact on your results. You will only ever achieve as much as you believe you can.

Do you need your own money to invest?

The second biggest challenge that people face all the time, is that they don't think they can invest because they don't have enough money. If you do have money to invest, it is always going to be easier for you. But no matter how much you have, at some point you will run out of your own funds – which happens to most investors. However, most professional investors don't use their own money to invest. They use other people's money.

It is important to recognise the thoughts that were going through your head when you read the last paragraph. I want you to read it again and notice what pops up for you. So here we go: *"Most professional investors don't use their own money to invest. They use other people's money instead."*

What was going on in your head? What were you thinking?

When I have done this exercise at live events, people have shared thoughts such as ...

"I don't know anyone with any money."

"Who is going to lend to me?"

"I can't ask anyone for money."

"I don't have any experience."

... and a whole plethora of self-limiting beliefs.

The reality is that if you get good at finding great deals, there are plenty of people who will lend you money or joint venture with you. If you don't believe this, you will become stuck and not be able to fund your deals once your money runs out.

Alternatively, you could decide to challenge some of those limiting beliefs.

THE ONE THING

So you may have guessed it by now, but the one thing that will have the biggest impact on your success as an investor, is your personal belief about what you can do.

Let me remind you about a well-known example of this. On May 6th in 1954, Roger Bannister was the first person recorded in history to run a mile in under four minutes. Many people had tried to run a mile in under four minutes before, but no-one had been able to do it. Most people believed it was impossible to achieve. However, once Roger had done it, then everyone's belief changed. People realised that it was possible because Roger had done it. Another athlete also ran the four-minute mile later that same year, because they now had the belief that it could be done.

WHAT IS STOPPING YOU?

The biggest obstacle to you achieving anything you want is your own self-limiting beliefs. We all have these beliefs, but you can choose to change the ones that you have.

First of all, you need to change your belief about what is possible. If someone else has done what you want to do, then at least you know it can be done.

Then you need to change your belief about what you can personally achieve. Just because someone else has done something does not necessarily mean that you can do it. But if that other person is like you, well then maybe there is just a chance that you could emulate their success.

"If you don't believe you can do something, then you won't bother to take action"

If you don't believe you can do something, then you won't bother to take action, you won't get results and you will just prove yourself to be correct. However, you can decide to challenge your self-limiting beliefs by choosing to create new beliefs.

The best way to build your personal belief about what you can do is by learning from other investors who are just like you, and being inspired by what they have achieved – because if they have done it then so could you.

Here are some practical steps to help you build your personal beliefs.

- **Be careful who you listen to.** There is so much negativity in the world that the general public think investing in property is too risky for you to do, and if you don't know what you are doing, they probably are right. If you don't educate yourself then, you could make some expensive mistakes. But with the correct specialist knowledge, you can mitigate many of the mistakes made by most people.
- **Surround yourself with like-minded positive people.** You want to be surrounded by people who will support and encourage you rather than question why you want to invest in property. On all of our training, whether it be my 12-month Property Mastermind, our large three-day events such as Property Magic Live, or one of my online home study courses, we get people learning together at the same time, and also from each other, to support and encourage one another.
- **Fill your head with positivity.** Stop watching the news or listening to it on the radio. And stop reading the newspaper. These are all full of negativity and will have a detrimental effect on your own outlook on life. Instead, decide to put positivity into your head. So instead of listening to the radio in your car, listen to inspiring biographies and autobiographies of successful people, or property audio books, or recordings of property events.
- **Be inspired by what other investors in your area have achieved.** If they have done it, so can you. I suggest you go to YouTube and type in *"Property Mastermind"* to watch loads of inspirational case studies about investors just like you, to see what you could achieve in property with the correct knowledge, mindset and support. This will really help your belief about what you too could achieve.

In summary, the most important thing that affects the results you achieve is your own personal belief about what you can do. You will only ever achieve what you truly believe you can.

Invest with knowledge, invest with skill

Best wishes,

Simon Zutshi

- Founder property investors network
- Author of Property Magic

CLAIM YOUR GIFT NOW

I would like to give you a gift. The gift of inspiration and belief to build your personal belief about what you could achieve with your property investing. I would like to invite you to peek behind the normally closed doors, at the final workshop for the current delegates on my 24th Property Mastermind Programme. We will have five of the top performers sharing their inspirational case studies of what they have achieved over past 11 months. All of them now have an additional £50k+ per annum profit from their properties, some of them with no previous experience and some using none of their own money. You can learn how they did it and build your belief about what you could do.

Register your place here now:
www.pinonline.co.uk/mmlivestream

THE YPN JARGON BUSTER

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

ACV Asset of community value

ADR Alternative Dispute Resolution

AI Artificial intelligence

APHC Association of Plumbing and Heating Contractors

ARLA Association of Residential Letting Agents

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

AST Assured Shorthold Tenancy

AT Assured tenancy

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

BCO British Council for Offices

BIM Building information modelling

BMV Below market value

BRR Buy, refurbish, rent out

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

Demise A demise is a term in property law that refers to the conveyance of property, usually for a definitive term, such as premises that have been transferred by lease.

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

GDP Gross domestic product

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

RICS Royal Institute of Chartered Surveyors

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)

S8 or Section 8 Named after Section 8 of The Housing Act 1988. A Section 21 Notice (or Notice to Quit) is served when a tenant has breached the terms of their tenancy agreement, giving the landlord grounds to regain possession. Strict rules apply. See https://www.gov.uk/evicting-tenants/section-21-and-section-8-notices for up-to-date information.

S21 or Section 21 Named after Section 21 of The Housing Act 1988. You can use a Section 21 Notice (or Notice of Possession) to evict tenants who have an assured shorthold tenancy. Strict rules apply. See https://www.gov.uk/evicting-tenants/section-21-and-section-8-notices for up-to-date information.

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'.

S106 or Section 106 Section 106 agreements, based on that section of The 1990 Town & Country Planning Act, and also referred to as planning obligations, are private agreements made between local authorities and developers. They can be attached to a planning permission to make acceptable development that would otherwise be unacceptable in planning terms. Planning obligations must be directly relevant to the proposed development and are used for three purposes:

1. Prescribe the nature of development
2. Compensate for loss or damage created by a development
3. Mitigate the impact of a development

(Source: planningportal.co.uk)

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

VOA Valuation Office Agency

NETWORKING EVENTS
In YOUR Area

ZONE 1

Blackfriars pin
4th Tuesday of the month
Crowne Plaza, 19 New Bridge Street, Blackfriars, London, EC4V 6DB
Host: Fraser MacDonald
www.blackfriarspin.co.uk

Canary Wharf pin
1st Thursday of the month
De Vere Conference Suite No. 1 Westferry Circus, London, E14 4HD
Host: Samuel Ikhinmwin
www.canarywharfpin.co.uk

Clapham pin
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 05/09/2018
The Wesley Euston Hotel & Conference Venue, 81-103 Euston St, London NW1 2EZ
Hosts: Jamie Madill & Steve Mitchell
progressivepropertynetwork.co.uk/stpancras

PPN London Knightsbridge 25/09/2018
Michelin House, 81 Fulham Road, SW3 6RD **Host:** Pippa Mitchell
progressivepropertynetwork.co.uk/knightsbridge

PPN Mayfair 27/09/2018
The Washington Mayfair, 5 Curzon St, Mayfair, London W1J 5HE
Host: David Seigler
progressivepropertynetwork.co.uk/mayfair

PPN Blackfriars 10/09/2018
Crown Plaza, 19 New Bridge St, London, EC4V 6DB **Host:** Kevin McDonnell
progressivepropertynetwork.co.uk/mayfair

PPN Canary Wharf 12/09/2018
One Canada Square, Canary Wharf, London, E14 5AB
Hosts: Ozan and Oktay Redjep
progressivepropertynetwork.co.uk/canary-wharf

The London Real Estate Buying & Investing Meetup Group
2nd Tuesday of the Month
Business Enterprise Services Offices, 154 - 160 Fleet Street, EC4A 2NB
Host: John Corey
www.meetup.com/real-estate-advice

LovetheMojo
1st Wednesday of the month
Wework Aldwych House, London
https://www.meetup.com/LOVE-THE-MOJO/events/243553700/

West London Property Networking
2nd Thursday of each month (except Dec or Aug) High Road House, Chiswick, West London
Hosts: Jeannie Shapiro and Pelin Martin
www.westlondonpropertynetworking.co.uk

Croydon pin
3rd Wednesday of the month
Jurys Inn Croydon Hotel, Wellesley Road, Croydon, CR0 9XY **Host:** Stuart Ross
www.croydonpin.co.uk

Kensington pin
2nd Wednesday of the month
The Rembrandt, 11 Thurloe Place, South Kensington, London, SW7 2RS
Host: Marion Watts
www.kensingtonpin.co.uk

Regent's Park pin
3rd Tuesday of the month
Holiday Inn London Regents Park, Carburton Street, London, W1W 5EE
Host: Mike Frisby
www.regentsparkpin.co.uk

Sutton pin
2nd Thursday of the month
Holiday Inn London Sutton, Gibson Road, Sutton, Surrey, SM1 2RF
Hosts: Johanna and Peter Lawrence
www.suttonpin.co.uk

Premier Property Club - Islington
2nd Wednesday of the Month
Hilton Hotel Islington, 53 Upper St, London N1 0UY **Founder:** Kam Dovedi
PremierPropertyClub.co.uk/ppc-islington

Premier Property Club - Knightsbridge
3rd Wednesday of the Month
Park Tower, 101 Knightsbridge, London, SW1X 7RN **Host:** Kam Dovedi
www.PremierPropertyClub.co.uk

Premier Property Club - Canary Wharf
4th Tuesday of the Month
Hilton Hotel, Marsh Wall, London, E14 9SH **Host:** Kam Dovedi
www.PremierPropertyClub.co.uk

Premier Property Club - Croydon
1st Tuesday of Each Month
Doors open: 6:30pm for a 7pm Start
Jurys Inn Croydon, Wellesley Road, London CR0 9XY

Wandsworth-Property-Group
Love Property in N1 Meetup Group
1st Thursday of the Month
The Islington Company 97 Essex Road, N1 2SJ **Host:** Vaida Filmanaviciute
www.meetup.com/Love-Property-in-N1-Meetup-Group

We Buy Houses - London
Last Wednesday of the month
New hosts: Adam Hinds and Angela Lewis-Wright. Register at **http://webuyhouses.co.uk/rick-otton-meetups**

Property Leverage Network - London
1st Monday of the month Pavillion End, 23 Watling Street, London,EC4M 9BR
Host: Karun Chaudhary (07542210168)

London HMO Property Group
Host: Alan Wood
For information on the next event visit
www.hmopropertygroup.co.uk

EPN - London (Earth Property Network) 2nd Tuesday of the Month
1 Fore Street, London, EC2Y 5EJ
Host: David J. Tillyer
http://bit.ly/EPN-London

PMA Heathrow
1st Monday of every month
Hotel Mercure Heathrow, Shepiston Lane, Hayes
Host: Justyna Wojech
www.pmanetwork.co.uk/events

PMA Croydon
1st Wednesday of every month
Croydon Park Hotel, 7 Altyre Road, Croydon **Host:** Jason Hayles
www.pmanetwork.co.uk/events

Kensington & Chelsea Property Network 1st Thursday of the Month
The Trafalgar in Chelsea, 200 Kings Road, London, SW3 5XP
Host: Nicola Ancona
www.meetup.com/KensingtonChelseaPropertyNetwork

Central London Evening Meet
4th Wednesday of the month
14-15 Marshall Street, Soho, London W1F 7EL **Hosts:** Brendan Quinn and Luke Hamill
www.meetup.com/CentralLondonPropertyNetwork

Central London Morning Meet
See website for details
Grosvenor Casino, 3-4 Coventry Street, Piccadilly Circus London W1D 6BL
Host: Brendan Quinn
www.meetup.com/CentralLondonPropertyNetwork

Property Coffee Morning
Free Networking For 150 Property Investors. 9:30 to 11:30am, Grand Ballroom, Landmark Hotel, London NW1.
See website for more details
www.PropertyCoffeeMorning.com

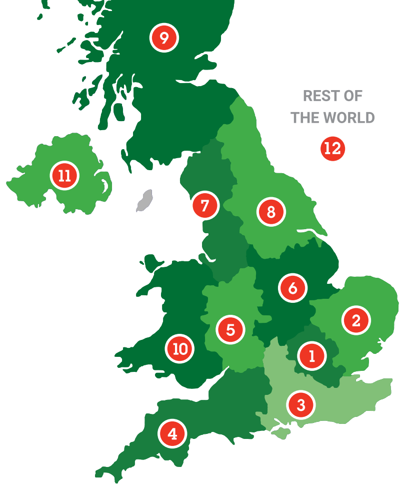
JV Hub Property Meet
4th Wednesday of every Month
Wework Building, 1 Fore Street London EC2Y 5EJ, 6.30 - 9.30
Host: Theo Bailey **www.jvhub.co.uk**

Baker Street Property Meet
Last Wednesday of every Month
Holiday Inn London, Regents Park, Carburton Street, London, W1W 5EE
Host: Ranjan Bhattacharya
www.BakerStreetPropertyMeet.com

Sutton Property Meetup
2nd Monday of the Month
The Ivory Lounge, 33-35 High Street, Sutton, Surrey, SM1 1DJ
Hosts: Johanna and Peter Lawrence
www.meetup.com/Sutton-Property-Meetup

London Property Talk (BMV Meet)
1st Monday of the month
Hilton London Docklands, 265 Rotherhithe Street, London, SE16 5HW
Host: Owais Naveed
http://ukpropertymeet.co.uk

London Property Investor Breakfast
4th Tuesday of the month (7.30am – 9.30am) Doubletree by Hilton, 92 Southampton Row, Holborn, London, WC1B 4BH **Host:** Fraser Macdonald
www.meetup.com/londonproperty-breakfast



UK Property Investors Networking Event
Last Monday of the Month
Grovesnor Hotel, 101 Buckingham Palace Road, Victoria, London
Host: Cornay Rudolph
www.meetup.com/UK-Property-Investors-Networking-Event

Premier Property Meet
2nd Thursday of every month from 6.30pm The King's Head Pub, 1 The Green, Winchmore Hill, London, N21 1BB **Hosts:** Deborah Tyfield and Dr Marttand Patel Tickets: £20 online, £25 on the door. Tickets includes canapés
www.premierpropertymeet.co.uk

Property Leverage Network City of London 4th Monday of every month
Dawson House, 5 Jewry Street, London, EC3N 2EX **Hosts:** Felix Cartwright & Phil Ash (07856202658)
www.propertyleverage.co.uk

Property Leverage - Southbank London
3rd Monday of the month
Mulberry Bush, 89 Upper Ground, Southbank, London, SE1 9PP
Hosts: Felix Cartwright & Phil Ash (07856202658)
www.propertyleverage.co.uk

Wandsworth Property Group
3rd Tuesday of the Month
The Alma, 499 Old York Road, Wandsworth, London, SW18 1TF
Host: Brendan Quinn **www.meetup.com/Wandsworth-Property-Group**

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

Kingston Wealth Investing Network
4th Tuesday of every month
YMCA Kingston, 49 Victoria Road, Surbiton, KT6 4NG **Hosts:** Tania Carson & Pam Mackenzie

Elephant & Castle Wealth Investing Network 1st Tuesday of every month
London South Bank University, Keyworth Street, Keyworth Building, SE1 6NG
Host: Sonia Blackwood

The Kensington & Chelsea Property Group 2nd Wednesday of the month
Baglioni Hotel, 60 Hyde Park Gate, London, SW7 5BB **Host:** Neil Mangan
https://www.meetup.com/The-Kensington-Chelsea-Property-Group/

Global Investor Club London
2nd Thursday of every month
City Business Library, Guildhall, London EC2V 7HH **Host:** Jan Kortyczko
fb.com/GICLondyn **Please note** that most speakers are presenting in Polish

Holborn Property Meet
3rd Monday of the month
De Vere Grand Connaught Rooms - Registration: 6.30pm, Talks: 7.30pm
Host: Giovanni Patania
https://www.holbornpropertymeetuk.com

Female Property Alliance
3rd Tuesday of every month
Doubletree Victoria, Bridge Place, SW1V 1QA
Host: Bindar Dosanjh
http://femalepropertyalliance.co.uk

Croydon Property Meet
1st Wednesday of the month Croydon Park Hotel, Altyre Road, Croydon. CR9 5AA
Hosts: Rob Norton and Sel Fayyad
rob@croydonpropertymeet.com
sel@croydonpropertymeet.com

THE PROPERTY HUB **1st Thursday of the Month** **http://thepropertyhub.net/meetups**

London Waterloo All Bar One, SE1 7PY
Host: Marcus McCann

London King's Cross The Somers Town Coffee House, NW1 1HS **Host:** Chris Hancox

Richmond Upon Thames The Cricketers, TW9 1LX
Host: Roxane Brazeau

Epsom The Albion, KT19 8BT
Hosts: Justin Richards and Andy Garnett

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 **10/09/2018**
Best Western Ipswich Hotel, Old London Road, Copdock, Ipswich, IP8 3JD
Host: Halstead Ottley
progressivepropertynetwork.co.uk/ipswich

PPN Peterborough **19/09/2018**
Holiday Inn Thorpe Wood, Peterborough
Host: Dennis Hedges
progressivepropertynetwork.co.uk/peterborough

Essex Property Network
2nd Tuesday of the Month
Holiday Inn, Brentwood, CM14 5NF
Host: Cyril Thomas
www.essexpropertynetwork.co.uk

Harlow Property Network in association with Premier Property Club 2nd Thursday of Every Month The Day Barn, Harlow Study Centre, Netteswellbury Farm (off Waterhouse Moor), Harlow, Essex, CM18 6BW. **myproperty.coach**

THE PROPERTY HUB
1st Thursday of the Month
http://thepropertyhub.net/meetups

Colchester Trotters Bar, CO1 1QX
Hosts: Phil Sadler and Vito Anzalone

South Essex The Paul Pry, Rayleigh, SS6 7AA **Host:** Joanne Dron

Cambridge/Peterborough The Cuckoo, PE7 3UP **Host:** Chris Barnard

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 **NEW HOSTS**
3rd Thursday of the month
The Talbot, High Street, Ripley, Surrey, GU23 6BB **Host:** Anne Woodward and Richard Hodgson
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

Reading pin **NEW HOSTS**
1st Tuesday of the month
Holiday Inn Reading South M4, Jct. 11, 500 Basingstoke Road, Reading, RG2 0SL **Hosts:** Guy Brown and Rupal Patel
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
Host: Nigel Bugden
www.southamptonpin.co.uk

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**

PPN Brooklands
13/09/2018
Mercedes - Benz World, Brooklands Dr, Weybridge, KT130SL
Host: Lee Dumbarton
progressivepropertynetwork.co.uk/brooklands

PPN Portsmouth
17/09/2018
The Langstone Hotel, Northney Road, Hayling Island, Portsmouth, PO11 0NQ **Host:** Angie Lacoste
progressivepropertynetwork.co.uk/portsmouth

J6 Property Professionals & Investors Meet
2nd Tuesday of the month
Aston Bond solicitors, Windsor Crown House, 7 Windsor Road, Slough, SL1 2DX **Host:** Manni Chopra
www.j6propertymeet.co.uk

PMA Bracknell
4th Tuesday of the month
Hilton Hotel, Bagshot Road, Bracknell
Host: Phil Hope
www.pmanetwork.co.uk/events

PMA Farnborough
3rd Tuesday of the month
The Village Hotel, Farnborough
Host: Matt Hook
www.pmanetwork.co.uk/events

The Property Vault
3rd Monday of the month
Eastgate, 141 Springhead Parkway, Northfleet, DA11 8AD
Host: Dan Hulbert
www.thepropertyvaultuk.com

Surrey Property Exchange
2nd Monday of the Month
Holiday Inn, Egerton Road, Guildford, GU2 7XZ **Host:** Richard Simmons
www.surreypropertyexchange.co.uk

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**

Premier Property Club - Brighton
1st Thursday of the Month
Jurys Inn Brighton, Waterfront King's Road, Brighton, BN1 2GS
www.premierpropertyclub.co.uk/brighton

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

Eastbourne Wealth Investing Network **4th Wednesday of every month** The View Hotel, Grand Parade Eastbourne BN21 4DN
Host: Jonas Elsen-Carter

Guildford Wealth Investing Network
1st Wednesday of every month
Old Thorns Manor Hotel, Golf & Country Estate, Liphook, GU30 7PE
Hosts: Wendy Alexander & Adrian Brown

Mid Surrey Wealth Investing Network **2nd Wednesday of every month** Station Pub, Stoneleigh, Epsom, KT17 2JA**Host:** June Cruden

Thanet Property Network Second Wednesday of the the month - 7pm - 9pm Holiday Inn, Tothill Street, Minster, Kent, Ramsgate CT12 4AU
Hosts: Ryan Fitzpatrick & Jason Hulott **https://www.facebook.com/thanetpropertynetwork/**

Crawley Property Meet
3rd Tuesday of every month
crawleypropertymeet.com
Europa Hotel, Balcombe Road, Crawley, RH10 7ZR **Hosts:** Tania Carson, Pam Mackenzie, Nick Parkhouse and Phil Williams.

The Bucks Property Meet
Last Thursday of the Month
The Bull, Gerrards Cross,
Hosts: John Cox and Rachael Troughton
www.Buckspropertymeet.com

THE PROPERTY HUB
1st Thursday of the Month
http://thepropertyhub.net/meetups

Farnham The Wheatsheaf, GU9 7DR
Hosts: Andre and Elise Brink

Reading Grosvenor Casino, RG2 0SN **Host:** Adam Vickers

Brighton & Hove The Poet's Corner BN3 5BF **Host:** Phil Leppard

ZONE 4

Bournemouth pin NEW HOSTS
2nd Tuesday of the month
Sandbanks Hotel, 15 Banks Road, Poole, BH13 7PS
Hosts: Andy Gaught and Jonathan Barnett
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
18/09/2018
The Ocean Beach Hotel & Spa (Formerly known as Cliffeside Hotel) East Overcliffe Drive Bournemouth BH1 3AQ.
Host: Leigh Ashbee
progressivepropertynetwork.co.uk/bournemouth

PPN Swindon
11/09/2018
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
Stand-in Host: Seb Buhour
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 and Warwickshire 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
19/09/2018
The Chairmans Lounge, Edgbaston Cricket Ground, Edgbaston Stadium, Edgbaston Road, Birmingham, B5 7QU **Host:** Kirsty Darkins
progressivepropertynetwork.co.uk/birmingham

PPN Wolverhampton
04/09/2018
Molineux Stadium, Waterloo Road, Wolverhampton, WV1 4QR
Hosts: Tim and Sue Gray
progressivepropertynetwork.co.uk/wolverhampton

Inspire Property Network
1st Tuesday of the Month
Crowne Plaza, 61 Homer Rd, Solihull B91 3QD
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 NEW VENUE
3rd Wednesday of the month
Holiday Inn Milton Keynes, 500 Saxon Gate West, Milton Keynes, MK9 2HQ
Host: Reemal Rabheru
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 NEW HOSTS
2nd Thursday of the month
The Mecure, A41 Watford Bypass, Watford, Hertfordshire WD25 8JH
Hosts: Waseem Herwitker and Shack Baker.
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
11/09/2018
Nelsons Solicitors, Sterne House, Lodge Lane, Derby, DE1 3WD
Hosts: Mike Alder & Jamie Hayter
progressivepropertynetwork.co.uk/derby

PPN Northampton
18/09/2018
Hilton Hotel, 100 Watering Lane, Collingtree, Northampton, NN4 0XW
Host: Kim Hendle
progressivepropertynetwork.co.uk/northampton

PPN Leicester
03/09/18
Marriott Hotel, Smith Way, Grove Park, LE19 1SW
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

Stevenage Wealth Investing Network
3rd Wednesday of every month
Stevenage Novotel Hotel, Steveage Road, Knebworth Park, SG1 2AX
Hosts: Stephen & Bridget Cox

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 JD Wetherspoons, MK9 1EA.**Host:** Jason Smith

ZONE 7

Liverpool pin NEW VENUE
4th Thursday of the month
The Shankly Hotel, Millennium House, 60 Victoria St, Liverpool, L1 6JD
Hosts: Billy Turriff, Julie and Oliver Perry **www.liverpoolpin.co.uk**

Manchester pin
3rd Wednesday of the month
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
27/09/2018
Best Western Plus, Pinewood on Wilmslow, Wilmslow Road, Cheshire SK9 3LF **Host:** Mike Chadwick
progressivepropertynetwork.co.uk/wilmslow

PPN Blackpool
24/09/2018
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
The Park Royal Hotel Stretton Road, Stretton, Warrington WA4 4NS
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 Chill Factore, 7 Trafford Way Urmston, M41 7JA **Host:** Nicola White
http://propertyleverage.co.uk/manchester

Manchester Property Investor Breakfast 1st Friday of the month (7.30am – 9.30am) Village Hotel, Ashton under Lyne, OL7 0LY
Host: Fraser Macdonald
www.meetup.com/Manchester-Property-Investor-Breakfast

Property Leverage Network Manchester
1st Tuesday of every month
Castlefield Hotel, Liverpool Road, M3 4JR **Host:** Nicola White
propertyleverage.co.uk/manchester

Property Investors Meetup Cumbria
1st Wednesday of the Month
6.30pm at Edenhall Hotel, Penrith, Cumbria CA11 8SX
Host: Darren Williams
www.elitepropertysolutions.co.uk
FREE TO ATTEND

THE PROPERTY HUB

1st Thursday of the Month
http://thepropertyhub.net/meetups

Liverpool The Brewery Tap, L8 5XJ
Host: Tony Woods

Manchester The Kaz Bar at Tiger Tiger, M4 2BS **Host:** Mark Morris

YPN Strongly recommend that you attend your local property networking events. However, the events listed are not staged by Your Property Network Ltd. Please check venue and dates on the relevant website before travelling to the event.

ZONE 8

Hull pin NEW HOST
2nd Thursday of the month
Mercure Hull Royal Hotel, 170 Ferensway, Hull, East Yorkshire, HU1 3UF
Host: Neil Brown
www.hullpin.co.uk

Leeds pin
4th Wednesday of the month
Crowne Plaza Hotel, Wellington Street, Leeds, LS1 4DL
Hosts: Jay and Nana Sharma
www.leedspin.co.uk

Great North pin
(Formally Newcastle pin)
4th Thursday of the month
Lumley Castle, Ropery Lane, Chester le Street, County Durham, DH3 4NX
Host: John Woolley & Deon Kotzé
www.newcastlepin.co.uk

Harrogate pin
1st Wednesday of the month
Cedar Court Hotel, Park Parade, off Knaresborough Road, Harrogate, HG1 5AH **Hosts:** David and Jenny Fisher **www.harrogatepin.co.uk**

York pin
3rd Wednesday of the month
Hilton York, 1 Tower St, York, YO1 9WD
Hosts: Michael Chamberlain & Fabio Santos
www.yorkpin.co.uk

Sheffield pin NEW HOSTS
2nd Wednesday of the month
Mercure Sheffield Parkway Hotel (previously known as Aston Hotel) Britannia Way, Sheffield, South Yorkshire S9 1XU **Hosts:** Paul Hastings and Stuart Cooper
www.sheffieldpin.co.uk

PPN Sheffield
25/09/2018
Mercure Hotel, Britannia Way, Catcliffe, Rotherham, Yorkshire S60 5BD (formerly the Aston Hotel)
Host: Kevin McDonnell
progressivepropertynetwork.co.uk/sheffield

PPN Leeds
11/09/2018
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: Petra Romero Miranda

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

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

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
24/09/2018
The Corinthian Club, 191 Ingram St, Glasgow G1 1DA
Host: Philip Howard
progressivepropertynetwork.co.uk/glasgow

PMA Glasgow
3rd Wednesday of the month
Hotel Novotel Glasgow Centre, 181 Pitt Street, Glasgow **Host** Victor Rhynas
www.pmanetwork.co.uk

Property Leverage Network - Glasgow
4th Tuesday of every month
Glasgow Pond Hotel, Great Western Rd, G12 0XP Glasgow, United Kingdom
www.propertyleverage.co.uk

PMA Edinburgh
2nd Wednesday of every month
Novotel Edinburgh Centre, 80 Lauriston Place, Edinburgh
Host: Lokkie Cheung
www.pmanetwork.co.uk

Discovery Hub Networking event
3rd Tuesday of the month
Jury's Inn, Union Square, Guild Street Aberdeen, AB11 5RG
Hosts: Eduardo Prato and Lukas Princ
www.vectorpro.co.uk/network

THE PROPERTY HUB

1st Thursday of the Month
http://thepropertyhub.net/meetups

Glasgow Dram!, G3 6ND. **Hosts:** Tony Ng, Nelson Wan, Luis Guarin

Edinburgh The Grosvenor Casino, EH12 8NE **Hosts:** Bill McWilliam and Caryn Simpson

Aberdeen The Village Hotel, Kingswells, AB15 8PJ. **Hosts:** Scott Wilson and Dale Williamson

ZONE 10

Cardiff pin 2nd Tuesday of the Month
Mercure Cardiff Holland House Hotel & Spa, 24-26 Newport Rd, Caerdydd, Cardiff, CF24 0DD **Host:** Morgan Stewart **www.cardiffpin.co.uk**

Swansea pin 4th Thursday of the Month Village Hotel, Langdon Road (Off Fabian Way), SA1 Waterfront, Swasea, SA1 8QY **Host:** Bernadette & Ian Lloyd **www.swanseapin.co.uk**

The Property Hub - Cardiff
1st Thursday of the Month
Holiday Inn Cardiff North, CF15 7LH
Host: Carl Matthews
http://thepropertyhub.net/meetups

ZONE 11

Belfast pin
1st Tuesday of the Month
Balmoral Hotel, Blacks Road, Dunmurry, Belfast, BT10 0NF
Host: Ian Jackson
www.belfastpin.co.uk

Belfast Property Meet
1st Thursday of the Month
The Mac Theatre, St. Anne's Square, Belfast
Host: Chris Selwood
www.belfastpropertymeet.com

ZONE 12

THE PROPERTY HUB

1st Thursday of the Month (unless stated)
http://thepropertyhub.net/meetups

Dubai The Scene, Dubai Marina Mall
Host: Chris Battle

Hong Kong Check website for time
Grappa's Cellar, 1 Connaught Place
Hosts: Emma Bryan & Kevin Isaacs

Stockholm Hotel At Six, Brunkebergstorg 6, 111 51
Host: Tim Franzén

Jersey The Halkett, JE2 4WJ
Host: Jo Alford

Zurich Kennedy's Irish Pub, 8004
Hosts: Markus Zeller and Iain Mathews

PROPERTY AUCTIONS *September*

LONDON

Auction House London 12/09/18 12:00
London Marriott Hotel, Regents Park, 128 King Henrys Road, London, NW3 3ST

Allsop Residential 13/09/18
Cumberland Hotel, Great Cumberland Place, London, W1H 7DL

Phillip Arnold Auctions 14/09/18
Doubletrees By Hilton, 2-8 Hanger Lane, Ealing, London, W5 3HN

Barnard Marcus 17/09/18
Grand Connaught Rooms, Great Queen Street, London, WC2B 5DA

Andrews & Robertson 20/09/18
The Montcalm Hotel, 34-40 Great Cumberland Place, London, W1H 7TW

Savills (London - National) 26/09/18
The London Marriott Hotel, Grosvenor Square, London, W1K 6JP

Harman Healy 27/09/18 12:00
Kensington Town Hall, 195 Hornton Street, London, W8 7NX

EAST MIDLANDS

SDL Auctions Graham Penny (Nottingham) 04/09/18 Nottingham Racecourse, Colwick Park, Nottingham, NG2 4BE

Savills (Nottingham) 05/09/18 15:00
Novotel Hotel, Bostock Lane, Nottingham, NG10 4EP

Auction House Copelands 05/09/18 19:00
Chesterfield Football Club, 1866 Sheffield Road, Chesterfield, S41 8NZ

Auction House Leicestershire 06/09/18 18:00
Readings Property Group, 48 Granby Street, Leicester, LE1 1DH

SDL Auctions Graham Penny (Derby) 13/09/18 11:30 Pride Park Stadium, Pride Parkway, Derby, DE24 8XL

The County Property Auction 19/09/18 19:00
Doubletree by Hilton, Brayford Wharf North, Lincoln, LN1 1YW

Auction House Northamptonshire 19/09/18
Hilton Northampton, 100 Watering Lane, Collingtree, Northampton, NN4 0XW

Bagshaws Ashbourne 24/09/18
Green Man & Blacks Head Royal Hotel, 10, St. John Street, Ashbourne, DE6 1GH

Bagshaws Residential 26/09/18 11:30
Derbyshire County Cricket Club, Nottingham Road, Derby, DE21 6DA

Auction Estates 26/09/18 14:30
Nottingham Racecourse, Colwick Park, Nottingham, NG2 4BE

SOUTH WEST

Steve Gooch 05/09/18
Rodway Hill Golf Club, Newent Road, Highnam, GL2 8DR

Besley Hill 06/09/18 19:00
B A W A Healthcare & Leisure, 589 Southmead Road, Bristol, BS34 7RG

Countrywide Exeter 06/09/18
Sandy Park Stadium, Sandy Park Way, Exeter, EX2 7NN

Clive Emson West Country 13/09/18 11:00
St. Mellion International Resort, St. Mellion, Saltash, PL12 6SD

Strakers 13/09/18 19:00
The Corn Exchange, Market Place, Devizes, SN10 1HS

Auction House Bristol & West 20/09/18
Ashton Gate Stadium, Winterstoke Road, Ashton Gate, BS3 2LQ

Symonds & Sampson LLP 21/09/18 14:00
Digby Hall, Hound Street, Sherborne, DT9 3AA

David Plaister Ltd 25/09/18 19:00
The Imperial Brasserie, 14 South Parade, Weston-Super-Mare, BS23 1JN

Parsons Son & Basley 26/09/18 11:00
Old Ship Inn, Castle Street, Mere, Warminster, BA12 6JE

Tayler & Fletcher Chipping Norton 26/09/18 18:00 North Cotswold Saleroom, Lansdowne, Bourton on the Water, GL54 2AR

Hollis Morgan 26/09/18 19:00
All Saints Church, Pembroke Road, Clifton, Bristol, BS8 2HY

Auction House Devon & Cornwall 26/09/18
Penventon Park Hotel, West End, Redruth, TR15 3AD

Woolley & Wallis 27/09/18 14:00
Milford Hall Hotel, 206 Castle Street, Salisbury, SP1 3TE

Greenslade Taylor Hunt Ilminster 27/09/18 15:00 Shrubbery Hotel , Station Road, Ilminster, TA19 9AR

Auction House Devon & Cornwall 28/09/18
Exeter Golf & Country Club Ltd, Topsham Road, Exeter, EX2 7AE

SCOTLAND

Wilsons (Scotland) 13/09/18 19:00
Dalry Auction Complex, 6, Kilwinning Road, Dalry, KA24 4LG

SVA Property Auctions Ltd 19/09/18 14:00
The Trades Hall, 85 Glassford Street, Glasgow, G1 1UH

WEST MIDLANDS

Butters John Bee 03/09/18 18:30
The Best Western, Moat House Hotel, Festival Way, Stoke-on-Trent, ST1 5BQ

John Earle & Son 04/09/18
Henley Golf & Country Club, Birmingham Road, Henley-in-Arden, B95 5QA

SDL Auctions Bigwood 06/09/18
Aston Villa Football Club, Trinity Road, Birmingham, B6 6HE

Phipps & Pritchard 11/09/18 18:00
Hogarths, Stone Manor Hotel, Kidderminster, DY10 4PJ

Auction House Staffordshire 12/09/18 19:00
Stoke City Football Club, The Britannia Stadium, Stanley Matthews Way, Stoke-on-Trent, ST4 4EG

West Midlands Property Auction - IAM Sold 13/09/18 Molineux Stadium, Waterloo Road, Wolverhampton, WV1 4QR

Cottons 18/09/18 11:00
Aston Villa Football Club, Trinity Road, Birmingham, B6 6HE

Bagshaws Uttoxeter 19/09/1815:00
Uttoxeter Racecourse, Wood Lane, Uttoxeter, ST14 8BD

Bagshaws Leek 19/09/18
Westwood Golf Club, Newcastle Road, Leek, ST13 7AA

Loveitts 20/09/18 18:30
Village Urban Resort, Dolomite Avenue, Coventry Business Park, Coventry, CV4 9GZ

Bowen Son & Watson 20/09/18
Lion Quays Hotel, Weston Rhyn, Oswestry, SY11 3EN

EAST ANGLIA

Auction House East Anglia 13/09/18
Dunston Hall Hotel, Ipswich Road, Dunston, Norwich, NR14 8PQ

Auction House East Anglia 13/09/18
Holiday Inn (Wolsey Room), London Road, Ipswich, IP2 0UA

Auction House East Anglia 14/09/18
Peterborough United Football Club, London Road, Peterborough, PE2 8AL

Cheffins 19/09/18 12:00
Clifton House, 1-2 Clifton Road, Cambridge, CB1 7EA

Goldings 26/09/18 14:15
The Atrium, Wherstead Park, Ipswich, IP9 2BJ

Brown & Co 27/09/18 11:00
Assembly House, Theatre Street, Norwich, NR2 1RQ

SOUTH EAST HOME COUNTIES

Clive Emson Kent & South East London **10/09/18 11:00** Clive Emson Conference Centre, Kent County Show Ground, Maidstone, ME14 3JF

Clive Emson Essex, North & East London **11/09/18 11:00** The Chelmsford City Racecourse, Moulsham Hall Lane, Great Leighs, Chelmsford, CM3 1QP

Auction House Essex **11/09/18 19:00** Marks Tey Hotel, London Road, Colchester, CO6 1DU

Clive Emson Sussex & Surrey **12/09/18 11:00** Hilton Brighton Metropole, 106-121 Kings Road, Brighton, BN1 2FU

Auction House Essex **13/09/18 19:00** Park Inn Palace, Church Road, Southend-on-Sea, SS1 2AL

Town & Country Property Auctions South East **13/09/18 19:00** Holiday-Inn London-Gatwick Airport, Povey Cross Road, Horley, RH6 0BA

Clive Emson Hampshire & Isle of Wight **14/09/18 11:00** Solent Hotel, Rookery Avenue, Fareham, PO15 7AJ

Fox & Sons (Southampton) **14/09/18 13:00** Macdonald Botley Park Hotel, Winchester Road, Botley, Southampton, SO32 2UA

Nesbits **27/09/18 11:00** Royal Marines Museum, Eastney Esplanade, Southsea, PO4 9PX

Hair & Son **27/09/18 13:00** Saxon Hall, Aviation Way, Southend on Sea , SS2 6UN

Auction House Sussex **27/09/18 14:30** The Villas, 21-23 Clarendon Villas, Hove, BN3 3RE

WALES

Clee Tompkinson Francis **05/09/18** Hotel Mercure, Phoenix Way, Enterprise Park, Swansea, SA7 9EG

Seel & Co **11/09/18 17:00** The Park Inn Hotel (Formerly The Moat House), Circle Way East, Llanedeyrn, Cardiff, CF23 9XF

Auction House South Wales **12/09/18 19:00** Village Hotel, 29 Pendwyallt Road, Cardiff, CF14 7EF

Paul Fosh Auctions **13/09/18 17:00** The Park Inn Hotel (Formerly The Moat House), Circle Way East, Llanedeyrn, Cardiff, CF23 9XF

Morgan Evans **20/09/18 15:00** The Bull Hotel, Bulkely Square, Llangefni, LL77 7LR

John Francis **26/09/18 13:00** Parc y Scarlets, Llanelli, SA14 9UX

YORKSHIRE & THE HUMBER

Mark Jenkinson & Son **04/09/18 14:00** Platinum Suite, Sheffield United Football Club, Bramall Lane, Sheffield, S2 4SU

Robin Jessop **04/09/18 18:00** Allerton Court Hotel, Darlington Road, Northallerton, DL6 2XF

Pugh & Company **04/09/18** Leeds United Football Club, Elland Road, Leeds, LS11 0ES

Auction House South Yorkshire **05/09/18 12:30** Copthorne Hotel, Bramall Lane, Sheffield, S2 4SU

Auction House West Yorkshire **05/09/18 14:00** Norman Hunter Banqueting Suite, Elland Road, Leeds, LS11 0ES

Regional Property Auctioneers **05/09/18 14:00** Doncaster Rovers F.C, Keepmoat Stadium, Doncaster, DN4 5JW

Bramleys **06/09/18 19:00** John Smiths Stadium, Stadium Way, Huddersfield, HD1 6PG

Sharpes **11/09/18 18:00** Midland Hotel, Forster Square, Bradford, BD1 4HU

West Yorkshire Property Auction - IAM Sold **12/09/18** Cedar Court Hotel, Mayo Avenue, Bradford, BD5 8HW

Northern Lincolnshire Property Auction - IAM Sold **18/09/18** Forest Pines Hotel, Ermine Street, Broughton, Brigg, DN20 0AQ

Blundells **20/09/18 13:00** Double Tree by Hilton Sheffield Park, Chesterfield Road South, Sheffield, S8 8BW

Boultons Harrisons Ltd **20/09/18 19:00** John Smiths Stadium, Stadium Way, Huddersfield, HD1 6PG

Town & Country Property Auctions North East **26/09/18 19:00** Riverside Stadium, The Leeway Riverside, Middlesbrough, TS3 6RS

William H Brown (Leeds) **27/09/18** Leeds United Football Club, Elland Road, Leeds, LS11 0ES

IRELAND

REA Leinster Auction **26/09/18 15:00** Killashee Hotel, Kilcullen Rd, Naas

O'Donnellan & Joyce **28/09/18** The Harbour Hotel, The Docks, County Galway

NORTH WEST HOME COUNTIES

Auction House Thames Valley **13/09/18 12:00** The Pinewood Hotel, Wexham Park Lane, George Green, SL3 6AP

NORTH WEST

Auction House Manchester **04/09/18 14:00** Manchester City Football Club Ltd, Etihad Stadium, Rowsley Street, Manchester, M11 3FF

Auction House Cumbria **05/09/18 12:00** Carlisle Racecourse, Durdar Road, Carlisle, CA2 4TS

Auction House Cumbria **06/09/18 18:30** Coronation Hall, County Square, Ulverston, LA12 7LZ

Pugh & Company **06/09/18** AJ Bell Stadium, 1 Stadium Way, Manchester, M30 7EY

SDL Auctions Cheshire & North Wales **11/09/18 11:30** Chester Race Course, Watergate Square, Chester, CH1 2LY

SDL Auctions North West **11/09/18 18:30** AJ Bell Stadium, 1 Stadium Way, Manchester, M30 7EY

Venmore Auctions **12/09/18 13:00** Liverpool Town Hall, High Street, Liverpool, L2 3SW

Sutton Kersh Auctions **13/09/18 12:00** Liverpool Marriott Hotel, 1, Queen Square, Liverpool, L1 1RH

Edward Mellor Auctions **17/09/18** AJ Bell Stadium, 1 Stadium Way, Manchester, M30 7EY

Auction House North West **18/09/18 14:00** Bolton Wanderers Football Club, Macron Stadium, Burnden Way, Bolton, BL6 6JW

Smith & Sons **19/09/18 14:00** Village Leisure Hotel, Pool Lane, Bromborough Pool, Wirral, CH62 4UE

Andrew Kelly Auctions **19/09/18 18:30** Rochdale Football Club, Sandy Lane, Rochdale, OL11 5DR

North West Property Auction - IAM Sold **20/09/18** Village Urban Resort, Rochdale Road, Bury, BL9 7BQ

Auction House Cheshire **27/09/18** Willington Hall Hotel, Willington, Tarporley, CW6 0NB

NORTH EAST

Harrison Coward **06/09/18 15:30** County Auction Rooms, County Square, Ulverston, LA12 7AL

Auction House North East **11/09/18 19:00** Ramside Hall Hotel, Carrville, Durham, DH1 1TD

Agents Property Auction **27/09/18** Newcastle Marriott Hotel, High Gosforth Park, Newcastle upon Tyne, NE3 5HN

NORTHERN IRELAND

Wilsons (Northern Ireland) **27/09/18 19:00** Mallusk Auction Complex, 22, Mallusk Road, Newtownabbey, BT36 4PP

SIPP or SSAS

WHICH IS RIGHT FOR YOU?

Gareth Bertram, Director at The Landlord's Pension

Property & Pension Investment

Gareth Bertram, Director at The Landlord's Pension explains the key benefits of each and answers the burning question for business, property and pension investors. Here at The Landlord's Pension one of the most frequent questions we hear from new clients is whether they should be choosing a SIPP or a SSAS to help with their business and property investing journey.

From my perspective and in standard circumstances there is only ever one winner and that is a SSAS (technically known as a Small Self-Administered Scheme), and here are the reasons why.

Self-Invested Personal Pensions are very inflexible due to tough regulations imposed by the FCA who control and regulate the Trustees of these schemes. SIPP operators have withdrawn in numbers from giving their clients full control of the pension funds. Most clients that we speak to only tend to stick with their existing SIPP if they want to invest in funds or equity-based investments.

SSAS pensions have been around since the late 70's but have never really taken off within the pension market. This is mainly due to the IFA market promoting investments in hedge funds or equities rather than considering how a SSAS could help a business owner. It has left many new clients asking us why they have never been told about this before – now they and you know the answer.

SSAS pensions benefit from legislation that allows for more flexibility in how the client can control the funds. There are exactly all the same benefits that a SIPP or a standard personal pension benefit from such as investment in property, tax relief on contributions and full withdrawal at age 55 but SSAS pensions have much more to offer.

When you establish a new SSAS, one of the main benefits is that it creates the opportunity to use up to 50% of the fund as a cash injection in your business, and that money can be used for almost any purpose . You can also invest this money into property in many forms, for example land for development or agricultural land, commercial property for development or letting or business premises. If you've been a Company Director for some time and you have pension funds being managed for you which are invested in equities, it's about now that you should be asking 'why was I never told about this?' If so, it's possibly time to consider a SSAS pension.

Establishing a SSAS is simple. There's often a myth that follows SSAS pensions; that they're difficult to set up or that they're very expensive. When compared online to SIPP costs, a SSAS is often much cheaper. If you then strip out the costs of an IFA managing your fund the cost plummets. SSAS pensions rightly hand control to the owners of the fund. Financially astute company directors with a need for cash to use in their business often do not need help to invest their money. We find that they know what they want but just need help creating the SSAS facility.

The Landlord's Pension has a team of pension consultants benefitting from experience in both SIPP and SSAS market places we can quickly determine whether a SIPP or a SSAS is right for you. The Landlord's Pension is authorised to administer pension schemes in the UK. This article is the view of the author only and does not constitute financial advice. Pension transfer specialists may be required to provide transfer advice.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